



— 2024 —

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended June 30, 2024



**KENSTON**  
S C H O O L S





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Columbus, Ohio 43215  
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Board of Education  
Kenston Local School District  
17419 Snyder Road  
Chagrin Falls, Ohio 44023

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

March 24, 2025

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ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

OF THE

KENSTON LOCAL  
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2024

PREPARED BY  
TREASURER'S OFFICE  
SETH CALES, TREASURER

17419 SNYDER ROAD  
CHAGRIN FALLS, OHIO 44023

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**KENSTON LOCAL SCHOOL DISTRICT**  
**GEAUGA COUNTY, OHIO**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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# INTRODUCTORY SECTION



**KENSTON**  
S C H O O L S

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# KENSTON

## S C H O O L S

### **Kenston Local Schools**

17419 Snyder Road  
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**Bruce R. Willingham Jr.,  
Ed. D.**  
*Superintendent*

**Kathleen M. Poe, Ed.D**  
*Assistant Superintendent  
Curriculum*

**Seth S. Cales**  
*Treasurer*

December 30, 2024

The Board of Education and residents of Kenston Local School District:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Kenston Local School District (the "School District" or "District") for the fiscal year ended June 30, 2024. This ACFR, which includes financial statements and other financial and statistical data, conforms to Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. The ACFR enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), which requires reporting on a GAAP basis, and Ohio Revised Code Section 117.38 which requires school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within one hundred fifty days (150) of fiscal year end.

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the School District. All disclosures necessary to enable the reader to gain an understanding of the School Districts' financial activities have been included.

This report provides the taxpayers of the School District, bond rating agencies and other interested parties with comprehensive financial information, enabling them to gain a clear understanding of the School District's finances. This report is intended to contribute to meeting the accountability requirements of the public. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

### **Organizational Structure**

Statutorily, the School District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code, to provide services mandated by state and/or federal agencies.

The Board of Education (the “Board”) of the School District is comprised of five (5) members elected at large by the citizens of the School District for overlapping four-year terms. The Board serves as the taxing authority, contracting body, and policy maker for the School District. The Board is a politic and corporate, as defined by Section 3313.03 of the Ohio Revised Code and has only those powers and authority conferred upon it by the Ohio Revised Code. The Kenston Board of Education is as follows:

<u>Member</u>	<u>Term of Office</u>	<u>Years on the Board</u>
Mr. Thomas Manning - President	1/1/2024 – 12/31/2027	8.5
Mrs. Jennifer Troutman - Vice	1/1/2023 – 12/31/2025	2.5
Dr. Beth Krause	1/1/2023 – 12/31/2025	14.5
Mr. Jim Henry	1/1/2024 – 12/31/2027	.5
Mr. Dennis Berganksy	1/1/2023 – 12/31/2025	2.5

The Board elects the President and Vice President annually at the Organizational Meeting held in January. The Board is also responsible for hiring the Superintendent and the Treasurer.

The Superintendent is the Chief Executive Officer (CEO) of the School District and is responsible directly to the Board for all operations within the School District. Mr. Steven A. Sayers resigned as superintendent on July 31, 2024. Dr. Bruce Willingham JR. Ed.D. was appointed Superintendent of the School District on April 26, 2024, contracted from August 1, 2024 through July 31, 2027.

The Treasurer is the Chief Financial Officer (CFO) of the School District and is responsible directly to the Board for all financial operations and serves as Secretary to the Board. Mr. Seth S. Cales was appointed Interim Treasurer of the School District on June 5, 2023 through July 31, 2023 and Treasurer on August 1, 2023. He is currently employed under a three-year contract which expires on July 31, 2026.

***Profile of the School District***

The Kenston Local School District is located in northeastern Ohio, east of Cleveland. The School District is primarily a residential suburban community located in the southwest corner of Geauga County adjacent to the Village of Chagrin Falls (Cuyahoga County) and the City of Aurora (Portage County). It is approximately thirty five (35) miles southeast of Cleveland, twenty five (25) miles west of Youngstown, and twenty (20) miles north of Akron. The School District was created in 1953 when the former Bainbridge and Auburn Local School Districts were consolidated to form the present School District.

The Kenston Local School District is one (1) of the five (5) school districts and second largest located in Geauga County and serves both the Township of Auburn and the Township of Bainbridge. The School District provides education to 2,547 students [June, 2024 enrollment] enrolled in Pre-K through twelve. The School District operates one high school, one middle school, one intermediate school and one elementary school.

Students enrolled in the Kenston Local School District attend classes in the following School District owned buildings during the 2023-2024 school year:

- Kenston High School (grades 9 – 12), built in 2006
- Kenston Middle School (grades 7 & 8), built in 1956 and includes five additions
- Kenston Intermediate School (grades 4 – 6), built in 1967 and includes three additions
- Timmons Elementary School (Pre-K – 3<sup>rd</sup> grade), built in 1994 and includes one addition

The Kenston Local School District is proud of the broad spectrum of programs it offers. In addition to many academic choices, Kenston offers a wide array of co-curricular and extra-curricular opportunities for students.

Kenston Schools has enjoyed an excellent reputation as one of the top school systems in Ohio. This is due, at least in part, to its excellent and committed staff, the majority whom hold advanced degrees.

### **Strategic Thinking, Mission, Beliefs and Goals**

Late in 2016, a representative group of approximately fifty (50) Kenston employees, community members, parents and students partnered with the Schlechty Center, a private, non-profit organization, in "Taking Stock" sessions to gather important feedback from our stakeholders. These key leaders in the district and community provided valuable insight into the strategic thinking process to transform our classrooms and schools into an engagement-focused organization and formulated the following goals:

#### **Curriculum and Instruction Goal**

Kenston Schools will provide students with the content and skills necessary to become global, independent, productive, and successful citizens.

#### **Finance Goal**

Continue to build the community trust that Kenston Local Schools are dedicated to educating all the students in the District and are good financial stewards of public funds.

#### **Facilities and Technology Goal**

Over the next ten years Kenston Schools will develop, implement, and maintain safe facilities, and improve technology to enhance quality instruction for all students based on the needs of the community today and tomorrow.

#### **Community Partnerships Goal**

To continually address the needs of all children in Kenston Local Schools through community partnerships to help them thrive as students and citizens.

In October 2019, again under the Schlechty Center's guidance, the district met with key leaders in the community to evaluate and map our vision for the future, updating the Strategic Thinking document. The conversations focused on student engagement and its impact on our district goals.

Strategic Thinking is the ability to recognize the relationships, complexities and implications of a situation and anticipate possibilities and plans.

The Kenston Local Schools are equipped and ready to handle global trends such as the increased demand for college, career and life readiness, and to keep pace with necessary access to technology and information, academically and socially. The School District must emphasize the importance of students knowing and understanding their role as global citizens; including the value of cultural knowledge and diversity recognition. This awareness positions them to contribute and successfully function in our worldwide community. Students need to learn how to connect and collaborate with others in a broader community.

#### *Our Mission*

The Mission of the Kenston Local School District is for each student to achieve individual academic excellence and to maximize personal growth in a community which demonstrates and develops mutual respect, responsibility, and life-long learning.

## *Our Beliefs*

- We believe student engagement is an essential part of learning.
- We believe in developing students' ability to think critically, collaborate and communicate effectively.
- We believe in unique opportunities for all student learners.
- We believe that families and communities are vital to student success.
- We believe that creating a safe environment is critical to learning and building meaningful relationships.
- We believe that teachers should be life-long learners and recognize the importance of collaboration and professional development.
- We believe in the importance of strong financial stewardship.
- We believe in developing, implementing, maintaining and improving our facilities and technology.
- We believe that the Board of Education and our employees are advocates for all youth.

## *Our Goals*

- **Inspiring Student Achievement** – Ensure a framework to provide our students with engaging content and skills necessary to become global, independent, productive and contributing citizens.
- **Inspiring Citizenship** – Emphasize key qualities that encourage positive and respectful actions toward oneself and others, and promote the development of the necessary life skills to live and prosper in the world with empathy, mindfulness, acceptance and respect.
- **Inspiring Health and Wellness** – Educate and foster healthy life choices to physical and mental well-being.
- **Inspiring Innovation** – Integrate creativity, collaboration and real-world problem solving skills into authentic learning experiences using technology and other tools and strategies.
- **Inspiring Connections/Communications** – Develop strong relationships with students, faculty, families and citizens to foster community awareness and active participation in the education process.

### **Academic Achievement**

With a focus on engaged learning, we utilize project-based initiatives and real-world experience to enhance instruction and inspire students to achieve individual success.

### **PEAK**

Our Peaceful Environment at Kenston platform is intended to maximize growth within our community which demonstrates and develops mutual respect, responsibility and life-long learning.

### **Play Blue**

Promoting Learning through Active Youth is our platform for Health and Wellness education and initiatives which strive to enhance both mental and physical well-being.

### **Innovate**

From real-world problem-solving techniques to collaborative working experiences and Renew Blue environmental initiatives, our focus on innovation is core to who we are.

### **Connections**

Feeling a part of something bigger and developing skills for future success is vital to student growth. Through Kenston INC, career preparedness, business partnerships and service we strive to build relationships and connections between student, teacher and community.



## **Employee Relations**

Certified licensed personnel including classroom teachers, tutors, librarians, guidance counselors, and specialists are represented by the Kenston Education Association (KEA). On May 13, 2024, the School District and the KEA announced ratification of a three-year collective bargaining agreement for the period of March 1, 2024 through February 28, 2027. The contract provided for a two and a quarter percent (2.25%) increase for the 2024-2025 school year followed by a two percent (2.00%) increase and then a two and a quarter percent (2.25%) for the third year of the agreement. For the 2023-2024 school year, the base salary is \$45,496, for the 2024-2025 school year, the base salary is \$46,520, for the 2025-2026 school year the base salary is \$47,450, and for the 2026-2027 school year the base salary is \$48,518.

Classified employees (education aides, cafeteria staff, secretarial-clerical, custodial, maintenance and grounds staff, transportation staff, mechanics, nurses and proctors) of the School District are represented by the Ohio Association of Public School Employees (OAPSE) Chapter 501. On June 10, 2024, the School District and OAPSE Chapter 501 announced ratification of a three-year collective bargaining agreement for the period of July 1, 2024 through June 30, 2027. This contract provides for a two and one quarter percent (2.25%) wage increase in each year of the agreement.

The School District's certified administrators, supervisors and other exempt employees are not members of any bargaining unit. Certified administrators and supervisors are provided individual contracts approved by the Board of Education.

## **The Reporting Entity**

The School District has reviewed its reporting entity definition in order to insure conformity with the Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and 34". In evaluating how to define the School District for financial reporting purposes, management considers all agencies, departments and organizations making up the School District (the primary government) and its potential component units. The School District has no component units and the School District is not a component unit of any other governmental organization.

Excluded from the reporting entity because they are fiscally independent of the School District are the townships of Auburn and Bainbridge, the Kenston Parent Teacher Organizations, the Kenston Athletic, Music and Academic Boosters, the Bomber Elite, the Kenston Baseball Association and the Kenston Foundation. The School District is associated with four jointly governed organizations. The jointly governed organizations are the Auburn Vocational School District, the Lake Geauga Computer Association, Auburn-Bainbridge Recreation Board, and the Ohio Schools' Council Association. These organizations are described in Note 2. A to the basic financial statements.

A complete discussion of the School District's reporting entity is provided in Note 2 to the basic financial statements.

## **Economic Condition and Outlook**

In May 2015, the Kenston Community supported a combination levy for a \$10 million bond issue and a 4.0 mill operating levy. Funds generated by the bond issue were used to pay for capital improvements within the district including technology infrastructure, building repairs, heating and cooling upgrades, updates to the transportation department and updates to the stadium. Funds generated by the operating levy were first collected in 2016 and are used to pay for the School District's daily operation. The district receives approximately \$3 million annually related to the 4.0 mill levy.

In May 2021, the Kenston Community did not support a combination 6.5 mill continuing levy which included a 1.75 mill permanent improvement levy and a 4.75 mill operating levy. The permanent improvement levy would have generated approximately \$1.6 million yearly and the operating levy would have generated approximately \$4.4 million yearly. The district has never had a permanent improvement levy which is needed for care, maintenance and repairs to district facilities including replacement of district vehicles such as buses, vans and maintenance vehicles.

In November 2023, the Kenston Community did not support a 1.35 mill, 5-year permanent improvement levy that would have generate approximately \$1.265 million yearly. The district has never had a permanent improvement levy which is needed for care, maintenance and repairs to district facilities including replacement of district vehicles such as buses, vans and maintenance vehicles.

In June 21, 2024 the Kenston Board of Education approved the second resolution declaring it necessary to levy an additional 1.0-Mill Tax Levy for 5 years for the purpose of General Permanent Improvements. This 1.0-Mill Levy is calculated to generate \$1,196,000 yearly for the school district. The School District passed a PI levy in November 2024. The purpose and goal for the use of these PI funds is those initially outlined in the previous paragraph.

The School District's primary sources of revenues are through the levying of property taxes on real and agricultural property, commercial and industrial property and public utilities (including State property tax reimbursements), the homestead and rollback reimbursement program and the State Foundation Program, which combined accounts for nearly ninety-five percent (95%) of total operating revenue used to pay for the day-to-day operating expenses of the School District, which includes salaries, benefits, contracted services, supplies and materials, equipment and dues and fees.

#### *Property Taxes*

Property taxes are levied and assessed on a calendar year basis. Second half distributions generally occur in a new fiscal year. Property taxes include amounts levied against all real and public utility located in the School District. Assessed values are established by State law at thirty-five percent (35%) of appraised market value. All property is required to be revalued every six (6) years. The Ohio Revised Code and Ohio Administrative Code mandate Geauga County to conduct a re-appraisal of property every six (6) years, an update every three (3) years and annual valuation of improvements based upon building permits received from each township annually. The last re-appraisal took place for tax year 2023 for tax collections beginning in calendar year 2024.

With the exception of all new levies or replacement levies passed after September 29, 2013, State laws grants tax relief to property owners (property tax rollbacks) in the form of a ten percent (10%) reduction in real property tax bills. In addition, a two and a half percent (2.5%) reduction is granted for owner occupied homesteads (a total of 12.5%). Additionally, the State of Ohio contributes a portion of real estate taxes for qualified senior and/or disabled citizens, based on income thresholds, on the dwelling that is the individual's principal place of residence (known as the Homestead Exemption). The State reimburses the School District for the loss of real property taxes as a result of the rollback provisions and the homestead exemption.

Ohio law grants tax credits to offset increases in taxes resulting from increases in the true value of real property. Legislation implementing a 1980 constitutional amendment classifies real property between (1) residential and agricultural and (2) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class (1 & 2). These credits apply to certain voted levies on real property, and do not apply to unvoted tax levies or voted tax levies to pay debt service on general obligation debt.

Additionally, in 1976 the General Assembly passed House Bill 920 (HB 920). This law provides that real property owners receive tax credits equal to any tax increase caused by an increase in value of all real property in taxing districts as a result of reappraisal, update or readjustment. This does not apply to inside non-voted millage, tangible property or new construction. In effect, HB 920 removes inflationary revenue growth from the applicable real property by requiring an adjustment to the voted millage rate, thereby resulting in a lower effective millage rate.

Property taxes are also collected for the payment of principal and interest on voter approved bond issues related to the construction of buildings. Bond issue millage rates are set by the County Auditor, with information provided by the School District, in order to generate sufficient revenue to pay the principal and interest on the bonds issued.

#### *State Foundation Aid*

The State's School Foundation program is the second largest source of revenue and accounts for approximately nine percent (9%) of the District's General Fund. The State assists public school districts under a statutory program, which includes direct payments to districts based upon a statutory formula. Such payments are made through the School Foundation program established by the Ohio Revised Code. School Foundation program funds distributed to a District are required to be used for current operating expenses, unless specifically allocated by the State for some other purpose. Basic eligibility for School Foundation program payments is based on a District's compliance with State-mandated minimum standards.

In the summer of 2021, the State of Ohio approved their FY 22-23 biennial budget which became law on July 1, 2021. Under the new biennial budget, the State Foundation Formula adopted the new Fair School Funding Plan. In this plan funding is driven by a base cost methodology that incorporates the four components identified as necessary to the education process. The base cost is currently calculated for two years using a statewide average from historical actual data.

Perhaps one of the biggest changes that Ohio made to per pupil funding is the definition of enrollment. Starting in FY 2023 Ohio will use "district educated" enrollment which is composed of resident students attending and open enrollment "in" students. In prior funding formulas the District total/ formula ADM was used to calculate state funding. This change, in some cases reduces net state funding because the District is no longer receiving funding for community school, scholarship students, etc. However, at the same time, the District will not be expensing tuition to pay for these students and therefore cost will be lower.

#### **Major Initiatives**

At Kenston Local School District, learning is engaging and meaningful. Standards-based instruction is designed to promote deep and rich learning. Beyond consumers of important academic content, our goal is to nurture students to be thinkers and problem-solvers. All School District teachers have participated in ongoing professional development in the area of student engagement to ensure all students receive the support needed for profound learning to maximize their individual growth. Within the framework of 21st Century and entrepreneurial skills, student experiences are focused on the development of critical thinking skills, collaborative learning, communication strategies and the fostering of creativity.

The School District along with a select group of districts around the state of Ohio are part of the *Innovative School Network*. This network structure and support from the Schlechty Center allows the School District to work together collectively as a district and create leadership and expertise within our own school community to lead and sustain this curricular work. One of our initial steps in this work was a two-day Taking Stock process with fifty (50) representatives from our District, our families and our community to solidify values and vision for our students' educational experience.

In our seventh year, the entire School District faculty is participating in professional development, both inside and outside the District that is aligned with the work of Phil Schlechty, a respected national educational leader. His core work is centered around the essential connection between the quality and design of student work and a student's willingness to engage in their schoolwork for profound learning. We recognize that student learning requires our focus on high-quality lesson design. Using the framework of Schlechty, we have collectively embarked on a process of analyzing lessons to improve the quality of work we offer our students. Two types of professional development activities are currently present and ongoing in this District initiative: teacher training with outside experts over an extended period of time and the development of our own in-house experts to lead the work with teacher teams on designing meaningful student work. Additionally, this year we completed a fourth "taking stock" process with students, parents, faculty, and community representatives to ensure our goals as a District continues to target student engagement through a systems approach.

The School District also has an agreement with the Educational Service Center of Northeast Ohio for education services through collaborating and partnering with local, regional, state and national agencies and organizations. The School District believes this relationship provides greater opportunities for professional development, innovations, and collaborations with neighboring school districts. The School District also has an agreement with the Educational Service Center of the Western Reserve for special education services.

The School District is actively involved with individuals, organizations, and businesses in planning for student success. The School District maintains regular dialogue with many community organizations, including Kenston Inc. (Innovate, Nurture, Connect), The Kenston Foundation, Kenston Alumni Association, and the Kenston Citizens Advisory Committee. This combination connects Kenston students with community partners providing exceptional learning experiences that encourage career development with a strong focus on community business partnerships.

Committed to a holistic education, the School District incorporates additional priorities within the academic program including citizenship, health and wellness and innovation.

### *Innovation, Technology Integration*

It is essential for the School District to prepare our students for a technology-based economy. Recent advances in our technology infrastructure, devices and instructional support for teachers and students have allowed us to provide increased opportunities to develop digital skills. The targeted infusion of technology throughout the curriculum provides instructional enhancements, increases student engagement and offers real-world applications. Blending classroom instruction with online resources fosters unique and deep learning that expands the pace and place of their experience.

The school district has adopted a variety of electronic programs and services in recent years. In the 2023-2024 school year the district started utilizing SCView to complete requisitions and purchase order. There is a number of other ways the district utilizes SCView such as printing checks, mileage forms, budget transfers, and uploading receipts. This has increased efficiency and greatly reduced the use of paper.

Another system the district has utilized is AESOP. This system is used for recording absences amongst all employees electronically. It is also used to find substitutes for positions that require them. It allows administrators to view absences easier as well as making it more convenient for employees to request time off.

The School District has demonstrated a commitment to integrate technology into the educational experience with the addition of one-to-one devices in all school buildings; our students have ready access to this learning tool. Technology integration coaches in each building support the meaningful use of technology across the curriculum by supporting and guiding teachers and students.

As a Google district, all administrators, teachers and students are users of this common platform for instruction, communication and collaboration. Computing environments within the district include portable wireless stations for laptops, Chrome Books and iPads, multi-media labs and interactive devices such as white boards, projectors, document cameras, digital printers, and green screens which are available to our students.

### *Innovation, Go Green*

It is a goal of the School District to be innovative and forward-thinking while remaining practical and relevant. In one of our innovative efforts, the School District has demonstrated an active role in educating our students on sustainable energy and caring for the environment beyond the Kenston campus. A large wind turbine, a hybrid bus, lighting, hydration stations, recycling, lights-out days in our schools, brown bag lunches, butterfly garden, outdoor classroom and the addition of beautiful fitness trails around the wooded perimeter of the School District's property provides real-world application of environmental respect for our students. Sustainable energy is also included in various courses and content throughout the K-12 academic program.

At Kenston, we teach the ABC's, 123's, reading, writing and arithmetic as well as reduce, reuse and recycle. We are committed to supporting our Go Green Initiative and educating environmentally responsible students. To help accomplish this, our classrooms go beyond the walls of our buildings.

Our campus has become an outdoor classroom where real-world learning is available. Research shows that close encounters with nature create a direct, personal involvement with the outdoors that cannot be matched by classroom discussion or photos in a textbook. By modeling sustainable living, we build the foundation for future generations of active citizens who take care of their community.

- The 750KW American-made **Wind Turbine** generates power to offset a portion of the high school's annual electricity energy consumption.
- Our **Arboretum** is a walking tour that starts at the Wind Turbine and highlights a variety of tree species and memorial markers. The project was completed by a 2014 graduate as her Girl Scout Gold Award.
- The **Outdoor Classroom** brings learning to life. This gathering place with amphitheater style seating and stage, located behind Timmons Elementary School, provides an opportunity for students to integrate nature into a variety of subjects.
- **Kenston Trails** is a community supported project that encourages students and community members to enjoy outdoor physical activity. The 1.5 mile geo-friendly trails were designed to have a long lifespan with little maintenance. Funds from the King Family Trust allowed for the expansion of the running and walking path.
- **Solar Panels** located in the front of Kenston Intermediate School create a brighter future for our community. The solar arrays produce enough energy for six (6) energy efficient Ohio homes.

### *Play Blue – Health and Wellness*

Academic and life success is linked to physical activity and nutrition. The School District has committed resources and curricular activities to educate and expose students to healthy lifestyle choices. Brain breaks, fitness rooms, increased recess and physical education periods are some of the ways we support this initiative. Through building activities, health and physical education classes and in collaboration with our food service provider, we strive to model healthy practices in School District decision-making. Building our capacity for the support of student mental and emotional wellness is a focus area for our district health and wellness committee.

### *Peaceful Environment at Kenston (PEAK)*

PEAK is an essential affective component of a positive school culture for learning. This framework represents a belief system that expects all members of the Kenston community to behave in a manner towards themselves and others that instills a harmonious existence. Monthly character traits are identified and emphasized, a common logo is used, and district and building level PEAK committees use the Positive Behavioral Interventions and Supports (PBIS) framework to identify strategies to embed the goals of this program in everyday routines and expectations.

There is always an emphasis on student safety; with faculty reviews of A.L.I.C.E. training, development of the Emergency Plan, the addition of classroom trauma medical supplies, and parent education on internet safety as well as training on texting and driving. In addition, the School District implemented a system to check visitor identification badges against a national crime database. A review of the D.A.R.E. curriculum and collaborative efforts with the local police department identify the best methods to educate students on safe lifestyle choices. A resource office is present daily on campus to support the School District’s safety efforts.

*College and Career Readiness*

The School District is committed to preparing students for life beyond our campus. This is accomplished through the development of individual pathways for each student. In addition to suggested academic pathways, students have ongoing opportunities to participate in business and community visitations, shadowing experiences, internships, technical training, speaker series, and career fairs to guide them in decision-making for their future.

Specific programs which support College and Career Readiness include: Kenston, INC., a district committee with 6-12 representation, printed materials and a dedicated website for parent information, the addition of career tech courses at the Middle School and partnerships with local career centers and ESC’s for student services.

Kenston’s secondary program employs Counselors who have had training in academic and career advising. Additionally, the Counselors oversee the use of a digital platform, Naviance, in grades 6-12 which manages individual student records, career interests and college preparation activities.

College Credit Plus is a statewide program that allows students to earn college and high school credit simultaneously in a designated class offered on the Kenston campus or through community colleges or universities. The purpose of the program is to provide rigorous academic options to college ready students.

**Significant Academic Achievements and Honors**

*Academic Achievements*

Kenston students, as a whole, exhibit a strong and committed academic ability. Here are some of the Class of 2024 Graduate Highlights:

Graduates	204
Summa Cum Laude (All A’s)	24
Magna Cum Laude (Less than 4 B’s)	29
Cum Laude (Less than 8 B’s)	17
Honors Diplomas	91

Additionally, eighty six percent (86%) of the graduating class plans to attend a two (2) or four-year (4) college or university and fourteen percent (14%) plan to enter the workforce or join the military.

## Long-Term Financial Planning

Annually, through a collaborative process, the administration assists the Board of Education in determining and prioritizing the needs of the School District. As a result of this process, the School District prepares a five-year financial forecast for the general operating fund of the District. The financial forecast is the foundation for the School District's operations and is used as a financial planning tool to assist the School District with short and long range financial planning which attempts to forecast the need for future educational and capital expenditures. The forecast provides a snapshot of the past three (3) fiscal year's actual revenue and expenses and projected revenue and expenses for the next five (5) years and is accompanied by the financial assumption notes. In accordance with State law, the Board of Education approves the financial forecast and submits it to the Ohio Department of Education prior to November 30<sup>th</sup> and updates it and submits again prior to May 31.

The most recent District five-year forecast (May, 2024) projects a positive cash balance of \$8.5 million at the end of Fiscal Year 2025, \$8.4 million at the end of Fiscal Year 2026, \$7.5 million at the end of Fiscal Year 2027, \$5.7 million at the end of Fiscal Year 2028. We made significant fiscal actions in Fiscal Year 2024 that allowed us to have a positive cash balance projection through Fiscal Year 2028, keeping us in compliance with our district board policy - Board Policy 6210 – Fiscal Planning.

The Kenston Board of Education is committed to long-term financial planning and strongly supports this notion through it policy 6210 – Fiscal Planning (revised on April 11, 2023). This policy states as follows:

*The Board of Education shall collect and assemble the information necessary to discharge its responsibility for the fiscal management of the School District and to plan for the financial needs of the educational program. The Board will strive toward maintaining both short and long range projections of District financial requirements.*

*Accordingly, the Board directs the Treasurer to:*

- A. include cost estimates in all ongoing financial requirements;*
- B. prepare a long range year-by-year plan for the maintenance and replacement of facilities and equipment;*
- C. maintain a plan of anticipated local, State and Federal revenues;*
- D. report to the Board any serious financial implications that emerge from the District's ongoing fiscal planning.*

*In addition, the Board directs the Treasurer to maintain annually a detailed five (5) year projection of estimated revenues and expenditures, as required by Policy 6231.*

*The Board hereby affirms and declares it to be the Board philosophy, in the interest of sound fiscal management, that tax levies may be pursued, and the school district's finances otherwise managed, to ensure a general fund cash balance equivalent to at least thirty (30) days of operating expenses (for the purpose of determining operating expenses the district shall use line 5.05 of the districts prior year five year forecast).*

*Promptly upon the official determination that such a cash balance may not be achieved within the first three years of the current five year forecast period, the Treasurer shall report such a finding to the Board along with options for recovery to be developed by the Treasurer and Superintendent no later than ninety (90) days from reporting such findings.*

## **Financial Information**

### *Internal Accounting and Controls*

In developing the School District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The School District utilizes an automated accounting and payroll system as designed by the State software development team. An internal controls system for capital assets is provided by an outside company. These systems, coupled with the manual auditing of each voucher prior to payment, ensures that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the School District adopts either a temporary or permanent appropriation measure for that fiscal year. If a temporary appropriation measure is first adopted, the permanent appropriation measure must be adopted upon the receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of the fiscal year.

Annual appropriations must not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the School District's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority. Budgets are controlled at the fund level. All purchases must be approved by the appropriate levels of authority and purchase orders are certified by the treasurer, encumbering the necessary funds. The State software accounting system used by the School District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date.

The School District maintains a cash management program that expedites the receipt of revenues and prudently deposits and invests available cash in obligations collateralized by instruments issued by the U.S. government, government agencies, corporations, or the State of Ohio, or insured by the Federal Deposit Insurance Corporation (FDIC) and/or the Securities Investor Protection Corporation (SIPC.)

### *Budgetary Process*

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of the budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimate resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than fiduciary funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the fund level. Any budgetary modifications are made by board resolution.

The basis of accounting and the various funds utilized by the District are fully described in Note 2 D. of the financial statements. Additional information on the District's budgetary accounting can also be found in Note 2.



## *Financial Reporting*

The School District's basic financial statements report on the financial activities as follows:

Government-wide financial statements: These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities.

Fund financial statements: The focus of fund financial statements is on major funds rather than reporting funds by type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and included reconciliation to the governmental activities accrual information presented in the governmental-wide financial statements. Enterprise and fiduciary funds use the accrual basis of accounting.

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis (MD&A) of the District. This discussion is presented in the financial section of this report and intended to be read in conjunction with the School District's MD&A.

### **Independent Audit**

State statutes require the School District to be subjected to an annual examination either by the Auditor of State or an independent public accounting firm, if permitted by the Auditor of State. Ciuni & Panichi, Inc. rendered an opinion on the School District's financial statements as of June 30, 2024 and the Independent Auditor's Report on the basic financial statements is included in the financial section of this report. The independent audit was conducted by the firm of Ciuni & Panichi, Inc. and the goal was to provide reasonable assurance that the financial statements of the School District for the year ended June 30, 2024 are free of material misstatement.

### **Awards**

#### *GFOA Certificate of Achievement*


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Kenston Local School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## Acknowledgments

The publication of this report significantly increases the accountability of the School District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's Office and various administrators and employees of the School District. Assistance of the Geauga County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data. Special appreciation is expressed to Julian & Grube, Inc., for assistance in planning, designing, and compiling this financial report. Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bruce R. Willingham Jr.", with a stylized flourish at the end.

Dr. Bruce R. Willingham Jr., Ed. D., Superintendent

A handwritten signature in blue ink, reading "Seth S. Cales", with a stylized flourish at the end.

Seth S. Cales, Treasurer

## **KENSTON LOCAL SCHOOL DISTRICT**

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### **BOARD OF EDUCATION**

Mr. Thomas Manning  
Mrs. Jennifer Troutman  
Mr. Jim Henry  
Mr. Dennis Bergansky  
Dr. Beth Krause, Ph.D.

President  
Vice President  
Member  
Member  
Member

### **TREASURER**

Mr. Seth Cales  
Mr. Matthew Hosler

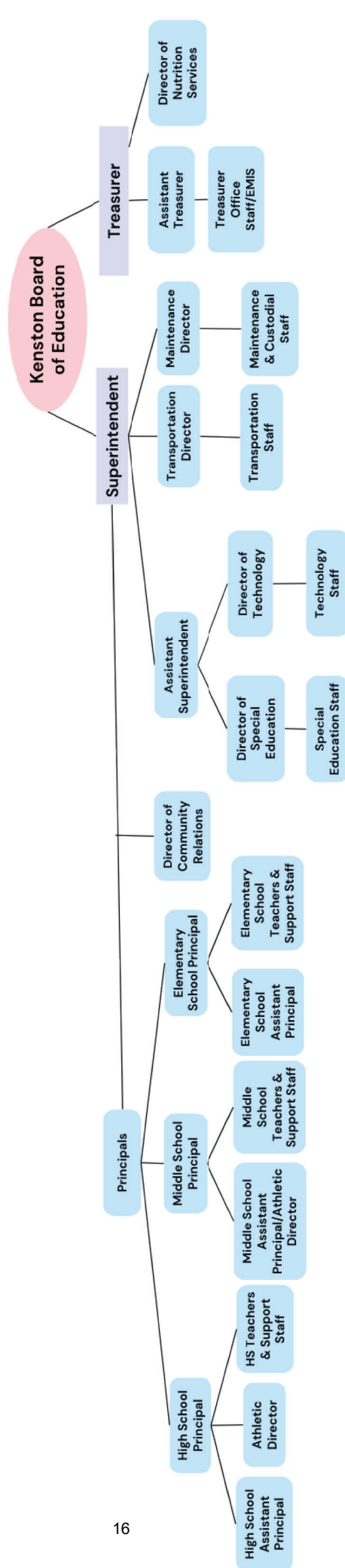
Treasurer  
Assistant Treasurer

### **ADMINISTRATION**

Dr. Bruce R. Willingham Jr., Ed. D  
Kathleen M. Poe, Ed.D.

Superintendent  
Assistant Superintendent

# Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Kenston Local School District  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

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# FINANCIAL SECTION



**KENSTON**  
S C H O O L S

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## **Independent Auditor's Report**

Board of Education and Management  
Kenston Local School District  
Chagrin Falls, Ohio

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kenston Local School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison for the general fund, and required schedules on pension and other postemployment benefits as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance

*Cianni & Parrichi, Inc.*

Cleveland, Ohio  
December 30, 2024

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**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The discussion and analysis of the Kenston 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 transmittal letter, notes to the basic financial statements, and financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

Key financial highlights for 2024 are as follows:

- In total, net position decreased \$2,768,829 from 2023's restated net position. Net position of governmental activities decreased \$3,067,921 from 2023's restated net position. Business-type activities net position increased \$299,092 from 2023's restated net position.
- General revenues accounted for \$39,197,290 in revenue or 88.70% of total revenues. Program specific revenues in the form of charges for services and sales and operating and capital grants and contributions accounted for \$4,995,136 or 11.30% of total revenues.
- Total revenues for fiscal year 2024 were \$44,192,426. Of this total, \$42,149,606 was reported in the governmental activities and \$2,042,820 in the business-type activities.
- The School District had \$45,203,752 in expenses related to governmental activities; only \$3,242,017 of these expenses was offset by program specific charges for services, operating and capital grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$38,907,589 were not adequate to provide for these programs.
- The School District's major governmental fund is the general fund. The general fund had \$39,079,462 in revenues and other financing sources and \$44,048,687 in expenditures and other financing uses. During fiscal year 2024, the general fund's fund balance decreased \$4,969,225 from a balance of \$11,112,187 to \$6,142,962.

**Using this Annual Financial Report**

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

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

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Reporting the School District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current fund's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that 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 property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the School District is divided into two distinct kinds of activities:

Governmental activities - Most of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The School District's food service, uniform school supplies, and adult education are reported as business activities.

**Reporting the School District's Most Significant Funds**

***Fund Financial Statements***

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 fund is the general fund. The School District did not have any major enterprise funds at June 30, 2024.

***Governmental Funds***

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets 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.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

***Proprietary Funds***

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the School District as a whole.

***Reporting the School District's Fiduciary Responsibilities***

The School District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in custodial funds. The School District's fiduciary activities are reported in a separate statement of changes in fiduciary net position. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations. The School District's fiduciary activities had no activity during fiscal year 2024.

***Notes to the Basic Financial Statements***

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

***Required Supplementary Information***

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

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**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**The School District as a Whole**

The statement of net position provides the perspective of the School District as a whole. The table below provides a summary of the School District's net position for 2024 and 2023. The net position for 2023 for governmental activities and business-type activities has been restated as described in Note 3.C.

**Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2024	Restated 2023	2024	Restated 2023	2024	Restated 2023
<b><u>Assets</u></b>						
Current and other assets	\$ 50,635,367	\$ 51,576,361	\$ 1,125,201	\$ 858,792	\$ 51,760,568	\$ 52,435,153
Net OPEB asset	2,686,183	3,601,979	1,190	5,374	2,687,373	3,607,353
Capital assets, net	<u>33,164,407</u>	<u>34,071,372</u>	<u>89,607</u>	<u>60,841</u>	<u>33,254,014</u>	<u>34,132,213</u>
Total assets	<u>86,485,957</u>	<u>89,249,712</u>	<u>1,215,998</u>	<u>925,007</u>	<u>87,701,955</u>	<u>90,174,719</u>
<b><u>Deferred outflows</u></b>						
Unamortized deferred charges	310,573	439,086	-	-	310,573	439,086
Pension	7,435,928	9,157,153	133,783	183,850	7,569,711	9,341,003
OPEB	<u>1,379,935</u>	<u>839,168</u>	<u>132,347</u>	<u>99,952</u>	<u>1,512,282</u>	<u>939,120</u>
Total deferred outflows	<u>9,126,436</u>	<u>10,435,407</u>	<u>266,130</u>	<u>283,802</u>	<u>9,392,566</u>	<u>10,719,209</u>
<b><u>Liabilities</u></b>						
Current liabilities	7,283,596	7,647,006	134,962	108,530	7,418,558	7,755,536
Long-term liabilities						
Due within one year	3,397,945	3,032,647	-	10,899	3,397,945	3,043,546
Due in more than one year						
Net pension liability	37,595,011	39,691,512	753,279	808,444	38,348,290	40,499,956
Net OPEB liability	2,381,924	2,306,152	224,524	200,512	2,606,448	2,506,664
Other amounts	<u>25,429,958</u>	<u>27,770,132</u>	<u>38,466</u>	<u>42,184</u>	<u>25,468,424</u>	<u>27,812,316</u>
Total liabilities	<u>76,088,434</u>	<u>80,447,449</u>	<u>1,151,231</u>	<u>1,170,569</u>	<u>77,239,665</u>	<u>81,618,018</u>
<b><u>Deferred inflows</u></b>						
Property taxes	29,210,902	24,096,312	-	-	29,210,902	24,096,312
Unamortized deferred gain	405	496	-	-	405	496
Pension	3,973,918	4,611,646	65,914	37,441	4,039,832	4,649,087
OPEB	<u>4,773,431</u>	<u>5,895,992</u>	<u>228,165</u>	<u>263,073</u>	<u>5,001,596</u>	<u>6,159,065</u>
Total deferred inflows	<u>37,958,656</u>	<u>34,604,446</u>	<u>294,079</u>	<u>300,514</u>	<u>38,252,735</u>	<u>34,904,960</u>
<b><u>Net position</u></b>						
Net investment in capital assets	9,258,923	7,639,960	46,089	60,841	9,305,012	7,700,801
Restricted	6,060,179	5,177,309	1,190	1,329	6,061,369	5,178,638
Unrestricted (deficit)	<u>(33,753,799)</u>	<u>(28,184,045)</u>	<u>(10,461)</u>	<u>(324,444)</u>	<u>(33,764,260)</u>	<u>(28,508,489)</u>
Total net position (deficit)	<u>\$ (18,434,697)</u>	<u>\$ (15,366,776)</u>	<u>\$ 36,818</u>	<u>\$ (262,274)</u>	<u>\$ (18,397,879)</u>	<u>\$ (15,629,050)</u>

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



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the 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.

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

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

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

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the School District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$18,397,879.

At year-end, capital assets represented 37.92% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. The net investment in capital assets at June 30, 2024, was \$9,305,012. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Current assets decreased due to a decrease in equity in pooled cash, cash equivalents, and investments due to current year operations.

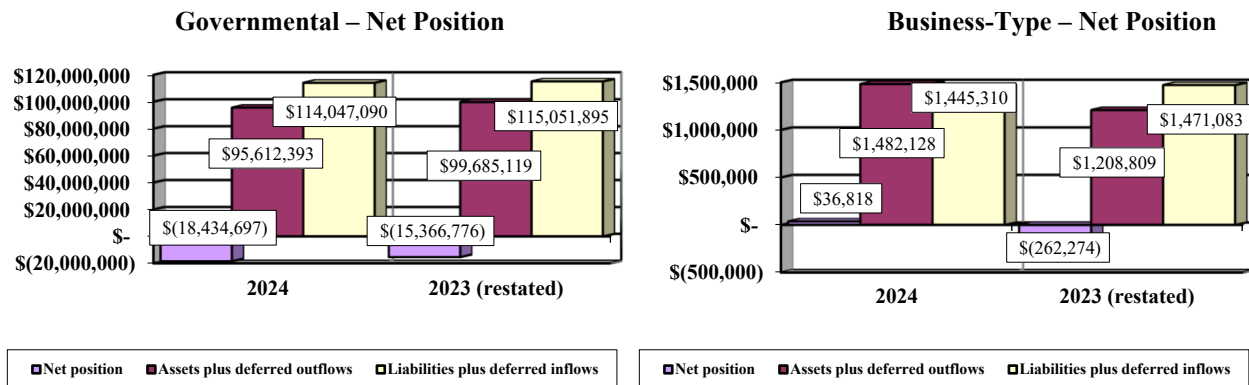
Deferred outflows related to pension decreased primarily due to changes in assumptions. See Note 12 for more detail.

Total assets include a net OPEB asset reported by STRS. See Note 13 for more detail.

Long-term liabilities decreased primarily due to a decrease in the net pension liability. This liability is outside of the control of the School District. The School District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to School District employees, not the School District. Additionally, the decrease can also be attributed to the School District making its required debt payments.

A portion of the School District's net position, \$6,061,369, represents resources that are subject to external restriction on how they may be used. The balance of unrestricted net position is a deficit of \$33,764,260, which is primarily caused by the reporting of the net pension liability and net OPEB liability.

The graphs below show the assets plus deferred outflows, liabilities plus deferred inflows and net position of the governmental activities and business-type activities at June 30, 2024 and 2023.



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The table that follows shows the change in net position for fiscal years 2024 and 2023. The net position for 2023 for governmental activities and business-type activities has been restated as described in Note 3.C.

**Change in Net Position**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<b><u>Revenues</u></b>						
Program revenues:						
Charges for services and sales	\$ 1,364,679	\$ 1,372,575	\$ 1,415,929	\$ 1,314,530	\$ 2,780,608	\$ 2,687,105
Operating grants and contributions	1,664,233	3,058,558	337,190	384,730	2,001,423	3,443,288
Capital grants and contributions	213,105	-	-	-	213,105	-
General revenues:						
Property taxes	29,943,090	32,142,838	-	-	29,943,090	32,142,838
Payments in lieu of taxes	145	145	-	-	145	145
Grants and entitlements	7,873,285	7,372,011	-	-	7,873,285	7,372,011
Investment earnings	1,051,237	498,305	53,645	15,869	1,104,882	514,174
Gain on sale of assets	-	146,000	-	-	-	146,000
Other	39,832	95,907	236,056	210,164	275,888	306,071
Total revenues	<u>42,149,606</u>	<u>44,686,339</u>	<u>2,042,820</u>	<u>1,925,293</u>	<u>44,192,426</u>	<u>46,611,632</u>
<b><u>Expenses</u></b>						
Instruction:						
Regular	18,689,114	19,464,492	-	-	18,689,114	19,464,492
Special	5,829,300	6,142,138	-	-	5,829,300	6,142,138
Vocational	452,221	374,113	-	-	452,221	374,113
Other	424,860	323,359	-	-	424,860	323,359
Support services:						
Pupil	2,606,344	2,621,130	-	-	2,606,344	2,621,130
Instructional staff	2,013,578	1,880,636	-	-	2,013,578	1,880,636
Board of education	125,415	294,237	-	-	125,415	294,237
Administration	2,640,014	2,749,565	-	-	2,640,014	2,749,565
Fiscal	2,450,048	1,188,363	-	-	2,450,048	1,188,363
Business	407,663	491,082	-	-	407,663	491,082
Operations and maintenance	3,947,070	4,017,279	-	-	3,947,070	4,017,279
Pupil transportation	2,991,255	3,163,717	-	-	2,991,255	3,163,717
Central	143,624	906,215	-	-	143,624	906,215
Operation of non-instructional services	33,401	17,535	-	-	33,401	17,535
Extracurricular activities	1,606,065	1,571,115	-	-	1,606,065	1,571,115
Interest and fiscal charges	843,780	846,720	-	-	843,780	846,720
Food service	-	-	1,141,397	1,136,946	1,141,397	1,136,946
Uniform school supplies	-	-	139,916	150,536	139,916	150,536
Adult education	-	-	476,190	464,018	476,190	464,018
Total expenses	<u>45,203,752</u>	<u>46,051,696</u>	<u>1,757,503</u>	<u>1,751,500</u>	<u>46,961,255</u>	<u>47,803,196</u>
Excess (deficiency) of revenues over (under) expenses before transfers	(3,054,146)	(1,365,357)	285,317	173,793	(2,768,829)	(1,191,564)
Transfers	<u>(13,775)</u>	<u>-</u>	<u>13,775</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	(3,067,921)	(1,365,357)	299,092	173,793	(2,768,829)	(1,191,564)
Net position (deficit) at beginning of year, restated	<u>(15,366,776)</u>	<u>N/A</u>	<u>(262,274)</u>	<u>N/A</u>	<u>(15,629,050)</u>	<u>N/A</u>
Net position (deficit) at end of year	<u>\$ (18,434,697)</u>	<u>\$ (15,366,776)</u>	<u>\$ 36,818</u>	<u>\$ (262,274)</u>	<u>\$ (18,397,879)</u>	<u>\$ (15,629,050)</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

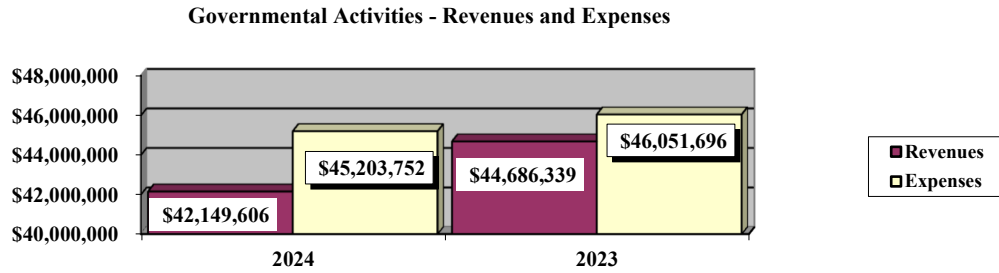
**Governmental Activities**

For fiscal year 2024, the net position of the School District's governmental activities decreased \$3,067,921 from 2023's restated net position. Total governmental expenses of \$45,203,752 were partially offset by program revenues of \$3,242,017 and general revenues of \$38,907,589. Program revenues supported 7.17% of the total governmental expenses.

Revenues decreased due to a decrease in property taxes due to fluctuations in the amount available for advance from the County auditor. Amounts can vary based on when tax bills are sent and paid. Interest earnings increased due to increased interest rates. Operating grants and contributions decreased due to the School District receiving the majority of its ESSER federal grant award in fiscal year 2023.

Overall, expenses of the governmental activities decreased due to fluctuations in the net pension and net OPEB liability. The pension and OPEB expense decreased \$811,836 compared to the prior year. The decrease was caused by changes in assumptions from the State Teachers Retirement System (STRS) board.

The graph below presents the School District's governmental activities revenue and expenses for fiscal year 2024 and 2023.



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**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

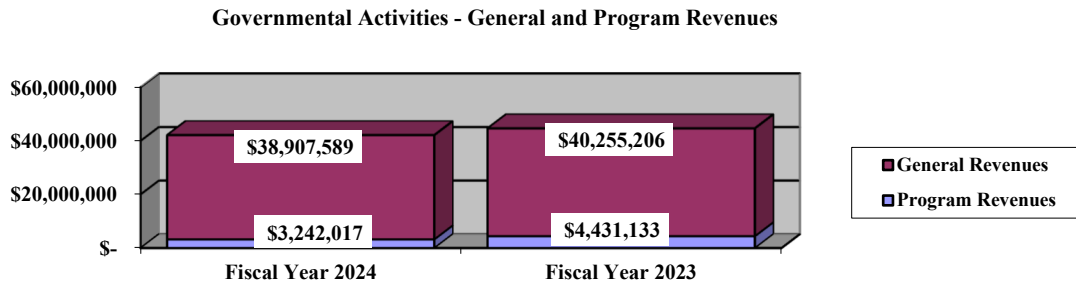
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2024 and 2023. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements. As stated above, fluctuations in the pension/OPEB expense reported under GASB 68 and GASB 75 makes it difficult to compare financial information between years.

**Governmental Activities**

	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
Program expenses:				
Instruction:				
Regular	\$ 18,689,114	\$ 17,993,262	\$ 19,464,492	\$ 18,553,762
Special	5,829,300	4,951,014	6,142,138	5,200,735
Vocational	452,221	449,926	374,113	373,418
Other	424,860	424,860	323,359	323,359
Support services:				
Pupil	2,606,344	2,079,480	2,621,130	2,110,861
Instructional staff	2,013,578	1,957,405	1,880,636	1,802,024
Board of education	125,415	125,415	294,237	294,237
Administration	2,640,014	2,640,014	2,749,565	2,749,565
Fiscal	2,450,048	2,450,048	1,188,363	1,188,363
Business	407,663	407,663	491,082	491,082
Operations and maintenance	3,947,070	3,595,031	4,017,279	3,422,092
Pupil transportation	2,991,255	2,775,811	3,163,717	2,824,205
Central	143,624	141,526	906,215	279,772
Operation of non-instructional services	33,401	32,581	17,535	14,020
Extracurricular activities	1,606,065	1,093,919	1,571,115	1,146,348
Interest and fiscal charges	843,780	843,780	846,720	846,720
<b>Total expenses</b>	<b><u>\$ 45,203,752</u></b>	<b><u>\$ 41,961,735</u></b>	<b><u>\$ 46,051,696</u></b>	<b><u>\$ 41,620,563</u></b>

The dependence upon tax revenues during fiscal year 2024 for governmental activities is apparent, as 93.79% of 2024 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 92.83%. The School District's taxpayers and unrestricted grants and entitlements from the State of Ohio, are the primary support for School District's students.

The graph below presents the School District's governmental activities revenue for fiscal years 2024 and 2023.



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Business-type Activities**

Business-type activities include food service operation, uniform school supplies and adult education. These programs had revenues of \$2,042,820 and expenses of \$1,757,503 for fiscal year 2024. Management reviews these programs to develop policies to allow these services to become self-supporting, exclusive of the impact of the reporting related to GASB 68 and GASB 75 as previously discussed.

**The School District's Funds**

**Governmental Funds**

The School District's governmental funds reported a combined fund balance of \$10,663,335, which is less than last year's fund balance of \$16,205,650.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2024 and 2023.

	Fund Balance <u>June 30, 2024</u>	Fund Balance <u>June 30, 2023</u>	<u>Change</u>
General	\$ 6,142,962	\$ 11,112,187	\$ (4,969,225)
Other governmental	<u>4,520,373</u>	<u>5,093,463</u>	<u>(573,090)</u>
Total	<u>\$ 10,663,335</u>	<u>\$ 16,205,650</u>	<u>\$ (5,542,315)</u>

**General Fund**

The School District's general fund balance decreased \$4,969,225. The table that follows assists in illustrating the revenues of the general fund.

	<u>2024 Amount</u>	<u>2023 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b><u>Revenues</u></b>				
Property taxes	\$ 28,008,371	\$ 29,781,772	\$ (1,773,401)	(5.95) %
Intergovernmental	8,381,428	7,649,524	731,904	9.57 %
Investment earnings	1,060,203	489,281	570,922	116.69 %
Tuition and fees	838,260	982,175	(143,915)	(14.65) %
Other revenues	<u>210,447</u>	<u>155,051</u>	<u>55,396</u>	35.73 %
Total	<u>\$ 38,498,709</u>	<u>\$ 39,057,803</u>	<u>\$ (559,094)</u>	(1.43) %

In total, revenues decreased \$559,094 or 1.43% from 2023. This decrease was primarily due to a decrease in property tax revenues due to a decrease in the amount available for advance. The amount available for advance can vary based on when property tax bills are sent. Intergovernmental revenues increased due to an increase in foundation payments received from the State of Ohio. Earnings on investment increased due to increased interest rates on the District's investments. Tuition and fees decreased due to decreased open enrollment. All other revenue remained comparable to the prior year or changed an insignificant amount.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<b><u>Expenditures</u></b>				
Instruction	\$ 25,135,790	\$ 24,033,465	\$ 1,102,325	4.59 %
Support services	15,742,047	15,644,333	97,714	0.62 %
Operation of non-instructional services	35,598	36,505	(907)	(2.48) %
Extracurricular activities	1,069,648	1,025,302	44,346	4.33 %
Facilities acquisition and construction	456,605	996	455,609	45,743.88 %
Debt service	<u>101,386</u>	<u>87,696</u>	<u>13,690</u>	15.61 %
Total	<u>\$ 42,541,074</u>	<u>\$ 40,828,297</u>	<u>\$ 1,712,777</u>	4.20 %

In total, expenditures increased \$1,712,777 or 4.20% from 2023. Instruction expenditures increased due to normal wage and benefit increases. Facilities acquisition and construction expenditures increased due to the School District entering to a new copier lease and a subscription agreement. All other expenditures remained comparable to fiscal year 2023 or were insignificant in amount.

***Enterprise Funds***

The School District's enterprise funds reported operating revenues of \$1,651,985, operating expenses of \$1,757,503, nonoperating revenues of \$390,835, and a transfer in from governmental activities of \$13,775. Net position of the enterprise funds increased \$299,092 from a restated deficit of \$262,274 to a positive balance of \$36,818. The enterprise funds reported an operating loss of \$105,518. Nonoperating revenues of \$390,835 were sufficient to report a positive change in net position.

**General Fund Budgeting Highlights**

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

For the general fund, the original and final budgeted revenue and other financing sources were \$40,752,306 and \$43,221,614, respectively. Actual revenue and other financing sources were \$43,388,776, which was a \$167,162 increase from final budgeted amounts mainly due to an increase in property tax collections.

The original budgeted expenditures and other financing uses were \$44,852,323. Final budgeted expenditures and other financing uses were \$45,764,356, which was a \$912,033 increase from original budgeted expenditures. Total actual expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$44,854,690. This amount was \$909,666 less than the final budgeted amount (appropriations plus prior year encumbrances) mainly due to a decrease in regular instruction services.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2024, the School District had \$33,254,014 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, intangible right to use assets. The following table shows fiscal year 2024 balances compared to 2023. The capital assets at June 30, 2023 have been restated as described in Note 3.C.

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

	Governmental Activities		Business-Type Activities		Total	
		Restated		Restated		Restated
	2024	2023	2024	2023	2024	2023
Land	\$ 1,321,516	\$ 1,321,516	\$ -	\$ -	\$ 1,321,516	\$ 1,321,516
Land improvements	3,951,687	4,538,230	-	-	3,951,687	4,538,230
Buildings and improvements	25,395,775	26,407,248	-	-	25,395,775	26,407,248
Furniture and equipment	1,052,269	593,345	89,607	60,841	1,141,876	654,186
Vehicles	909,357	1,041,321	-	-	909,357	1,041,321
Intangible right to use	361,555	-	-	-	361,555	-
Construction in progress	172,248	169,712	-	-	172,248	169,712
Total	<u>\$ 33,164,407</u>	<u>\$ 34,071,372</u>	<u>\$ 89,607</u>	<u>\$ 60,841</u>	<u>\$ 33,254,014</u>	<u>\$ 34,132,213</u>

Overall capital assets, net of accumulated depreciation/amortization, decreased \$878,199 from the restated fiscal year 2023 to fiscal year 2024. Capital outlays of \$1,700,007 were exceeded by depreciation/amortization expense of \$2,421,947 and disposals, net of depreciation/amortization expense of \$156,259 during the year. See Note 8 to the basic financial statements for more detail on the School District's capital assets.

***Debt Administration***

At June 30, 2024, the School District has \$24,818,918 in long-term debt outstanding (excluding unamortized bond discounts and premiums). Of this total, \$2,941,678 is due within one year and \$21,877,240 is due in greater than one year. The following table summarizes outstanding long-term debt:

**Outstanding Debt, at Year End**

	Governmental Activities 2024	Governmental Activities 2023
General obligation bonds	\$ 24,452,385	\$ 27,099,491
Lease payable	353,206	-
SBITA payable	13,327	-
Total	<u>\$ 24,818,918</u>	<u>\$ 27,099,491</u>

See Note 9 to the basic financial statements for more detail on the School District's long-term obligations.



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Current Financial Related Activities**

Kenston Local School District is a high performing school district that serves the communities of Bainbridge and Auburn Townships. The Kenston Board of Education, faculty, and staff are committed to a tradition of providing a high-quality education to all students through academic programs that provide opportunities for all students to reach their full potential. The School District has a responsibility to be accountable for the resources afforded to it from local, state, and federal sources. Additionally, the School District has a responsibility to ensure that those resources are efficiently deployed to maximize the value each student receives in the classroom.

The Kenston Local School District receives State Foundation funding aid from the State of Ohio on a "Guarantee" basis. The current state funding formula allows school districts that are relatively higher in property wealth to receive a guaranteed minimum amount of state funding. This provides stability in state funding for higher wealth school districts. Historically the School District has received approximately \$4 million annual in State Foundation funding. The State Budget for fiscal year 2024 presented a host of changes related to school funding. In fiscal year 2024, the district received just under \$4.3 million in categorical funding. Categorical funding included: Base Cost, Student Wellness, Targeted Assistance, Special Education, Disadvantage Pupils (DPIA), English Learners, Gifted, Career Technical Education, Temporary Transitional Aid, Special Education Preschool and Special Education Transportation. State Foundation funding typically accounts for less than 10% of General Fund revenue each year.

The Kenston Local School District like so many others in the State, depends heavily on real estate tax dollars paid by local property owners. The General Fund receives just under 80% of its yearly revenue from real estate taxes paid on residential, agricultural, commercial, industrial and public utility properties. In calendar year 2023, Geauga county had its 6 year reappraisal. Bainbridge Township has an average 29% residential increase and 25.8% agricultural increase. Auburn Township had an average 30.1% residential increase and a 29.1% agricultural increase. While the school district will see a slight increase on inside millage collection, it does not stop the current deficit spending the district has been experiencing.

In May 2015 the School District passed its first operating levy since 2005. The combination \$10 million Bond Issue and continuing 4.0 mills for operating expenses became effective in January 2016. The typical cycle of an operating levy is one in which the School District's revenue will exceed expenditures in the beginning, but as time goes on the District will experience deficit spending whereby yearly expenditures will exceed yearly revenue.

In fiscal year 2018, the District realized a surplus of nearly \$850,000, but again realized deficit spending of just over \$1.3 million in fiscal year 2019. The District realized a surplus of only \$198,388 in fiscal year 2020 and has seen deficit spending in fiscal year 2021, 2022, and 2023. The deficit amounts for fiscal year 2021 was \$813,303, fiscal year 2022 was \$771,333, and fiscal year 2023 was \$708,049. The five-year forecast approved in May 2024 projects deficit spending in fiscal years 2025, 2027 and 2028. The May 2024 forecast projected a surplus of only \$657 in fiscal year 2026.

The School District sought a 6.5 mill combination General Operating Levy (4.75 mills) and Permanent Improvement Levy (1.75 mills) in May 2021 to address the current financial condition presented in the 5-year forecast submitted in September 2020. The community overwhelmingly defeated this issue by almost a 3 to 1 margin. The School District sought a 1.35 mills personal Improvement Levy in fall of 2023. This levy failed by a narrow margin, 51% against. The School District passed a Permanent Improvement Levy (1 mills) on November 5, 2024. The School District did not have a PI levy prior to the passage of this levy.

The School District relies on prudent financial management in order to maintain a strong financial position in a climate of uncertainty with respect to State funding and growing economically challenging times. Cost containment measures are investigated often in an effort to conserve funding for where it is needed most. The School District's Five-Year Forecast and assumptions are a crucial element in understanding the School District's financial condition. The most recent financial forecast approved in May 2024 projected positive year end cash balances through fiscal year 2028 (June 30, 2028). In order to preserve its commitment to providing an excellent education to every student in the Kenston Local School District, the Board of Education is seeking measures to reduce the years of deficit spending.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Seth Cales, Treasurer at Kenston Local School District, 17419 Snyder Road, Chagrin Falls, Ohio 44023 or e-mail at [seth.cales@kenstonapps.org](mailto:seth.cales@kenstonapps.org).

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2024

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash, cash equivalents, and investments	\$ 16,556,262	\$ 1,083,404	\$ 17,639,666
Receivables:			
Property taxes	33,613,640	-	33,613,640
Accounts	13,108	23,355	36,463
Accrued interest	24,736	-	24,736
Intergovernmental	366,036	-	366,036
Prepayments	36,088	-	36,088
Materials and supplies inventory	24,994	5,415	30,409
Inventory held for resale	-	13,530	13,530
Internal balance	503	(503)	-
Net OPEB asset	2,686,183	1,190	2,687,373
Capital assets:			
Nondepreciable capital assets	1,493,764	-	1,493,764
Depreciable capital assets, net	31,670,643	89,607	31,760,250
Capital assets, net	<u>33,164,407</u>	<u>89,607</u>	<u>33,254,014</u>
Total assets	<u>86,485,957</u>	<u>1,215,998</u>	<u>87,701,955</u>
<b>Deferred outflows of resources:</b>			
Unamortized deferred charges on debt refunding	310,573	-	310,573
Pension	7,435,928	133,783	7,569,711
OPEB	1,379,935	132,347	1,512,282
Total deferred outflows of resources	<u>9,126,436</u>	<u>266,130</u>	<u>9,392,566</u>
<b>Liabilities:</b>			
Accounts payable	283,929	52,137	336,066
Contracts payable	172,248	-	172,248
Accrued wages and benefits payable	4,362,262	66,976	4,429,238
Intergovernmental payable	152,414	758	153,172
Pension and postemployment benefits payable	629,687	15,091	644,778
Accrued interest payable	133,307	-	133,307
Unearned revenue	47,094	-	47,094
Claims payable	1,502,655	-	1,502,655
Long-term liabilities:			
Due within one year	3,397,945	-	3,397,945
Due in more than one year:			
Net pension liability	37,595,011	753,279	38,348,290
Net OPEB liability	2,381,924	224,524	2,606,448
Other amounts due in more than one year	25,429,958	38,466	25,468,424
Total liabilities	<u>76,088,434</u>	<u>1,151,231</u>	<u>77,239,665</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	29,210,902	-	29,210,902
Unamortized deferred gain on debt refunding	405	-	405
Pension	3,973,918	65,914	4,039,832
OPEB	4,773,431	228,165	5,001,596
Total deferred inflows of resources	<u>37,958,656</u>	<u>294,079</u>	<u>38,252,735</u>
<b>Net position:</b>			
Net investment in capital assets	9,258,923	46,089	9,305,012
Restricted for:			
Capital projects	1,260,382	-	1,260,382
OPEB	2,686,183	1,190	2,687,373
Debt service	1,591,969	-	1,591,969
State funded programs	26,293	-	26,293
Student activities	404,517	-	404,517
Other purposes	90,835	-	90,835
Unrestricted (deficit)	<u>(33,753,799)</u>	<u>(10,461)</u>	<u>(33,764,260)</u>
Total net position (deficit)	<u>\$ (18,434,697)</u>	<u>\$ 36,818</u>	<u>\$ (18,397,879)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
Instruction:				
Regular	\$ 18,689,114	\$ 676,705	\$ 19,147	\$ -
Special	5,829,300	217,578	660,708	-
Vocational	452,221	-	2,295	-
Other	424,860	-	-	-
Support services:				
Pupil	2,606,344	40,106	486,758	-
Instructional staff	2,013,578	3,413	52,760	-
Board of education	125,415	-	-	-
Administration	2,640,014	-	-	-
Fiscal	2,450,048	-	-	-
Business	407,663	-	-	-
Operations and maintenance	3,947,070	5	138,929	213,105
Pupil transportation	2,991,255	-	215,444	-
Central	143,624	949	1,149	-
Operation of non-instructional services	33,401	-	820	-
Extracurricular activities	1,606,065	425,923	86,223	-
Interest and fiscal charges	843,780	-	-	-
Total governmental activities	45,203,752	1,364,679	1,664,233	213,105
<b>Business-type activities:</b>				
Food service	1,141,397	980,255	337,190	-
Uniform school supplies	139,916	149,849	-	-
Adult education	476,190	285,825	-	-
Total business-type activities	1,757,503	1,415,929	337,190	-
Totals	\$ 46,961,255	\$ 2,780,608	\$ 2,001,423	\$ 213,105

**General revenues:**

Property taxes levied for:

    General purposes

    Debt service

Payments in lieu of taxes

Grants and entitlements not restricted  
to specific programs

Investment earnings

Increase in fair value of investments

Miscellaneous

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

**Net position (deficit) at beginning of year,  
as previously reported**

Change in capital assets

**Net position (deficit) at  
beginning of year, restated**

**Net position (deficit) at end of year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (17,993,262)	\$ -	\$ (17,993,262)
(4,951,014)	-	(4,951,014)
(449,926)	-	(449,926)
(424,860)	-	(424,860)
(2,079,480)	-	(2,079,480)
(1,957,405)	-	(1,957,405)
(125,415)	-	(125,415)
(2,640,014)	-	(2,640,014)
(2,450,048)	-	(2,450,048)
(407,663)	-	(407,663)
(3,595,031)	-	(3,595,031)
(2,775,811)	-	(2,775,811)
(141,526)	-	(141,526)
(32,581)	-	(32,581)
(1,093,919)	-	(1,093,919)
(843,780)	-	(843,780)
(41,961,735)	-	(41,961,735)
-	176,048	176,048
-	9,933	9,933
-	(190,365)	(190,365)
-	(4,384)	(4,384)
(41,961,735)	(4,384)	(41,966,119)
28,272,444	-	28,272,444
1,670,646	-	1,670,646
145	-	145
7,873,285	-	7,873,285
826,857	53,645	880,502
224,380	-	224,380
39,832	236,056	275,888
38,907,589	289,701	39,197,290
(13,775)	13,775	-
38,893,814	303,476	39,197,290
(3,067,921)	299,092	(2,768,829)
(8,391,412)	(235,568)	(8,626,980)
(6,975,364)	(26,706)	(7,002,070)
(15,366,776)	(262,274)	(15,629,050)
\$ (18,434,697)	\$ 36,818	\$ (18,397,879)

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in pooled cash			
cash equivalents, and investments	\$ 8,521,895	\$ 4,741,883	\$ 13,263,778
Receivables:			
Property taxes	32,421,168	1,192,472	33,613,640
Accounts	13,063	45	13,108
Accrued interest	24,736	-	24,736
Interfund loans	92,172	-	92,172
Intergovernmental	221,813	144,223	366,036
Materials and supplies inventory	24,994	-	24,994
Total assets	<u>\$ 41,319,841</u>	<u>\$ 6,078,623</u>	<u>\$ 47,398,464</u>
<b>Liabilities:</b>			
Accounts payable	\$ 257,850	\$ 26,079	\$ 283,929
Contracts payable	-	172,248	172,248
Accrued wages and benefits payable	4,290,302	71,960	4,362,262
Compensated absences payable	279,928	-	279,928
Intergovernmental payable	151,614	800	152,414
Pension and postemployment benefits payable	619,073	10,614	629,687
Interfund loans payable	-	91,669	91,669
Unearned revenue	-	47,094	47,094
Total liabilities	<u>5,598,767</u>	<u>420,464</u>	<u>6,019,231</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	28,158,081	1,052,821	29,210,902
Delinquent property tax revenue not available	1,330,582	32,853	1,363,435
Intergovernmental revenue not available	77,811	52,112	129,923
Accrued interest not available	11,638	-	11,638
Total deferred inflows of resources	<u>29,578,112</u>	<u>1,137,786</u>	<u>30,715,898</u>
<b>Fund balances:</b>			
Nonspendable:			
Materials and supplies inventory	24,994	-	24,994
Unclaimed funds	17,859	-	17,859
Restricted:			
Debt service	-	2,982,605	2,982,605
Capital improvements	-	1,088,134	1,088,134
State funded programs	-	26,293	26,293
Extracurricular	-	404,517	404,517
Other purposes	-	72,976	72,976
Committed:			
Capital improvements	-	28,780	28,780
Assigned:			
Student instruction	115,577	-	115,577
Student and staff support	575,034	-	575,034
Facilities acquisition and construction	1,825	-	1,825
Unassigned (deficit)	<u>5,407,673</u>	<u>(82,932)</u>	<u>5,324,741</u>
Total fund balances	<u>6,142,962</u>	<u>4,520,373</u>	<u>10,663,335</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 41,319,841</u>	<u>\$ 6,078,623</u>	<u>\$ 47,398,464</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2024

<b>Total governmental fund balances</b>		\$ 10,663,335
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		33,164,407
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 1,363,435	
Accrued interest receivable	11,638	
Intergovernmental receivable	129,923	
Total		1,504,996
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		1,825,917
Unamortized premiums on bonds issued are not recognized in the funds.		(530,702)
Unamortized amounts on refundings are not recognized in the funds.		310,573
Unamortized gains on refundings are not recognized in the funds.		(405)
Unamortized discount on bonds issued are not recognized in the funds.		14,666
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(133,307)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	7,435,928	
Deferred inflows - pension	(3,973,918)	
Net pension liability	(37,595,011)	
Deferred outflows - OPEB	1,379,935	
Deferred inflows - OPEB	(4,773,431)	
Net OPEB asset	2,686,183	
Net OPEB liability	(2,381,924)	
Total		(37,222,238)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(24,452,385)	
Lease payable	(353,206)	
SBITA payable	(13,327)	
Compensated absences	(3,213,021)	
Total		(28,031,939)
<b>Net position of governmental activities</b>		<b>\$ (18,434,697)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General	(Formerly Major) Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 28,008,371		\$ 1,688,612	\$ 29,696,983
Intergovernmental	8,381,428		1,574,587	9,956,015
Investment earnings	835,823		-	835,823
Tuition and fees	838,260		-	838,260
Extracurricular	109,680		339,711	449,391
Rental income	5		-	5
Contributions and donations	54,285		63,126	117,411
Payment in lieu of taxes	145		-	145
Miscellaneous	46,332		51,615	97,947
Increase in fair value of investments	224,380		-	224,380
Total revenues	<u>38,498,709</u>		<u>3,717,651</u>	<u>42,216,360</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	18,531,957		23,142	18,555,099
Special	5,713,508		333,329	6,046,837
Vocational	456,367		-	456,367
Other	433,958		-	433,958
Support services:				
Pupil	2,362,397		340,353	2,702,750
Instructional staff	1,792,699		100,438	1,893,137
Board of education	126,370		-	126,370
Administration	2,795,753		-	2,795,753
Fiscal	1,826,539		28,792	1,855,331
Business	457,998		-	457,998
Operations and maintenance	3,456,488		694,687	4,151,175
Pupil transportation	2,747,963		247,696	2,995,659
Central	175,840		13,895	189,735
Operation of non-instructional services	35,598		131	35,729
Extracurricular activities	1,069,648		550,122	1,619,770
Facilities acquisition and construction	456,605		70,534	527,139
Debt service:				
Principal retirement	88,720		2,807,400	2,896,120
Interest and fiscal charges	12,666		574,060	586,726
Total expenditures	<u>42,541,074</u>		<u>5,784,579</u>	<u>48,325,653</u>
Excess of revenues (under) expenditures	<u>(4,042,365)</u>		<u>(2,066,928)</u>	<u>(6,109,293)</u>
<b>Other financing sources (uses):</b>				
Sale of assets	125,500		-	125,500
Transfers in	-		1,493,838	1,493,838
Transfers (out)	(1,507,613)		-	(1,507,613)
Inception of lease	435,392		-	435,392
Inception of SBITA	19,861		-	19,861
Total other financing sources (uses)	<u>(926,860)</u>		<u>1,493,838</u>	<u>566,978</u>
Net change in fund balances	(4,969,225)		(573,090)	(5,542,315)
Fund balances as previously reported	11,112,187	4,377,582	715,881	16,205,650
Adjustment - changes in major fund to nonmajor fund	<u>-</u>	<u>(4,377,582)</u>	<u>4,377,582</u>	<u>-</u>
<b>Fund balances at beginning of year, as adjusted</b>	11,112,187		5,093,463	16,205,650
<b>Fund balances at end of year</b>	<u><u>\$ 6,142,962</u></u>		<u><u>\$ 4,520,373</u></u>	<u><u>\$ 10,663,335</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>(5,542,315)</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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.		
Capital asset additions	\$ 1,656,489	
Current year depreciation/amortization	<u>(2,407,195)</u>	
Total		(750,706)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(156,259)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	246,107	
Earnings on investments	(8,966)	
Intergovernmental	<u>(303,895)</u>	
Total		(66,754)
Repayment of bond, lease, and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
Bonds	2,807,400	
Lease payable	82,186	
SBITA payable	<u>6,534</u>	
Total		2,896,120
Issuance of leases and SBITAs are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		
		(455,253)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable	4,737	
Accreted interest on capital appreciation bonds	(160,294)	
Amortization of bond premiums	27,615	
Amortization of bond discounts	(690)	
Amortization of deferred gain	91	
Amortization of deferred charges	<u>(128,513)</u>	
Total		(257,054)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	3,411,880	
OPEB	<u>94,993</u>	
Total		3,506,873
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,398,876)	
OPEB	<u>576,767</u>	
Total		(1,822,109)
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.		
		(159,819)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		(260,645)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>(3,067,921)</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

	<b>Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>		
Current assets:		
Equity in pooled cash, cash equivalents, and investments	\$ 1,083,404	\$ 3,292,484
Receivables:		
Accounts	23,355	-
Prepayments	-	36,088
Materials and supplies inventory	5,415	-
Inventory held for resale	13,530	-
Total current assets	<u>1,125,704</u>	<u>3,328,572</u>
Noncurrent assets:		
Net OPEB asset	1,190	-
Depreciable capital assets, net	89,607	-
Total noncurrent assets	<u>90,797</u>	<u>-</u>
Total assets	<u>1,216,501</u>	<u>3,328,572</u>
<b>Deferred outflows of resources:</b>		
Pension	133,783	-
OPEB	132,347	-
Total deferred outflows of resources	<u>266,130</u>	<u>-</u>
<b>Liabilities:</b>		
Current:		
Accounts payable	52,137	-
Accrued wages and benefits	66,976	-
Pension and postemployment benefits payable	15,091	-
Interfund loan payable	503	-
Intergovernmental payable	758	-
Claims payable	-	1,502,655
Total current liabilities	<u>135,465</u>	<u>1,502,655</u>
Long-term liabilities:		
Compensated absences payable	38,466	-
Net pension liability	753,279	-
Net OPEB liability	224,524	-
Total long-term liabilities	<u>1,016,269</u>	<u>-</u>
Total liabilities	<u>1,151,734</u>	<u>1,502,655</u>
<b>Deferred inflows of resources:</b>		
Pension	65,914	-
OPEB	228,165	-
Total deferred inflows of resources	<u>294,079</u>	<u>-</u>
<b>Net position:</b>		
Investment in capital assets	46,089	-
Restricted for OPEB	1,190	-
Unrestricted	<u>(10,461)</u>	<u>1,825,917</u>
Total net position	<u>\$ 36,818</u>	<u>\$ 1,825,917</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<b>Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>		
Tuition and fees	\$ 149,849	\$ -
Charges for services	1,266,080	7,453,869
Other	236,056	-
Total operating revenues	<u>1,651,985</u>	<u>7,453,869</u>
<b>Operating expenses:</b>		
Personal services	702,434	83,353
Purchased services	240,245	-
Materials and supplies	793,744	-
Other	6,328	-
Claims	-	7,631,161
Depreciation	14,752	-
Total operating expenses	<u>1,757,503</u>	<u>7,714,514</u>
Operating (loss)	<u>(105,518)</u>	<u>(260,645)</u>
<b>Nonoperating revenues:</b>		
Grants and subsidies	268,989	-
Interest revenue	53,645	-
Federal donated commodities	68,201	-
Total nonoperating revenues	<u>390,835</u>	<u>-</u>
Income (loss) before transfers	285,317	(260,645)
Transfer in	<u>13,775</u>	<u>-</u>
Change in net position	299,092	(260,645)
<b>Net position (deficit) at beginning of year, as previously reported</b>	(235,568)	2,086,562
Change in capital assets	<u>(26,706)</u>	<u>-</u>
<b>Net position (deficit) at beginning of year, restated</b>	<u>(262,274)</u>	<u>2,086,562</u>
<b>Net position at end of year</b>	<u><u>\$ 36,818</u></u>	<u><u>\$ 1,825,917</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<b>Total Business-Type Activities - Enterprise Funds</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>		
Cash received from tuition and fees	\$ 150,272	\$ -
Cash received from charges for services	1,266,080	7,453,869
Cash received from other operations	226,216	-
Cash payments for personal services	(744,720)	(80,145)
Cash payments for purchased services	(241,989)	-
Cash payments for materials and supplies	(730,490)	-
Cash payments for claims	-	(7,236,883)
Cash payments for other expenses	(6,328)	-
Net cash provided by (used in) operating activities	<u>(80,959)</u>	<u>136,841</u>
<b>Cash flows from noncapital financing activities:</b>		
Cash received from grants and subsidies	268,989	-
Cash received from transfers in	13,775	-
Cash received from interfund loans	503	-
Cash used in repayment of interfund loans	(87,775)	-
Net cash provided by noncapital financing activities	<u>195,492</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Interest received	53,645	-
Net cash provided by investing activities	<u>53,645</u>	<u>-</u>
Net increase in cash and cash cash equivalents	168,178	136,841
<b>Cash and cash equivalents at beginning of year</b>	<u>915,226</u>	<u>3,155,643</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 1,083,404</u></u>	<u><u>\$ 3,292,484</u></u>
<b>Reconciliation of operating (loss) to net cash provided by (used in) operating activities:</b>		
Operating (loss)	\$ (105,518)	\$ (260,645)
Adjustments:		
Depreciation	14,752	-
Federal donated commodities	68,201	-
Changes in assets and liabilities:		
(Increase) in materials and supplies inventory	(573)	-
(Increase) in accounts receivable	(9,417)	-
(Increase) in inventory held for resale	(969)	-
Decrease in prepayments	-	86,954
Decrease in net OPEB asset	4,184	-
Decrease in deferred outflows - pensions	50,067	-
(Increase) in deferred outflows - OPEB	(32,395)	-
(Decrease) in accounts payable	(5,149)	-
(Decrease) in accrued wages and benefits	(12,072)	-
(Decrease) in intergovernmental payable	(123)	-
(Decrease) in compensated absences payable	(14,617)	-
Increase in pension and postemployment benefits payable	258	-
(Decrease) in net pension liability	(55,165)	-
Increase in net OPEB liability	24,012	-
Increase in deferred inflows - pensions	28,473	-
(Decrease) in deferred inflows - OPEB	(34,908)	-
Increase in claims payable	-	310,532
Net cash provided by (used in) operating activities	<u><u>\$ (80,959)</u></u>	<u><u>\$ 136,841</u></u>

**Non-Cash Transactions:**

As of June 30, 2024, the nonmajor enterprise funds had purchased \$43,518 in capital assets on account.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

Kenston Local School District (the "School District") operates under a locally-elected board form of government and provides educational services as authorized by state and/or federal agencies. The School District has four (4) instructional facilities (Kenston High School, Kenston Middle School, Kenston Intermediate School and Timmons Elementary School). The School District's Transportation facility is operated from Gardiner Elementary School which no longer serves as an educational facility. The School District is staffed by approximately 350 full-time and part-time employees providing instruction and support to approximately 2,500 students.

The School District was established through the consolidation of existing land areas and school districts and is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected-at-large for staggered four-year terms.

The School District serves areas of Auburn and Bainbridge townships, located in Geauga County.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; or (3) 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 (4) 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. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the School District has no component units. The basic financial statements of the reporting entity include only those of the School District (the primary government).

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The following organizations are described due to their relationship to the School District:

*JOINTLY GOVERNED ORGANIZATIONS*

Auburn Vocational School District (AVSD)

Auburn Vocational School District is a joint vocational school district which is a jointly governed board appointment organization among ten school districts. Each participating school district appoints one member to AVSD's Board of Education. The students of each participating school district may attend classes offered at the vocational facility. Each participant's control over the operation of AVSD is limited to its representation on the Board. AVSD receives 1.5 mills of the School District's property tax, which is paid to AVSD directly by Geauga County. No other contribution by the School District is required. Continued existence of AVSD is not dependent on the School District's continued participation. Financial information can be obtained from 8140 Auburn Road, Concord Twp., Ohio 44077.

Lake Geauga Computer Association

The Lake Geauga Computer Association (the LGCA) is a jointly governed organization that was formed for the purpose of providing computer services for accounting, grading, scheduling, EMIS, and other applications to its eighteen member school districts. Each of the school districts supports LGCA based upon a per pupil charge. The School District contributed \$123,823 to LGCA during fiscal year 2024. The Executive Committee (Governing Board) consists of the superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the Governing Board. LGCA's continued existence is not dependent on the School District's continued participation. LGCA is not accumulating significant financial resources or experiencing fiscal stress which would cause additional financial benefit or burden on the School District. Financial information can be obtained from 8221 Auburn Road, Concord Twp., Ohio 44077.

Auburn-Bainbridge Recreation Board

The Auburn-Bainbridge Recreation Board is a jointly governed organization of the School District. The Board of Education appoints three members of the nine member commission. The School District makes no financial contributions to the Board, but it does provide the use of its facilities and land. The School District's control is limited to its representation on the governing board. The Board's continued existence is not dependent on the School District's continued participation. Financial information on the Board can be obtained from Kenston Community Education, 17425 Snyder Road, Chagrin Falls, Ohio 44023.

Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a jointly governed organization with over 280 school districts, educational service centers, joint vocational districts, and Developmental Disabilities boards in 38 Ohio counties. The jointly governed organization was formed to bring quality products and services at the lowest possible cost to the member school districts. The Council's Board consists of seven superintendents of the participating school districts whose terms rotate every year. The degree of control exercised by any school district is limited to its representation on the Board. The School District contributed \$114,006 to the Council during fiscal year 2024. Financial information can be obtained by contacting William J. Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131.

The School District participates in the natural gas program. This program allows the School District to purchase natural gas at reduced rates. Compass Energy has been selected as the supplier and program manager. There are currently more than 180 program members in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). School districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and school districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

*General fund* - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Other governmental funds of the School District are used to account for:

*Nonmajor special revenue funds* - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Nonmajor capital projects funds* - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

*Nonmajor debt service funds* - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Proprietary Funds*

The proprietary funds focus on the determination of operating income/loss, changes in net position, financial position, and cash flows and are classified as either enterprise or internal service.

*Enterprise Funds*

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The School District's enterprise funds account for the financial transactions related to the food service operations, adult education classes, and the purchase and sale of school supplies. The School District has no major enterprise funds.

*Internal Service Fund*

The internal service fund accounts for the financial services provided by one department or agency to other departments or agencies of the School District, or to other governments, on a cost reimbursement basis. The internal service fund of the School District account for a self-insurance program which provides medical, dental, and vision benefits to the School District's employees and workers compensation premium payments.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*Fiduciary Funds*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The School District does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's custodial fund accounts for monies collected on behalf of and disbursed to the Ohio High School Athletic Association. The School District's fiduciary fund had no activity during fiscal year 2024.

**C. Basis of Presentation and Measurement Focus**

*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 distinguish between those activities that are governmental and those that are considered business-type activities. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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 government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the School District. 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* - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the 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 inflows, 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 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 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the 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, and student fees.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes, interest, and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as "federal donated commodities" revenue.

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

**E. Budgets**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The Certificate of Estimated Resources and the Appropriations Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Board of Education at the fund level for all budgeted funds. Any budgetary modifications are made by Board resolution.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Geauga County Budget Commission for rate determination.

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commissions' certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary schedules reflect the amounts from the certificate of estimated resources that was in effect at the time the original permanent appropriations covering the entire fiscal year were passed by the Board of Education. The amounts reported as the final budgeted amounts in the budgetary schedules reflect the amounts from the certificate of amended resources that was in effect at the time the final appropriations were passed by the Board of Education.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The School District's legal level of budgetary control has been established at the fund level for all budgeted funds. The appropriation resolution, established at the legal level of control funds, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at the legal level of control. Any revisions that alter the legal level of budgetary control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

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

Lapsing of Appropriations:

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the legal level of control.

**F. Cash and Investments**

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

During fiscal year 2024, investments were limited to Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, U.S. Treasury notes, negotiable certificates of deposits (negotiable CDs), U.S. government money market mutual fund, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for investments in STAR Ohio, investments are reported at fair value, which is based on quoted market prices.

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

For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$835,823, which includes \$443,547 assigned from other School District funds.

For presentation on the basic financial statements, investments purchased by the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments. An analysis of the School District's investment account at fiscal year end is provided in Note 4.

**G. Inventory**

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time inventory items are consumed. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale, and are expensed when used.

On the governmental fund financial statements, reported materials and supplies inventory is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

**H. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary 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. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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

All reported capital assets except land and construction in progress are depreciated. 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:

	Governmental Activities	Business-Type Activities
<u>Description</u>	<u>Estimated Lives</u>	<u>Estimated Lives</u>
Land Improvements	5 - 30 Years	N/A
Buildings and Improvements	15 - 40 Years	N/A
Furniture and Equipment	5 - 20 Years	15 Years
Vehicles	8 Years	N/A
Intangible right to use	5 Years	N/A

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The School District is reporting intangible right to use assets related to leased equipment and Subscription Based Information Technology Agreements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/SBITA term or the useful life of the underlying asset.

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables" and receivables and payables resulting from interfund goods and services provided are classified and "due to/due from other funds." These interfund balances are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as a component of "internal balance" on the statement of net position.

**J. Compensated Absences**

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees age 50 or greater with at least 10 years of service; or 20 years service at any age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2024 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

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

**K. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

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

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**L. Fund Balance**

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

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education (the highest level of decision making authority). 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 nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes. When unassigned fund balance is a deficit in the general fund, assigned fund balance may not be presented in the general fund.

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

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

**M. Net Position**

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

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**N. Estimates**

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

**O. Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. 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 and after nonoperating revenues/expenses in proprietary funds.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**P. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding**

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 9.

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

**Q. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. 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.

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**R. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for food service, uniform school supplies, and tuition and fees for adult education. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenue and expenses not meeting these definitions are classified as nonoperating.

**S. Prepayments**

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

**T. Fair Value Measurements**

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.

**U. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither one of these transactions occurred during fiscal year 2024.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2024, the School District has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*", GASB Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*" and Implementation Guide No. 2023-1.

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

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

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The School District has included the required disclosures associated with GASB Statement No. 100 in the notes to the basic financial statements.



**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the School District.

**B. Deficit Fund Balances**

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

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
IDEA - Handicapped Children Fund	\$ 66,334
Title I - Disadvantaged Children/Targeted Assistance Fund	7,000
Title II-A Fund	9,598
<u>Nonmajor enterprise funds</u>	
Adult Education	\$ 282,648

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

**C. Prior Period Adjustment/Restatement of net position**

The School District is reporting a prior period adjustment to correct for errors and omissions in the amounts previously reported in capital assets (see Note 8). The prior period adjustment had the following effect on net position as previously reported:

	<u>Governmental Activities</u>	<u>Nonmajor Enterprise</u>	<u>Business-Type Activities</u>
Net position (deficit) previously reported at 6/30/2023	\$ (8,391,412)	\$ (235,568)	\$ (235,568)
Adjustment to capital assets	<u>(6,975,364)</u>	<u>(26,706)</u>	<u>(26,706)</u>
Restated net position (deficit) at 7/1/2023	<u><u>\$ (15,366,776)</u></u>	<u><u>\$ (262,274)</u></u>	<u><u>\$ (262,274)</u></u>

**NOTE 4 - DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the School District into three categories.

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

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

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

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in 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, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

**A. Deposits with Financial Institutions**

At June 30, 2024, the carrying amount of all School District deposits was \$3,600 and the bank balance of all School District deposits was \$58,022. The School Districts entire bank balance was covered by the FDIC.

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

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

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	<u>Investment Maturities</u>			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>19 to 24 months</u>	
<i>Fair Value:</i>					
FFCB	\$ 958,130	\$ -	\$ 958,130	\$ -	
FHLB	967,045	-	495,540	471,505	
FHLMC	982,570	-	982,570	-	
U.S. Treasury notes	997,030	997,030	-	-	
Negotiable CD's	1,813,615	865,756	482,434	465,425	
U.S. Government money market mutual fund	505,194	505,194	-	-	
<i>Amortized Cost:</i>					
STAR Ohio	<u>11,412,482</u>	<u>11,412,482</u>	<u>-</u>	<u>-</u>	
Total	\$ 17,636,066	\$ 13,780,462	\$ 2,918,674	\$ 936,930	

The School District's weighted average length to maturity for investments in is 0.25 years.

The School District's investments in U.S Government money market mutual funds are valued using quoted market prices (Level 1 inputs). The School District's investments in federal agency securities (FFCB, FHLB, FHLMC), U.S. Treasury notes, and negotiable CD's are valued using quoted market prices that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either direct or indirectly (Level 2 inputs).

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the School District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk:* The School District's investments in U.S. Government money market mutual fund and STAR Ohio have been assigned an AAAM money market rating by Standard & Poor's. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The federal agency securities (FFCB, FHLB, FHLMC) were rated Aaa and AA+ by Moody's Investor Services and Standard & Poor's, respectively. The U.S. Treasury notes were rated Aaa and AA+ by Moody's Investor Services and Standard & Poor's, respectively. The negotiable CD's are not rated but are fully insured by the FDIC. The School District has no investment policy dealing with credit risk.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee. The negotiable CD's were fully insured by the FDIC.

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The School District's investment policy places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the School District at June 30, 2024:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FFCB	\$ 958,130	5.43
FHLB	967,045	5.48
FHLMC	982,570	5.57
U.S. Treasury notes	997,030	5.65
Negotiable CD's	1,813,615	10.29
U.S. government money market mutual fund	505,194	2.86
<i>Amortized Cost:</i>		
STAR Ohio	<u>11,412,482</u>	<u>64.72</u>
Total	<u>\$ 17,636,066</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported above on the statement of net position as of June 30, 2024:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 3,600
Investments	<u>17,636,066</u>
Total	<u>\$ 17,639,666</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 16,556,262
Business-type activities	<u>1,083,404</u>
Total	<u>\$ 17,639,666</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

**A. Interfund balances**

Interfund balances at June 30, 2024 as reported on the fund statements consist of the following interfund loans receivable and payable:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 91,669
General fund	Nonmajor enterprise funds	<u>503</u>
		<u>\$ 92,172</u>

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were not received by June 30. Interfund balances between governmental funds are eliminated on the government-wide financial statements. These amounts are expected to be paid within one year.

**B. Transfers**

Interfund transfers for the fiscal year ended June 30, 2024, consisted of the following, as reported on the fund statements:

<u>Transfers from general fund to:</u>	<u>Amount</u>
Nonmajor governmental funds	\$ 1,493,838
Nonmajor enterprise funds	13,775
Total	<u>\$ 1,507,613</u>

Interfund transfers represent the use of unrestricted revenues collected in the general fund that are used to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated for reporting on the statement of activities. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Public utility real and personal property taxes received in calendar year 2024 became a lien on December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 6 - PROPERTY TAXES - (Continued)**

The School District receives property taxes from Geauga 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 as an advance at June 30, 2024 and 2023 were:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Major governmental funds:		
General fund	\$ 2,932,505	\$ 7,647,874
Nonmajor governmental funds:		
Bond retirement fund	106,798	534,179

The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2024 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

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

	2023 Second Half Collections		2024 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 916,325,210	97.81	\$ 1,174,525,640	98.24
Public utility personal	<u>20,491,310</u>	<u>2.19</u>	<u>20,999,810</u>	<u>1.76</u>
Total	<u>\$ 936,816,520</u>	<u>100.00</u>	<u>\$ 1,195,525,450</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 89.01		\$ 87.07	

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2024 consisted of taxes, accounts, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

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

	Governmental Activities	Business-Type Activities
Property taxes	\$ 33,613,640	\$ -
Accounts	13,108	23,355
Accrued interest	24,736	-
Intergovernmental	<u>366,036</u>	<u>-</u>
Total	<u>\$ 34,017,520</u>	<u>\$ 23,355</u>

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

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**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 8 - CAPITAL ASSETS**

The School District has restated the balance of the Governmental Activities and Business-Type Activities capital assets as previously reported to correct for items previously disposed of or omitted. The adjustments had the following effect on capital assets as previously reported:

	Balance 6/30/2023	Adjustment	Restated Balance 7/1/2023
<b>Governmental activities:</b>			
<i>Capital assets, not being depreciated:</i>			
Land	\$ 1,321,516	\$ -	\$ 1,321,516
Construction in progress	<u>169,712</u>	<u>-</u>	<u>169,712</u>
Total capital assets, not being depreciated	<u>1,491,228</u>	<u>-</u>	<u>1,491,228</u>
<i>Capital assets, being depreciated:</i>			
Land improvements	12,554,091	23,817	12,577,908
Building and improvements	59,632,996	(2,195,099)	57,437,897
Furniture and equipment	8,244,087	(6,711,850)	1,532,237
Vehicles	<u>4,657,867</u>	<u>(32,402)</u>	<u>4,625,465</u>
Total capital assets, being depreciated	<u>85,089,041</u>	<u>(8,915,534)</u>	<u>76,173,507</u>
<i>Less: accumulated depreciation</i>			
Land improvements	(8,236,147)	196,469	(8,039,678)
Building and improvements	(26,493,993)	(4,536,656)	(31,030,649)
Furniture and equipment	(7,572,218)	6,633,326	(938,892)
Vehicles	<u>(3,231,175)</u>	<u>(352,969)</u>	<u>(3,584,144)</u>
Total accumulated depreciation	<u>(45,533,533)</u>	<u>1,940,170</u>	<u>(43,593,363)</u>
Governmental activities capital assets, net	<u>\$ 41,046,736</u>	<u>\$ (6,975,364)</u>	<u>\$ 34,071,372</u>
<b>Business-type Activities:</b>			
<i>Capital assets, being depreciated:</i>			
Furniture and equipment	\$ 502,046	\$ (85,016)	\$ 417,030
<i>Less: accumulated depreciation</i>			
Furniture and equipment	<u>(414,499)</u>	<u>58,310</u>	<u>(356,189)</u>
Business-type activities capital assets, net	<u>\$ 87,547</u>	<u>\$ (26,706)</u>	<u>\$ 60,841</u>



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 8 - CAPITAL ASSETS - (Continued)**

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

	Restated Balance 7/1/2023	Additions	Deductions	Balance 6/30/2024
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 1,321,516	\$ -	\$ -	\$ 1,321,516
Construction in progress	<u>169,712</u>	<u>269,977</u>	<u>(267,441)</u>	<u>172,248</u>
Total capital assets, not being depreciated/amortized	<u>1,491,228</u>	<u>269,977</u>	<u>(267,441)</u>	<u>1,493,764</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	12,577,908	-	-	12,577,908
Building and improvements	57,437,897	329,433	-	57,767,330
Furniture and equipment	1,532,237	621,571	-	2,153,808
Vehicles	4,625,465	247,696	(745,375)	4,127,786
Intangible right to use:				
Lease equipment	-	435,392	-	435,392
SBITA	<u>-</u>	<u>19,861</u>	<u>-</u>	<u>19,861</u>
Total capital assets, being depreciated/amortized	<u>76,173,507</u>	<u>1,653,953</u>	<u>(745,375)</u>	<u>77,082,085</u>
<i>Less: accumulated depreciation/amortization</i>				
Land improvements	(8,039,678)	(586,543)	-	(8,626,221)
Building and improvements	(31,030,649)	(1,340,906)	-	(32,371,555)
Furniture and equipment	(938,892)	(162,647)	-	(1,101,539)
Vehicles	(3,584,144)	(223,401)	589,116	(3,218,429)
Intangible right to use:				
Lease equipment	-	(87,078)	-	(87,078)
SBITA	<u>-</u>	<u>(6,620)</u>	<u>-</u>	<u>(6,620)</u>
Total accumulated depreciation/amortization	<u>(43,593,363)</u>	<u>(2,407,195)</u>	<u>589,116</u>	<u>(45,411,442)</u>
Governmental activities capital assets, net	<u>\$ 34,071,372</u>	<u>\$ (483,265)</u>	<u>\$ (423,700)</u>	<u>\$ 33,164,407</u>
<b>Business-type Activities:</b>				
<i>Capital assets, being depreciated:</i>				
Furniture and equipment	\$ 417,030	\$ 43,518	\$ -	\$ 460,548
<i>Less: accumulated depreciation</i>				
Furniture and equipment	<u>(356,189)</u>	<u>(14,752)</u>	<u>-</u>	<u>(370,941)</u>
Business-type activities capital assets, net	<u>\$ 60,841</u>	<u>\$ 28,766</u>	<u>\$ -</u>	<u>\$ 89,607</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**NOTE 8 - CAPITAL ASSETS - (Continued)**

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

Instruction:

Regular	\$ 1,259,431
Special	4,283

Support Services:

Pupil	22,748
Instructional staff	400,322
Administration	22,581
Fiscal	3,223
Business	3,223
Operations and maintenance	378,983
Pupil transportation	267,714
Central	2,425
Extracurricular activities	<u>42,262</u>
Total depreciation/amortization expense	<u><u>\$ 2,407,195</u></u>

Depreciation expense of the business-type activities was charged to the food service nonmajor enterprise fund.

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**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - LONG-TERM OBLIGATIONS**

During fiscal year 2024, the following changes occurred in governmental and business-type activities long-term obligations.

	Balance 06/30/23	Additions	Deletions	Balance 06/30/24	Amount Due in One Year
<b>Governmental Activities</b>					
<u>General Long-Term Bonds:</u>					
School Improvement Refunding Bonds - Series 2012:					
Capital Appreciation Bonds	\$ 725,000	\$ -	\$ -	\$ 725,000	\$ -
Accreted Interest	1,131,256	160,294	-	1,291,550	-
School Improvement Bonds - Series 2017A	4,610,000	-	(120,000)	4,490,000	130,000
School Improvement Bonds - Series 2017B	4,545,000	-	(115,000)	4,430,000	120,000
School Improvement Refunding Bonds - Series 2019	6,215,000	-	(180,000)	6,035,000	185,000
School Improvement Refunding Bonds - Series 2020	9,195,000	-	(2,265,000)	6,930,000	2,285,000
Energy Improvement Conservation Bonds - Series 2018	678,235	-	(127,400)	550,835	131,453
Total General Obligation Bonds	<u>27,099,491</u>	<u>160,294</u>	<u>(2,807,400)</u>	<u>24,452,385</u>	<u>2,851,453</u>
<u>Other Obligations:</u>					
Net Pension Liability	39,691,512	-	(2,096,501)	37,595,011	-
Net OPEB Liability	2,306,152	75,772	-	2,381,924	-
Lease payable	-	435,392	(82,186)	353,206	83,779
SBITA payable	-	19,861	(6,534)	13,327	6,446
Compensated Absences	<u>3,160,327</u>	<u>603,412</u>	<u>(270,790)</u>	<u>3,492,949</u>	<u>456,267</u>
Total Other Obligations	<u>45,157,991</u>	<u>1,134,437</u>	<u>(2,456,011)</u>	<u>43,836,417</u>	<u>546,492</u>
Total Governmental Long-Term Liabilities	72,257,482	<u>\$ 1,294,731</u>	<u>\$ (5,263,411)</u>	68,288,802	<u>\$ 3,397,945</u>
Less: Unamortized Bond Discount	(15,356)			(14,666)	
Add: Unamortized Bond Premium	<u>558,317</u>			<u>530,702</u>	
Total on Statement on Net Position	<u>\$ 72,800,443</u>			<u>\$ 68,804,838</u>	
<b>Business-Type Activities</b>					
Compensated Absences	\$ 53,083	\$ -	\$ (14,617)	\$ 38,466	\$ -
Net Pension Liability	808,444	-	(55,165)	753,279	-
Net OPEB Liability	<u>200,512</u>	<u>24,012</u>	<u>-</u>	<u>224,524</u>	<u>-</u>
Total Business-Type Activities	<u>\$ 1,062,039</u>	<u>\$ 24,012</u>	<u>\$ (69,782)</u>	<u>\$ 1,016,269</u>	<u>\$ -</u>

Payments of principal and interest relating to the liabilities of the School Improvement general obligation bonds will be made from the bond retirement fund and will be repaid from property taxes.

School Improvement Refunding Bonds - Series 2012

On January 25, 2012, the School District issued general obligation bonds for advance refunding a portion of the School Improvement Bonds, Series 2003, which were originally for school improvements.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

This issue is comprised of both current interest serial and term bonds, par value \$7,885,000, and capital appreciation bonds, par value \$725,000. On October 3, 2019, the School District refunded the remaining amount of the current interest bonds. The interest rates on the current interest serial and term bonds range from 1.0 percent to 3.0 percent. The capital appreciation bonds mature on December 1, 2027 (approximate initial offering yield at maturity 3.92 percent), at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$2,695,000. A total of \$1,291,550 in accreted interest on these capital appreciation bonds has been included in the long term liabilities on the Statement of Net Position at June 30, 2024.

The net proceeds from the fiscal year 2012 issuances of the general obligation refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are called. The advance refundings met the requirements of an in-substance debt defeasance and the defeased bonds were removed from the School District's government-wide financial statements. The defeased debt has been paid in full.

The reacquisition price exceeded the net carrying amount of the old debt by \$564,410. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

School Improvement Bonds - Series 2017A

On May 18, 2017, the School District issued \$5,000,000 in School Improvement Bonds at an interest rate of 4.00 - 5.00% per year with the maturity date of September 1, 2045, for the purpose of constructing, renovating, remodeling, and otherwise improving buildings and facilities.

School Improvement Bonds - Series 2017B

On June 14, 2017, the School District issued \$5,000,000 in School Improvement Bonds at an interest rate of 3.125-5.00% per year with maturity date of September 1, 2045, for the purpose of constructing, renovating, remodeling, and otherwise improving buildings and facilities.

Series 2019 Refunding General Obligation Bonds

On October 3, 2019, the School District issued general obligation bonds (Series 2019 Refunding Bonds) to current refund the callable portion of the Series 2012 Current Interest School Improvement Refunding Bonds (principal \$6,830,000; interest rate of 2.00% to 3.00%). Issuance proceeds of \$6,715,000 and cash of \$186,788 were used to purchase securities which were placed in an irrevocable trust to provide resources for the debt service payment due on December 1, 2019 when the refunded debt was called. The Series 2012 School Improvement Refunding bonds have been defeased and removed from the statement of net position. The balance of the refunded bonds at June 30, 2024 has been fully paid.

The refunding issue is comprised of current interest bonds, par value \$6,715,000. The interest rate on the current interest bonds is 2.02%.

The net carrying amount of the old debt (including unamortized premiums and unamortized deferred charges removed upon refunding) exceeded the reacquisition price by \$838. This deferred gain on refunding is amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The unamortized portion of the deferred gain is reported as a deferred inflow on the statement of net position. The refunding was undertaken to reduce future debt service payments by \$722,680 resulting in a current economic gain of \$617,496.

Payments of principal and interest relating to the Series 2019 refunding bonds are recorded as expenditures in the bond retirement fund. Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2029.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

Series 2020 Refunding General Obligation Bonds

On September 8, 2020, the School District issued general obligation bonds (Series 2020 Refunding Bonds) to current refund the callable portion of the Series 2011 Current Interest School Improvement Refunding Bonds (principal \$11,485,000; interest rate of 2.00% to 5.00%). Issuance proceeds of \$11,485,000 and cash of \$184,885 were used to purchase securities which were placed in an irrevocable trust to provide resources for the debt service payment due on December 1, 2020 when the refunded debt was called. The Series 2011 School Improvement Refunding bonds have been defeased and removed from the statement of net position. The balance of the refunded bonds at June 30, 2024 has been fully paid.

The refunding issue is comprised of current interest bonds, par value \$11,485,000. The interest rate on the current interest bonds is 1.03%.

The reacquisition price exceeded the net carrying amount of the old debt (including unamortized premiums and unamortized deferred charges removed upon refunding) by \$792,497. This deferred charge on refunding is amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The unamortized portion of the deferred charge is reported as a deferred outflow on the statement of net position. The refunding was undertaken to reduce future debt service payments by \$1,231,373 resulting in a current economic gain of \$985,098.

Payments of principal and interest relating to the Series 2020 refunding bonds are recorded as expenditures in the bond retirement fund. Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2026.

Energy Improvement Conservation Bonds - Series 2018

On February 14, 2018, the School District issued \$1,237,146 in Energy Improvement Conservation Bonds - Series 2018. The bonds bear an interest rate ranging from 2.75-3.18% per year with a final maturity date of December 1, 2027. The bonds were issued for the purpose of performing energy improvement projects to School District buildings.

Leases Payable

The School District has entered into a lease agreement for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the School District will report a intangible capital asset and corresponding liability for the future scheduled payments under the lease. The final lease payment was made from the general fund.

The School District has entered into a lease agreement for copier equipment:

<u>Purpose</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copier equipment	2023	5	2028	Annual

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 83,779	\$ 10,901	\$ 94,680
2026	86,725	7,955	94,680
2027	89,773	4,907	94,680
2028	92,929	1,751	94,680
Total	<u>\$ 353,206</u>	<u>\$ 25,514</u>	<u>\$ 378,720</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

SBITA Payable

The School District has entered into an agreement for the right to use subscription to software. Due to the implementation of GASB Statement No. 96, the School District will report an intangible capital asset and corresponding liability for the future scheduled payments under the subscriptions. The subscription payments will be paid from the general fund.

The School District has entered into an agreement for a subscription:

<u>SBITA</u>	<u>Commencement Date</u>	<u>Years</u>	<u>End Date</u>	<u>Payment Method</u>
Teaching software	2023	3	2026	Annual

The following is a schedule of future payments under the agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 6,446	\$ 469	\$ 6,915
2026	<u>6,881</u>	<u>242</u>	<u>7,123</u>
Total	<u>\$ 13,327</u>	<u>\$ 711</u>	<u>\$ 14,038</u>

Future Debt Service Requirements

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

<u>Fiscal Year</u>	<u>School Improvement Refunding Bonds-Series 2020 Current Interest</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Ending June 30			
2025	\$ 2,285,000	\$ 59,612	\$ 2,344,612
2026	2,310,000	35,947	2,345,947
2027	<u>2,335,000</u>	<u>12,025</u>	<u>2,347,025</u>
Total	<u>\$ 6,930,000</u>	<u>\$ 107,584</u>	<u>\$ 7,037,584</u>

<u>Fiscal Year</u>	<u>School Improvement Refunding Bonds-Series 2012 Capital Appreciation Bonds</u>			<u>School Improvement Refunding Bonds-Series 2019 Current Interest</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Ending June 30						
2025	\$ -	\$ -	\$ -	\$ 185,000	\$ 120,039	\$ 305,039
2026	-	-	-	190,000	116,251	306,251
2027	-	-	-	195,000	112,362	307,362
2028	725,000	1,970,000	2,695,000	5,000	110,343	115,343
2029	-	-	-	2,705,000	82,971	2,787,971
2030	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,755,000</u>	<u>27,825</u>	<u>2,782,825</u>
Total	<u>\$ 725,000</u>	<u>\$ 1,970,000</u>	<u>\$ 2,695,000</u>	<u>\$ 6,035,000</u>	<u>\$ 569,791</u>	<u>\$ 6,604,791</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

Fiscal Year Ending June 30	School Improvement Bonds-Series 2017A			School Improvement Bonds-Series 2017B		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 130,000	\$ 184,637	\$ 314,637	\$ 120,000	\$ 158,694	\$ 278,694
2026	140,000	179,438	319,438	125,000	152,694	277,694
2027	150,000	173,837	323,837	130,000	147,694	277,694
2028	160,000	167,838	327,838	135,000	142,494	277,494
2029	165,000	161,437	326,437	135,000	137,094	272,094
2030 - 2034	900,000	704,188	1,604,188	970,000	591,470	1,561,470
2035 - 2039	1,050,000	512,187	1,562,187	1,105,000	385,612	1,490,612
2040 - 2044	1,235,000	280,076	1,515,076	1,180,000	208,487	1,388,487
2045 - 2046	560,000	35,912	595,912	530,000	26,999	556,999
Total	<u>\$ 4,490,000</u>	<u>\$ 2,399,550</u>	<u>\$ 6,889,550</u>	<u>\$ 4,430,000</u>	<u>\$ 1,951,238</u>	<u>\$ 6,381,238</u>

Fiscal Year Ending June 30	Energy Improvement Conservation Bonds - Series 2018		
	Principal	Interest	Total
2025	\$ 131,453	\$ 14,568	\$ 146,021
2026	135,635	10,320	145,955
2027	139,949	6,238	146,187
2028	143,798	2,158	145,956
Total	<u>\$ 550,835</u>	<u>\$ 33,284</u>	<u>\$ 584,119</u>

Net Pension Liability

The School District's net pension liability is described in Note 12. The School District pays obligations related to employee compensation from the fund benefitting from their service which, for the School District, is primarily the general fund.

Net OPEB Liability/Asset

The School District's net OPEB liability/asset is described in Note 13. The School District pays obligations related to employee compensation from the fund benefitting from their service which, for the School District, is primarily the general fund.

Compensated Absences

The liability for compensated absences will be paid from the fund from which the employee was paid. For the School District, this is primarily the general fund and the food service fund (nonmajor enterprise fund).

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the School District shall never exceed 9% of the total assessed valuation of the School District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the School District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the School District. The assessed valuation use in determining the School District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the School District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2024, are a voted debt margin of \$87,969,896 (including available funds of \$2,982,605), an unvoted debt margin of \$1,195,525, and an energy conservation debt margin of \$10,208,894.

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and state laws.

Only administrative and school support personnel accumulate annual vacation leave. Accumulated unused vacation time is paid upon termination of employment. Administrative personnel are advanced 20 days of vacation leave per their contract and the Superintendent and Treasurer are advanced 25 days of vacation leave at the start of each contract year, per their contracts.

**NOTE 10 - COMPENSATED ABSENCES**

Each professional staff member is entitled to fifteen (15) days sick leave with pay for each year under contract. The sick leave accrues at the rate of one and one fourth (1-1/4) days for each calendar month under contract. Sick leave is cumulative to 300 days for noncertified employees and 320 days for certified employees. An employee is paid a severance benefit equal up to 32 percent of the value of their accumulated sick leave not to exceed 250 days for noncertified employees and 235 days for certified employees depending on when the employee notifies the Board of his/her retirement. The severance benefit is calculated at current wage rates, upon retirement with the balance being forfeited. The Superintendent and Assistant Superintendent are advanced 15 sick days at the start of each contract year, per their contracts.

In fiscal year 2024, the School District offered a retirement incentive. The Plan is available to actively employed full and part-time teachers who will: a) have ten (10) or more years of service with the School District as of June 30, 2024; or b) be eligible for full or reduced STRS retirement benefits as of June 30, 2024. Those employees who are employed less than full-time shall receive a prorated benefit based on his/her FTE. Employees who are eligible will be paid \$65,000 and their severance, as discussed above, over a five year period.

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**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 11 - RISK MANAGEMENT**

**A. Comprehensive**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the School District contracted with Liberty Mutual and Traveler's Insurance for various coverages, which are outlined below:

<u>Type of Coverage</u>	<u>Coverage</u>
Property and Inland Marine	\$ 192,083,017
Flood	1,000,000
Earthquake	1,000,000
Crime	250,000
General Liability	
Each occurrence	1,000,000
In aggregate	3,000,000
Fleet:	
Combined Single Limit	1,000,000
Uninsured Motorists Limit	1,000,000
Comprehensive	Actual cash value
Collision	Actual cash value
Buses	Replacement cost
Employee Benefit Liability	1,000,000
In aggregate	3,000,000
Employer's (Stop Gap) Liability	1,000,000
In aggregate	3,000,000
School Leaders Errors and Omissions:	
(Professional) Liability	1,000,000
In aggregate	3,000,000
Sexual Misconduct and Molestation Liability:	
Limit	1,000,000
In aggregate	1,000,000
Violent Event Response:	
Each Person - Death Benefit	15,000
Each Person Limit - Loss	25,000
Each Violent Event Limit	1,000,000
Each Violent Event Aggregate Limit	1,000,000
Law Enforcement	
Limit	1,000,000
In aggregate	3,000,000
Non-monetary Relief Defense	100,000
Umbrella	10,000,000
Inland Marine - Wind Turbine	2,205,745

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

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - RISK MANAGEMENT - (Continued)**

**B. Employee Insurance Benefits**

The School District provides medical/surgical and dental insurance to employees through a self-insurance internal service fund. The School District's self-insurance program has been administered by Medical Mutual of Ohio (MMO). Payments are made to MMO for the actual amount of claims processed, monthly stop-loss premiums, and administrative charges. Operating revenues of the internal service fund consist of payments from other funds and are based on self-insurance losses, stop-loss premiums, and other operating expenses.

The claims liability of \$1,502,655 reported in the internal service fund at June 30, 2024, is based on an estimate provided by the third party administrator and the requirements of GASB Statement No. 30, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. The balance of claims payable at June 30, 2024 represents an estimate of the liability for unpaid claims costs provided by Medical Mutual of Ohio.

Changes in the claims liability for the past two fiscal years follows:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2024	\$ 1,192,123	\$ 7,547,415	\$ (7,236,883)	\$ 1,502,655
2023	706,486	7,265,856	(6,780,219)	1,192,123

**C. Workers' Compensation**

For fiscal year 2024, the School District participated in the Ohio Group Retrospective Rating Program, which is administered by Comp Management, a third-party administrator. The Group Retrospective Rating Program offers an opportunity for school districts that may not qualify for a Group Rating program to receive substantial discounts on their claims. There is also an increased emphasis on safety and claims management. Through the program, school districts are grouped together to achieve premium refunds based on the performance of the group. However, school districts continue to pay their own individual merit-rated premium to the Ohio BWC and depending on the performance, the participating school districts can receive either a retrospective premium refund or an assessment. Retrospective refunds are achieved when the standard premium of the group exceeds the developed claims costs. Comp Management assists the school district in active claims management throughout the year.

**D. Life Insurance**

The School District provides life insurance and accidental death and dismemberment insurance to most employees through the Dearborn Life Insurance in the amount of \$25,000 for certified employees and administrators, \$25,000 for non-teaching employees working 4 or more hours per day, and \$10,000 for non-teaching employees working at least 2 hours but less than 4 hours per day.

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability/Asset***

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

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

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

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

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

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

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

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2023, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries for calendar year 2022, 2023, and 2024.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$850,149 for fiscal year 2024. Of this amount, \$77,688 is reported as pension and postemployment benefits payable.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Plan Description - State Teachers Retirement System (STRS)***

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0.0% 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 onetime ad-hoc COLA of 3.0% 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 1.0% 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 for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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.

Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2024 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2024, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$2,636,131 for fiscal year 2024. Of this amount, \$439,264 is reported as pension and postemployment benefits payable.

***Net 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 District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.176192200%	0.139315950%	
Proportion of the net pension liability current measurement date	<u>0.155491800%</u>	<u>0.138178100%</u>	
Change in proportionate share	<u>-0.020700400%</u>	<u>-0.001137850%</u>	
Proportionate share of the net pension liability	\$ 8,591,722	\$ 29,756,568	\$ 38,348,290
Pension expense	\$ 432,281	\$ 2,064,373	\$ 2,496,654

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 369,293	\$ 1,084,864	\$ 1,454,157
Changes of assumptions	60,860	2,450,615	2,511,475
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	8,561	109,238	117,799
Contributions subsequent to the measurement date	<u>850,149</u>	<u>2,636,131</u>	<u>3,486,280</u>
Total deferred outflows of resources	<u>\$ 1,288,863</u>	<u>\$ 6,280,848</u>	<u>\$ 7,569,711</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 66,030	\$ 66,030
Net difference between projected and actual earnings on pension plan investments	120,763	89,180	209,943
Changes of assumptions	-	1,844,609	1,844,609
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>940,105</u>	<u>979,145</u>	<u>1,919,250</u>
Total deferred inflows of resources	<u>\$ 1,060,868</u>	<u>\$ 2,978,964</u>	<u>\$ 4,039,832</u>

\$3,486,280 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$ (336,194)	\$ (645,772)	\$ (981,966)
2026	(632,626)	(1,352,120)	(1,984,746)
2027	340,261	2,889,433	3,229,694
2028	<u>6,405</u>	<u>(225,788)</u>	<u>(219,383)</u>
Total	<u>\$ (622,154)</u>	<u>\$ 665,753</u>	<u>\$ 43,599</u>

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

In 2023, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.



**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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. Ohio Revised Code Section 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
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	5.00	5.64
Total	<u>100.00 %</u>	

**Discount Rate** - Total pension liability was calculated using the discount rate of 7.00%. 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 of fiscal year 2023 was 14%. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return, 7.00%. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. 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%.

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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 12,680,944	\$ 8,591,722	\$ 5,147,333

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 actuarial valuation is presented below:

	June 30, 2023
Inflation	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

For the June 30, 2023 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<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% 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% 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 the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' 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% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table represents the net pension liability as of June 30, 2023, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 45,759,015	\$ 29,756,568	\$ 16,222,876

**KENSTON LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

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

***Plan Description - School Employees Retirement System (SERS)***

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$103,947.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$103,947 for fiscal year 2024. Of this amount, \$103,947 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

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

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

The net OPEB liability/asset was measured as of June 30, 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 District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.178536100%	0.139315950%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.158211500%</u>	<u>0.138178100%</u>	
Change in proportionate share	<u>-0.020324600%</u>	<u>-0.001137850%</u>	
Proportionate share of the net OPEB liability	\$ 2,606,448	\$ -	\$ 2,606,448
Proportionate share of the net OPEB asset	\$ -	\$ (2,687,373)	\$ (2,687,373)
(Reduction) of OPEB expense	\$ (438,194)	\$ (168,724)	\$ (606,918)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 5,429	\$ 4,190	\$ 9,619
Net difference between projected and actual earnings on OPEB plan investments	20,205	4,798	25,003
Changes of assumptions	881,315	395,890	1,277,205
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	87,102	9,406	96,508
Contributions subsequent to the measurement date	<u>103,947</u>	<u>-</u>	<u>103,947</u>
Total deferred outflows of resources	<u>\$ 1,097,998</u>	<u>\$ 414,284</u>	<u>\$ 1,512,282</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 1,344,239	\$ 409,896	\$ 1,754,135
Changes of assumptions	740,256	1,773,093	2,513,349
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>731,687</u>	<u>2,425</u>	<u>734,112</u>
Total deferred inflows of resources	<u>\$ 2,816,182</u>	<u>\$ 2,185,414</u>	<u>\$ 5,001,596</u>

\$103,947 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$ (505,967)	\$ (786,590)	\$ (1,292,557)
2026	(438,371)	(361,642)	(800,013)
2027	(292,695)	(136,803)	(429,498)
2028	(196,659)	(186,038)	(382,697)
2029	(163,572)	(170,386)	(333,958)
Thereafter	<u>(224,867)</u>	<u>(129,671)</u>	<u>(354,538)</u>
Total	<u>\$ (1,822,131)</u>	<u>\$ (1,771,130)</u>	<u>\$ (3,593,261)</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.

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.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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 is presented below:

Wage inflation:	
Current measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Fiduciary net position is projected to be depleted	2048
Municipal bond index rate:	
Current measurement date	3.86%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.27%
Medical trend assumption:	
Current measurement date	6.75 to 4.40%

In 2023, the following mortality assumptions were used:

**Healthy Retirees** - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females

**Disabled Retirees** - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

**Contingent Survivors** - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

**Actives** - PUB-2010 General Amount Weighted Below Median Employee mortality table.

**Mortality Projection** - Mortality rates are projected using a fully generational projection with Scale MP-2020.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
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	5.00	5.64
Total	100.00 %	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position is 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 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% at June 30, 2023 and 3.69% at June 30, 2022.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what the 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 (6.75% decreasing to 4.40%).



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 3,331,786	\$ 2,606,448	\$ 2,034,489

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 1,914,867	\$ 2,606,448	\$ 3,522,886

**Assumption Changes** - The SERS OPEB discount rate was changed from 4.08% to 4.27% percent, which impacted the annual actuarial valuation for OPEB prepared as of June 30, 2023. The health care trend rates were also updated.

**Benefit Changes** - Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 actuarial valuation is presented below:

	<u>June 30, 2023</u>	
Inflation	2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%	
Investment rate of return	7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%	
Cost-of-living adjustments (COLA)	0.00%	
Discount rate of return	7.00%	
Blended discount rate of return	N/A	
Health care cost trends		
	Initial	Ultimate
Medical		
Pre-Medicare	7.50%	4.14%
Medicare	-10.94%	4.14%
Prescription Drug		
Pre-Medicare	-11.95%	4.14%
Medicare	1.33%	4.14%

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

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

For the June 30, 2023 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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.

**Assumption Changes Since the Prior Measurement Date** - Changes in key assumptions used in calculating the total OPEB liability in the prior year are presented below:

	<u>Initial</u>	<u>Ultimate</u>
Health care trends		
Pre-Medicare	7.50%	4.14%
Medicare	(10.94)%	4.14%
Prescription Drug		
Pre-Medicare	(11.95)%	4.14%
Medicare	1.33%	4.14%

**Benefit Term Changes Since the Prior Measurement Date** - Healthcare trends were updated to reflect emerging claims and recoveries experience.

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:

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Long-Term Expected Real Rate of Return **</u>
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>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% 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.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total OPEB liability was 7.00% 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 those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 2,274,510	\$ 2,687,373	\$ 3,046,934

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,063,619	\$ 2,687,373	\$ 2,234,192

**NOTE 14 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The School District is involved in no material litigation as either plaintiff or defendant.

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. ODE has finalized the adjustments and they did not have a significant impact on the School District's funding.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 15 - SET-ASIDES**

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2023	\$ -
Current year set-aside requirement	534,649
Current year offsets	<u>(1,270,000)</u>
Total	<u>\$ (735,351)</u>
Balance carried forward to fiscal year 2025	<u>\$ -</u>
Set-aside balance June 30, 2024	<u>\$ -</u>

**NOTE 16 - OTHER COMMITMENTS**

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance to the extent fund balance is available. For the general fund, fund balance is not reported as assigned for encumbrances as unassigned fund balance is negative. At year end, the School District's commitments for encumbrances (less amounts already reported as payables) in the governmental funds were as follows:

<u>Fund</u>	<u>Year-End Encumbrances</u>
General fund	\$ 398,358
Nonmajor governmental	<u>262,337</u>
Total	<u>\$ 660,695</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA, COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 17 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2024, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**NOTE 18 - COMPLIANCE**

The following funds had expenditures plus encumbrances in excess of appropriations, contrary to Ohio Revised Code Section 5705.41.

<u>Fund</u>	<u>Appropriations Plus Prior Year Encumbrances</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
IDEA - Education of Handicapped Children Fund	\$ 662,256	\$ 700,766	\$ (38,510)
Title I - Disadvantaged Children/Targeted Assistance Fund	142,651	164,193	(21,542)
Title II-A Fund	46,178	63,491	(17,313)

**NOTE 19 - SUBSEQUENT EVENT**

On November 5, 2024, the voters of the School District passed a 1.0 mill permanent improvement levy.

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## REQUIRED SUPPLEMENTARY INFORMATION

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Original</u>	<u>Final</u>		
Budgetary revenues and other financing sources	\$ 40,752,306	\$ 43,221,614	\$ 43,388,776	\$ 167,162
Budgetary expenditures and other financing uses	44,852,323	45,764,356	44,854,690	(909,666)
Net change in fund balance	(4,100,017)	(2,542,742)	(1,465,914)	1,076,828
<b>Budgetary fund balance at beginning of year</b>	8,248,881	8,248,881	8,248,881	-
<b>Prior year encumbrances appropriated</b>	999,323	999,323	999,323	-
<b>Budgetary fund balance at end of year</b>	<u>\$ 5,148,187</u>	<u>\$ 6,705,462</u>	<u>\$ 7,782,290</u>	<u>\$ 1,076,828</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>School District's Proportion of the Net Pension Liability</b>	<b>School District's Proportionate Share of the Net Pension Liability</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.15549180%	\$ 8,591,722	\$ 5,915,207	145.25%	76.06%
2023	0.17619220%	9,529,845	6,532,129	145.89%	75.82%
2022	0.18118320%	6,685,135	6,057,157	110.37%	82.86%
2021	0.17879550%	11,825,911	6,349,393	186.25%	68.55%
2020	0.18195000%	10,886,388	6,608,467	164.73%	70.85%
2019	0.17663700%	10,116,328	6,177,644	163.76%	71.36%
2018	0.18987460%	11,344,588	6,022,750	188.36%	69.50%
2017	0.18650790%	13,650,658	5,697,329	239.60%	62.98%
2016	0.18926900%	10,799,873	5,780,873	186.82%	69.16%
2015	0.19078600%	9,655,571	5,510,195	175.23%	71.70%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 850,149	\$ (850,149)	\$ -	\$ 6,072,493	14.00%
2023	828,129	(828,129)	-	5,915,207	14.00%
2022	914,498	(914,498)	-	6,532,129	14.00%
2021	848,002	(848,002)	-	6,057,157	14.00%
2020	888,915	(888,915)	-	6,349,393	14.00%
2019	892,143	(892,143)	-	6,608,467	13.50%
2018	833,982	(833,982)	-	6,177,644	13.50%
2017	843,185	(843,185)	-	6,022,750	14.00%
2016	797,626	(797,626)	-	5,697,329	14.00%
2015	761,919	(761,919)	-	5,780,873	13.18%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>School District's Proportion of the Net Pension Liability</b>	<b>School District's Proportionate Share of the Net Pension Liability</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.13817810%	\$ 29,756,568	\$ 18,852,971	157.83%	80.02%
2023	0.13931595%	30,970,111	17,936,650	172.66%	78.88%
2022	0.14514165%	18,557,665	18,197,471	101.98%	87.78%
2021	0.14369628%	34,769,387	17,472,064	199.00%	75.48%
2020	0.14416827%	31,881,947	16,939,057	188.22%	77.40%
2019	0.14494026%	31,869,109	16,388,679	194.46%	77.31%
2018	0.14481134%	34,400,244	16,055,000	214.26%	75.30%
2017	0.14911747%	49,914,112	15,672,850	318.48%	66.80%
2016	0.15014397%	41,495,402	15,745,257	263.54%	72.10%
2015	0.15412794%	37,489,251	15,871,677	236.20%	74.70%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 2,636,131	\$ (2,636,131)	\$ -	\$ 18,829,507	14.00%
2023	2,639,416	(2,639,416)	-	18,852,971	14.00%
2022	2,511,131	(2,511,131)	-	17,936,650	14.00%
2021	2,547,646	(2,547,646)	-	18,197,471	14.00%
2020	2,446,089	(2,446,089)	-	17,472,064	14.00%
2019	2,371,468	(2,371,468)	-	16,939,057	14.00%
2018	2,294,415	(2,294,415)	-	16,388,679	14.00%
2017	2,247,700	(2,247,700)	-	16,055,000	14.00%
2016	2,194,199	(2,194,199)	-	15,672,850	14.00%
2015	2,204,336	(2,204,336)	-	15,745,257	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

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

LAST EIGHT AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>School District's Proportion of the Net OPEB Liability</b>	<b>School District's Proportionate Share of the Net OPEB Liability</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
2024	0.15821150%	\$ 2,606,448	\$ 5,915,207	44.06%	30.02%
2023	0.17853610%	2,506,664	6,532,129	38.37%	30.34%
2022	0.18301370%	3,463,684	6,057,157	57.18%	24.08%
2021	0.17903020%	3,890,912	6,349,393	61.28%	18.17%
2020	0.18532490%	4,660,531	6,608,467	70.52%	15.57%
2019	0.18016620%	4,998,297	6,177,644	80.91%	13.57%
2018	0.19249060%	5,165,942	6,022,750	85.77%	12.46%
2017	0.18880778%	5,381,720	5,697,329	94.46%	11.49%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 103,947	\$ (103,947)	\$ -	\$ 6,072,493	1.71%
2023	105,999	(105,999)	-	5,915,207	1.79%
2022	108,298	(108,298)	-	6,532,129	1.66%
2021	99,979	(99,979)	-	6,057,157	1.65%
2020	84,243	(84,243)	-	6,349,393	1.33%
2019	140,825	(140,825)	-	6,608,467	2.13%
2018	132,520	(132,520)	-	6,177,644	2.15%
2017	104,041	(104,041)	-	6,022,750	1.73%
2016	94,690	(94,690)	-	5,697,329	1.66%
2015	47,403	(47,403)	-	5,780,873	0.82%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

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

LAST EIGHT AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>School District's Proportion of the Net OPEB Liability/(Asset)</b>	<b>School District's Proportionate Share of the Net OPEB Liability/(Asset)</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)</b>
2024	0.13817810%	\$ (2,687,373)	\$ 18,852,971	14.25%	168.52%
2023	0.13931595%	(3,607,353)	17,936,650	20.11%	230.73%
2022	0.14514165%	(3,060,193)	18,197,471	16.82%	174.73%
2021	0.14369628%	(2,525,461)	17,472,064	14.45%	182.10%
2020	0.14416827%	(2,387,772)	16,939,057	14.10%	174.74%
2019	0.14494026%	(2,329,042)	16,388,679	14.21%	176.00%
2018	0.14481134%	5,650,004	16,055,000	35.19%	47.10%
2017	0.14911747%	7,974,841	15,672,850	50.88%	37.33%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ -	\$ -	\$ -	\$ 18,829,507	0.00%
2023	-	-	-	18,852,971	0.00%
2022	-	-	-	17,936,650	0.00%
2021	-	-	-	18,197,471	0.00%
2020	-	-	-	17,472,064	0.00%
2019	-	-	-	16,939,057	0.00%
2018	-	-	-	16,388,679	0.00%
2017	-	-	-	16,055,000	0.00%
2016	-	-	-	15,672,850	0.00%
2015	-	-	-	15,745,257	0.00%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 - BUDGETARY PROCESS**

While 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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (1,465,914)
Net adjustment for revenue accruals	(4,560,299)
Net adjustment for expenditure accruals	14,089
Net adjustment for other sources/uses	457,023
Funds budgeted elsewhere	30,164
Adjustments for encumbrances	<u>555,712</u>
GAAP Basis	<u>\$ (4,969,225)</u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the public school support fund and the unclaimed monies fund.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**PENSION**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.

*Change in assumptions:*

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

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2024.

*Changes in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.
- For fiscal year 2024, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.69% to 3.86%, (b) single equivalent interest rate when from 4.08% to 4.27% and (c) medical trend assumptions went from 7.00% to 4.40% to 6.75% to 4.40%.

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

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.
- Claim curves were updated to reflect the projected June 30, 2023 premium based on June 30, 2022 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2023 from 2.100% to 2.200%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2023.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.
- For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from -68.78% initial - 3.94% ultimate to -10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to -11.95% initial - 4.14% ultimate; Medicare from -5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Original</u>	<u>Final</u>		
<b><u>General Fund</u></b>				
Total Revenues and Other Financing Sources	\$ 40,752,306	\$ 43,221,614	\$ 43,388,776	\$ 167,162
Total Expenditures and Other Financing Uses	<u>44,852,323</u>	<u>45,764,356</u>	<u>44,854,690</u>	<u>(909,666)</u>
Net Change in Fund Balance	(4,100,017)	(2,542,742)	(1,465,914)	1,076,828
Fund Balance, July 1	8,248,881	8,248,881	8,248,881	-
Prior Year Encumbrances Appropriated	<u>999,323</u>	<u>999,323</u>	<u>999,323</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 5,148,187</u>	<u>\$ 6,705,462</u>	<u>\$ 7,782,290</u>	<u>\$ 1,076,828</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS**

**Nonmajor Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A description of the District's special revenue funds follows:

**Trust Scholarship Fund**

This fund accounts for scholarships provided to students for which the District has administrative involvement.

**Other Grants Fund**

This fund is used to account for the proceeds of specific revenue sources, except for state and federal grants that are assigned to expenditures for specified purpose.

**District Managed Student Activity Fund**

This fund is used to account for those student activity programs which have student participation in the activity but do not have student management of the programs. This fund includes all athletic programs, except supplemental coaching contacts, and accounts for revenues and costs of the School District's athletic programs.

**Miscellaneous State Grants Fund**

This fund is used to account for various monies received through state agencies from state government or directly from the state government which are not classified elsewhere. A separate special cost center must be used for each grant.

**Data Communication Fund**

This fund is used to account for money appropriated for Ohio Educational Computer Network Connections.

**College Ready Ohio Fund**

This fund accounts for grant monies received through the Straight A Program. These grant monies are used for projects that will provide for advancement in student achievement, achieve spending reductions in five-year forecast or allow a greater share of resources to be utilized in the classroom.

**IDEA - Education of Handicapped Children Fund**

The purpose of this federal program is to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least-restrictive, alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

**Title I - Disadvantaged Children/Targeted Assistance Fund**

This fund is used to provide financial assistance to state and local educational agencies to meet the special needs of educationally deprived children.

**IDEA Preschool Grant for the Handicapped Fund**

This fund is used to account for grant monies pertaining to Section 619 of Public Law 99-457, addressing the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**FUND DESCRIPTIONS - NONMAJOR GOVERNMENTAL FUNDS**

**Nonmajor Special Revenue Funds - (Continued)**

**Title II-A Fund**

This fund is used to account for monies to hire additional classroom teachers in grades 1 through 3 so that the number of students per teacher will be reduced.

**Miscellaneous Federal Grants Fund**

This fund is used to account for various monies received through state agencies from federal government or directly from the federal government which are not classified elsewhere. A separate special cost center must be used for each grant.

**Student Managed Activity Fund**

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund includes activities which consist of a student body, student president, student treasurer, and faculty advisor.

**Elementary and Secondary School Emergency Relief (ESSER) Fund**

This fund accounts for revenues received from the federal government to combat the COVID-19 pandemic.

**Title IV-A Fund**

This fund accounts for revenues received from the federal government to provide student support and enrichment programs.

The following funds are included in the general fund (GAAP basis), but have a separate legally adopted budget (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since these funds are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

**Public School Support Fund**

This fund is used for the general support of the school buildings, staff, and students. As a result of the School District's implementation of GASB Statement No. 54, this fund has been combined with the General Fund on the governmental fund financial statements.

**Unclaimed Monies Fund**

This fund accounts for stale-dated payroll checks held for five years for employees. As a result of the School District's implementation of GASB Statement No. 54, this fund has been combined with the General Fund on the governmental fund financial statements.

**Nonmajor Bond Retirement Fund**

The bond retirement fund is a debt service fund used to account for the accumulation of resources for, and the repayment of, general long-term debt principal, interest and related costs.

**Nonmajor Capital Projects Funds**

Capital Projects funds are used to account for and report financial resources that are restricted, committed, or assigned for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). Following is a description of the nonmajor capital projects funds:

**Permanent Improvement Fund**

This fund is used to account for all transactions relating to the acquiring, constructing, or improving facilities.

**Building Fund**

This fund is used to account for the receipts and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities, including real property.

**Special Project Construction Fund**

This fund is used to accumulate funds for one or more capital projects that will not be financed from the General Fund. Funds collected in this fund may come from a number of sources. The projects financed by this fund will fall under the direction of the Assistant Superintendent in Charge of Business Operations.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Bond Retirement Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash, cash equivalents and investments	\$ 560,184	\$ 2,875,807	\$ 1,305,892	\$ 4,741,883
Receivables:				
Property taxes	-	1,192,472	-	1,192,472
Accounts	45	-	-	45
Intergovernmental	144,223	-	-	144,223
Total assets	<u>\$ 704,452</u>	<u>\$ 4,068,279</u>	<u>\$ 1,305,892</u>	<u>\$ 6,078,623</u>
<b>Liabilities:</b>				
Accounts payable	\$ 9,349	\$ -	\$ 16,730	\$ 26,079
Contracts payable	-	-	172,248	172,248
Accrued wages and benefits payable	71,960	-	-	71,960
Intergovernmental payable	800	-	-	800
Pension and postemployment benefits payable	10,614	-	-	10,614
Interfund loans payable	91,669	-	-	91,669
Unearned revenue	47,094	-	-	47,094
Total liabilities	<u>231,486</u>	<u>-</u>	<u>188,978</u>	<u>420,464</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	-	1,052,821	-	1,052,821
Delinquent property tax revenue not available	-	32,853	-	32,853
Intergovernmental revenue not available	52,112	-	-	52,112
Total deferred inflows of resources	<u>52,112</u>	<u>1,085,674</u>	<u>-</u>	<u>1,137,786</u>
<b>Fund balances:</b>				
Restricted:				
Debt service	-	2,982,605	-	2,982,605
Capital improvements	-	-	1,088,134	1,088,134
State funded programs	26,293	-	-	26,293
Extracurricular	404,517	-	-	404,517
Other purposes	72,976	-	-	72,976
Committed:				
Capital improvements	-	-	28,780	28,780
Unassigned (deficit)	(82,932)	-	-	(82,932)
Total fund balances	<u>420,854</u>	<u>2,982,605</u>	<u>1,116,914</u>	<u>4,520,373</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 704,452</u>	<u>\$ 4,068,279</u>	<u>\$ 1,305,892</u>	<u>\$ 6,078,623</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Bond Retirement Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ -	\$ 1,688,612	\$ -	\$ 1,688,612
Intergovernmental	1,394,424	180,163	-	1,574,587
Extracurricular	339,711	-	-	339,711
Contributions and donations	61,926	-	1,200	63,126
Miscellaneous	37,115	-	14,500	51,615
Total revenues	<u>1,833,176</u>	<u>1,868,775</u>	<u>15,700</u>	<u>3,717,651</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	23,142	-	-	23,142
Special	333,329	-	-	333,329
Support services:				
Pupil	340,353	-	-	340,353
Instructional staff	46,538	-	53,900	100,438
Fiscal	-	28,792	-	28,792
Operations and maintenance	353,305	-	341,382	694,687
Pupil transportation	-	-	247,696	247,696
Central	-	-	13,895	13,895
Other non-instructional services	131	-	-	131
Extracurricular activities	527,980	-	22,142	550,122
Facilities acquisition and construction	-	-	70,534	70,534
Debt service:				
Principal retirement	-	2,807,400	-	2,807,400
Interest and fiscal charges	-	574,060	-	574,060
Total expenditures	<u>1,624,778</u>	<u>3,410,252</u>	<u>749,549</u>	<u>5,784,579</u>
Excess (deficiency) of revenues over (under) expenditures	<u>208,398</u>	<u>(1,541,477)</u>	<u>(733,849)</u>	<u>(2,066,928)</u>
<b>Other financing sources:</b>				
Transfers in	77,338	146,500	1,270,000	1,493,838
Total other financing sources	<u>77,338</u>	<u>146,500</u>	<u>1,270,000</u>	<u>1,493,838</u>
Net change in fund balances	285,736	(1,394,977)	536,151	(573,090)
<b>Fund balances at beginning of year</b>	135,118	4,377,582	580,763	5,093,463
<b>Fund balances at end of year</b>	<u>\$ 420,854</u>	<u>\$ 2,982,605</u>	<u>\$ 1,116,914</u>	<u>\$ 4,520,373</u>



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**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	<b>Trust Scholarship</b>	<b>Other Grants</b>	<b>District Managed Student Activity</b>	<b>Miscellaneous State Grants</b>	<b>Data Communication</b>	<b>College Ready Ohio</b>
<b>Assets:</b>						
Equity in pooled cash, cash equivalents, and investments	\$ 57,379	\$ 15,802	\$ 334,373	\$ 8,016	\$ 14,400	\$ 3,877
Receivables:						
Accounts	-	-	45	-	-	-
Intergovernmental	-	-	-	-	-	-
Total assets	<u>\$ 57,379</u>	<u>\$ 15,802</u>	<u>\$ 334,418</u>	<u>\$ 8,016</u>	<u>\$ 14,400</u>	<u>\$ 3,877</u>
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ 205	\$ 9,144	\$ -	\$ -	\$ -
Accrued wages and benefits payable	-	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-	-
Pension and postemployment benefits payable	-	-	-	-	-	-
Interfund loans payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>205</u>	<u>9,144</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources:</b>						
Intergovernmental revenue not available	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>						
Restricted:						
State funded programs	-	-	-	8,016	14,400	3,877
Extracurricular	-	-	325,274	-	-	-
Other purposes	57,379	15,597	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>57,379</u>	<u>15,597</u>	<u>325,274</u>	<u>8,016</u>	<u>14,400</u>	<u>3,877</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 57,379</u>	<u>\$ 15,802</u>	<u>\$ 334,418</u>	<u>\$ 8,016</u>	<u>\$ 14,400</u>	<u>\$ 3,877</u>

IDEA - Education of Handicapped Children	Title I - Disadvantaged Children/Targeted Assistance	Title II-A	Miscellaneous Federal Grants	Student Managed Activity	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 47,094	\$ 79,243	\$ 560,184
-	-	-	-	-	45
88,609	17,704	37,910	-	-	144,223
<u>\$ 88,609</u>	<u>\$ 17,704</u>	<u>\$ 37,910</u>	<u>\$ 47,094</u>	<u>\$ 79,243</u>	<u>\$ 704,452</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,349
59,554	1,394	11,012	-	-	71,960
641	-	159	-	-	800
8,846	1,768	-	-	-	10,614
38,510	21,542	31,617	-	-	91,669
-	-	-	47,094	-	47,094
107,551	24,704	42,788	47,094	-	231,486
47,392	-	4,720	-	-	52,112
-	-	-	-	-	26,293
-	-	-	-	79,243	404,517
-	-	-	-	-	72,976
(66,334)	(7,000)	(9,598)	-	-	(82,932)
(66,334)	(7,000)	(9,598)	-	79,243	420,854
<u>\$ 88,609</u>	<u>\$ 17,704</u>	<u>\$ 37,910</u>	<u>\$ 47,094</u>	<u>\$ 79,243</u>	<u>\$ 704,452</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Trust Scholarship	Other Grants	District Managed Student Activity	Miscellaneous State Grants	Data Communication
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 7,200
Extracurricular	-	-	276,817	-	-
Contributions and donations	311	-	58,198	-	-
Miscellaneous	-	12,507	24,608	-	-
Total revenues	311	12,507	359,623	-	7,200
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	-	16,327	-	-	-
Special	-	-	-	-	-
Support services:					
Pupil	-	232	-	-	-
Instructional staff	-	-	-	-	-
Operations and maintenance	-	-	-	2,471	-
Other non-instructional services	131	-	-	-	-
Extracurricular activities	-	-	471,410	-	-
Total expenditures	131	16,559	471,410	2,471	-
Excess (deficiency) of revenues over (under) expenditures	180	(4,052)	(111,787)	(2,471)	7,200
<b>Other financing sources:</b>					
Transfers in	-	950	76,388	-	-
Net change in fund balances	180	(3,102)	(35,399)	(2,471)	7,200
<b>Fund balances (deficit) at beginning of year</b>	57,199	18,699	360,673	10,487	7,200
<b>Fund balances (deficit) at end of year</b>	<u>\$ 57,379</u>	<u>\$ 15,597</u>	<u>\$ 325,274</u>	<u>\$ 8,016</u>	<u>\$ 14,400</u>

College Ready Ohio	IDEA - Education of Handicapped Children	Title I - Disadvantaged Children/Targeted Assistance	IDEA Preschool Grant for the Handicapped	Title II-A	Miscellaneous Federal Grants	Student Managed Activity
\$ -	\$ 624,837	\$ 147,863	\$ 12,245	\$ 45,123	\$ 213,105	\$ -
-	-	-	-	-	-	62,894
-	-	-	-	-	-	3,417
-	-	-	-	-	-	-
-	624,837	147,863	12,245	45,123	213,105	66,311
-	-	-	-	-	-	-
-	209,323	111,761	12,245	-	-	-
-	330,531	-	-	-	-	-
-	-	3,749	-	42,789	-	-
-	-	-	-	-	213,105	-
-	-	-	-	-	-	-
-	-	-	-	-	-	56,570
-	539,854	115,510	12,245	42,789	213,105	56,570
-	84,983	32,353	-	2,334	-	9,741
-	-	-	-	-	-	-
-	84,983	32,353	-	2,334	-	9,741
3,877	(151,317)	(39,353)	-	(11,932)	-	69,502
\$ 3,877	\$ (66,334)	\$ (7,000)	\$ -	\$ (9,598)	\$ -	\$ 79,243

- (Continued)

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<b>ESSER</b>	<b>Title IV-A</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>Revenues:</b>			
Intergovernmental	\$ 334,461	\$ 9,590	\$ 1,394,424
Extracurricular	-	-	339,711
Contributions and donations	-	-	61,926
Miscellaneous	-	-	37,115
Total revenues	<u>334,461</u>	<u>9,590</u>	<u>1,833,176</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	6,815	-	23,142
Special	-	-	333,329
Support services:			
Pupil	-	9,590	340,353
Instructional staff	-	-	46,538
Operations and maintenance	137,729	-	353,305
Other non-instructional services	-	-	131
Extracurricular activities	-	-	527,980
Total expenditures	<u>144,544</u>	<u>9,590</u>	<u>1,624,778</u>
Excess (deficiency) of revenues over (under) expenditures	<u>189,917</u>	<u>-</u>	<u>208,398</u>
<b>Other financing sources:</b>			
Transfers in	<u>-</u>	<u>-</u>	<u>77,338</u>
Net change in fund balances	189,917	-	285,736
<b>Fund balances (deficit) at beginning of year</b>	<u>(189,917)</u>	<u>-</u>	<u>135,118</u>
<b>Fund balances (deficit) at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 420,854</u></u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2024

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Special Project Construction</u>	<u>Total Nonmajor Capital Project Funds</u>
<b>Assets:</b>				
Equity in pooled cash, cash equivalents, and investments	\$ 1,183,525	\$ 93,587	\$ 28,780	\$ 1,305,892
<b>Liabilities:</b>				
Accounts payable	\$ 12,949	\$ 3,781	\$ -	\$ 16,730
Contracts payable	172,248	-	-	172,248
Total liabilities	185,197	3,781	-	188,978
<b>Fund balances:</b>				
Restricted:				
Capital improvements	998,328	89,806	-	1,088,134
Committed:				
Capital improvements	-	-	28,780	28,780
Total fund balances	998,328	89,806	28,780	1,116,914
Total liabilities, deferred inflows and fund balances	\$ 1,183,525	\$ 93,587	\$ 28,780	\$ 1,305,892

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<b>Permanent Improvement</b>	<b>Building</b>	<b>Special Project Construction</b>	<b>Total Nonmajor Capital Project Funds</b>
<b>Revenues:</b>				
Contributions and donations	\$ -	\$ -	\$ 1,200	\$ 1,200
Miscellaneous	-	-	14,500	14,500
Total revenues	-	-	15,700	15,700
<b>Expenditures:</b>				
Current:				
Support services:				
Instructional staff	53,900	-	-	53,900
Operations and maintenance	341,382	-	-	341,382
Pupil transportation	247,696	-	-	247,696
Central	13,895	-	-	13,895
Extracurricular activities	22,142	-	-	22,142
Facilities acquisition and construction	42,900	21,299	6,335	70,534
Total expenditures	721,915	21,299	6,335	749,549
Excess (deficiency) of revenues over (under) expenditures	(721,915)	(21,299)	9,365	(733,849)
<b>Other financing sources:</b>				
Transfers in	1,270,000	-	-	1,270,000
Total other financing sources	1,270,000	-	-	1,270,000
Net change in fund balances	548,085	(21,299)	9,365	536,151
<b>Fund balances at beginning of year</b>	450,243	111,105	19,415	580,763
<b>Fund balances at end of year</b>	\$ 998,328	\$ 89,806	\$ 28,780	\$ 1,116,914



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Final</u>	<u>Actual</u>	
<b><u>Trust Scholarship Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 311	\$ 311	\$ -
Total Expenditures and Other Financing Uses	<u>1,000</u>	<u>431</u>	<u>(569)</u>
Net Change in Fund Balance	(689)	(120)	569
Fund Balance, July 1	<u>57,199</u>	<u>57,199</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 56,510</u></u>	<u><u>\$ 57,079</u></u>	<u><u>\$ 569</u></u>
<b><u>Other Grants Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 12,507	\$ 13,457	\$ 950
Total Expenditures and Other Financing Uses	<u>31,206</u>	<u>17,290</u>	<u>(13,916)</u>
Net Change in Fund Balance	(18,699)	(3,833)	14,866
Fund Balance, July 1	17,925	17,925	-
Prior Year Encumbrances Appropriated	<u>774</u>	<u>774</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ 14,866</u></u>	<u><u>\$ 14,866</u></u>
<b><u>District Managed Student Activity Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 403,395	\$ 404,784	\$ 1,389
Total Expenditures and Other Financing Uses	<u>718,727</u>	<u>479,916</u>	<u>(238,811)</u>
Net Change in Fund Balance	(315,332)	(75,132)	240,200
Fund Balance, July 1	257,316	257,316	-
Prior Year Encumbrances Appropriated	<u>133,016</u>	<u>133,016</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 75,000</u></u>	<u><u>\$ 315,200</u></u>	<u><u>\$ 240,200</u></u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Final</u>	<u>Actual</u>	
<b><u>Miscellaneous State Grants Fund</u></b>			
Total Expenditures and Other Financing Uses	\$ 43,961	\$ 21,971	\$ (21,990)
Net Change in Fund Balance	(43,961)	(21,971)	21,990
Fund Balance, July 1	8,016	8,016	-
Prior Year Encumbrances Appropriated	21,971	21,971	-
Fund Balance (deficit), June 30	<u>\$ (13,974)</u>	<u>\$ 8,016</u>	<u>\$ 21,990</u>
<b><u>Data Communication Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 7,200	\$ 7,200	\$ -
Total Expenditures and Other Financing Uses	14,400	-	(14,400)
Net Change in Fund Balance	(7,200)	7,200	14,400
Fund Balance, July 1	7,200	7,200	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 14,400</u>	<u>\$ 14,400</u>
<b><u>College Ready Ohio Fund</u></b>			
Total Expenditures and Other Financing Uses	\$ 3,877	\$ -	\$ (3,877)
Net Change in Fund Balance	(3,877)	-	3,877
Fund Balance, July 1	3,877	3,877	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 3,877</u>	<u>\$ 3,877</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Final</u>	<u>Actual</u>	
<b><u>IDEA – Education of Handicapped Children Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 728,711	\$ 728,711	\$ -
Total Expenditures and Other Financing Uses	<u>662,256</u>	<u>700,766</u>	<u>38,510</u>
Net Change in Fund Balance	66,455	27,945	(38,510)
Fund Balance (deficit), July 1	(67,855)	(67,855)	-
Prior Year Encumbrances Appropriated	<u>1,400</u>	<u>1,400</u>	<u>-</u>
Fund Balance (deficit), June 30	<u><u>\$ -</u></u>	<u><u>\$ (38,510)</u></u>	<u><u>\$ (38,510)</u></u>
<b><u>Title I – Disadvantage Children/Targeted Assistance Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 162,793	\$ 184,335	\$ 21,542
Total Expenditures and Other Financing Uses	<u>142,651</u>	<u>164,193</u>	<u>21,542</u>
Net Change in Fund Balance	20,142	20,142	-
Fund Balance (deficit), July 1	<u>(20,142)</u>	<u>(20,142)</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Final</u>	<u>Actual</u>	
<b><u>IDEA Preschool Grant for the Handicapped Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 12,538	\$ 12,245	\$ (293)
Total Expenditures and Other Financing Uses	<u>12,538</u>	<u>12,245</u>	<u>(293)</u>
Net Change in Fund Balance	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b><u>Title II-A Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 50,156	\$ 67,469	\$ 17,313
Total Expenditures and Other Financing Uses	<u>46,178</u>	<u>63,491</u>	<u>17,313</u>
Net Change in Fund Balance	3,978	3,978	-
Fund Balance (deficit), July 1	<u>(3,978)</u>	<u>(3,978)</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b><u>Miscellaneous Federal Grants Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 260,199	\$ 260,199	\$ -
Total Expenditures and Other Financing Uses	<u>213,105</u>	<u>213,105</u>	<u>-</u>
Net Change in Fund Balance	47,094	47,094	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 47,094</u></u>	<u><u>\$ 47,094</u></u>	<u><u>\$ -</u></u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Final</u>	<u>Actual</u>	
<b><u>Student Managed Activity Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 86,058	\$ 86,058	\$ -
Total Expenditures and Other Financing Uses	<u>154,610</u>	<u>76,651</u>	<u>(77,959)</u>
Net Change in Fund Balance	(68,552)	9,407	77,959
Fund Balance, July 1	68,264	68,264	-
Prior Year Encumbrances Appropriated	<u>1,238</u>	<u>1,238</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 950</u></u>	<u><u>\$ 78,909</u></u>	<u><u>\$ 77,959</u></u>
<b><u>Elementary and Secondary School Emergency Relief Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 327,646	\$ 327,646	\$ -
Total Expenditures and Other Financing Uses	<u>327,646</u>	<u>327,646</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance (deficit), July 1	(327,646)	(327,646)	-
Prior Year Encumbrances Appropriated	<u>327,646</u>	<u>327,646</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b><u>Title IV-A Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 10,180	\$ 10,180	\$ -
Total Expenditures and Other Financing Uses	<u>10,180</u>	<u>10,180</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Final</u>	<u>Actual</u>	
<b><u>Public School Support Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 97,414	\$ 97,414	\$ -
Total Expenditures and Other Financing Uses	<u>269,245</u>	<u>73,411</u>	<u>(195,834)</u>
Net Change in Fund Balance	(171,831)	24,003	195,834
Fund Balance, July 1	244,282	244,282	-
Prior Year Encumbrances Appropriated	<u>24,963</u>	<u>24,963</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 97,414</u></u>	<u><u>\$ 293,248</u></u>	<u><u>\$ 195,834</u></u>
<b><u>Unclaimed Monies Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 3,144	\$ 4,537	\$ 1,393
Total Expenditures and Other Financing Uses	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
Net Change in Fund Balance	(4,856)	4,537	9,393
Fund Balance, July 1	<u>13,322</u>	<u>13,322</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 8,466</u></u>	<u><u>\$ 17,859</u></u>	<u><u>\$ 9,393</u></u>
<b><u>Bond Retirement Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 2,442,656	\$ 2,442,656	\$ -
Total Expenditures and Other Financing Uses	<u>3,540,239</u>	<u>3,410,252</u>	<u>(129,987)</u>
Net Change in Fund Balance	(1,097,583)	(967,596)	129,987
Fund Balance, July 1	<u>3,843,403</u>	<u>3,843,403</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 2,745,820</u></u>	<u><u>\$ 2,875,807</u></u>	<u><u>\$ 129,987</u></u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Final</u>	<u>Actual</u>	
<b><u>Permanent Improvement Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 1,270,000	\$ 1,270,000	\$ -
Total Expenditures and Other Financing Uses	<u>1,734,757</u>	<u>1,189,291</u>	<u>(545,466)</u>
Net Change in Fund Balance	(464,757)	80,709	545,466
Fund Balance, July 1	207,364	207,364	-
Prior Year Encumbrances Appropriated	<u>434,757</u>	<u>434,757</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 177,364</u></u>	<u><u>\$ 722,830</u></u>	<u><u>\$ 545,466</u></u>
<b><u>Building Fund</u></b>			
Total Expenditures and Other Financing Uses	<u>\$ 114,886</u>	<u>\$ 25,080</u>	<u>\$ (89,806)</u>
Net Change in Fund Balance	(114,886)	(25,080)	89,806
Fund Balance, July 1	106,448	106,448	-
Prior Year Encumbrances Appropriated	<u>8,438</u>	<u>8,438</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ 89,806</u></u>	<u><u>\$ 89,806</u></u>
<b><u>Special Project Construction Fund</u></b>			
Total Revenues and Other Financing Sources	\$ 15,700	\$ 15,700	\$ -
Total Expenditures and Other Financing Uses	<u>19,415</u>	<u>6,335</u>	<u>(13,080)</u>
Net Change in Fund Balance	(3,715)	9,365	13,080
Fund Balance, July 1	<u>19,415</u>	<u>19,415</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 15,700</u></u>	<u><u>\$ 28,780</u></u>	<u><u>\$ 13,080</u></u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**FUND DESCRIPTIONS - NONMAJOR ENTERPRISE FUNDS**

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private sector businesses where the intent is that the expense (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges. The following is a description of the School District's nonmajor enterprise funds.

**Food Service Fund**

This fund accounts for the provision of food service to the School District.

**Uniform School Supplies Fund**

This fund accounts for the purchase of necessary supplies, materials, or other school related items above those items provided for general instruction, paid for by students.

**Adult Education Fund**

This fund is provided to account for transactions made in connection with adult education classes. Receipts include, but are not limited to, tuition from patrons and students and reimbursement from the State Department of Education. Expenditures include supplies, salaries, and textbooks.



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2024

	<b>Food Service</b>	<b>Uniform School Supplies</b>	<b>Adult Education</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Assets:</b>				
Current:				
Equity in pooled cash, cash equivalents, and investments	\$ 990,212	\$ 76,572	\$ 16,620	\$ 1,083,404
Receivables:				
Accounts	5,587	-	17,768	23,355
Materials and supplies inventory	5,415	-	-	5,415
Inventory held for resale	13,530	-	-	13,530
Total current assets	1,014,744	76,572	34,388	1,125,704
Noncurrent assets:				
Net OPEB asset	-	-	1,190	1,190
Depreciable capital assets, net	89,607	-	-	89,607
Total noncurrent assets	89,607	-	1,190	90,797
Total assets	1,104,351	76,572	35,578	1,216,501
<b>Deferred outflows of resources:</b>				
Pension	79,154	-	54,629	133,783
OPEB	84,246	-	48,101	132,347
Total deferred outflows of resources	163,400	-	102,730	266,130
<b>Liabilities:</b>				
Current:				
Accounts payable	51,871	-	266	52,137
Accrued wages and benefits payable	62,124	-	4,852	66,976
Pension and postemployment benefits payable	12,630	-	2,461	15,091
Interfund loans payable	-	-	503	503
Intergovernmental payable	754	-	4	758
Total current liabilities	127,379	-	8,086	135,465
Long-term liabilities:				
Compensated absences payable	38,466	-	-	38,466
Net pension liability	510,972	-	242,307	753,279
Net OPEB liability	155,012	-	69,512	224,524
Total long-term liabilities	704,450	-	311,819	1,016,269
Total liabilities	831,829	-	319,905	1,151,734
<b>Deferred inflows of resources:</b>				
Pension	35,409	-	30,505	65,914
OPEB	157,619	-	70,546	228,165
Total deferred inflows of resources	193,028	-	101,051	294,079
<b>Net position:</b>				
Investment in capital assets	46,089	-	-	46,089
Restricted for OPEB	-	-	1,190	1,190
Unrestricted (deficit)	196,805	76,572	(283,838)	(10,461)
Total net position (deficit)	\$ 242,894	\$ 76,572	\$ (282,648)	\$ 36,818

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<b>Food Service</b>	<b>Uniform School Supplies</b>	<b>Adult Education</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>Operating revenues:</b>				
Tuition and fees	\$ -	\$ 149,849	\$ -	\$ 149,849
Charges for services	980,255	-	285,825	1,266,080
Other	5,587	-	230,469	236,056
Total operating revenues	<u>985,842</u>	<u>149,849</u>	<u>516,294</u>	<u>1,651,985</u>
<b>Operating expenses:</b>				
Personal services	470,839	-	231,595	702,434
Purchased services	25,465	-	214,780	240,245
Materials and supplies	625,945	138,926	28,873	793,744
Other	4,396	990	942	6,328
Depreciation	14,752	-	-	14,752
Total operating expenses	<u>1,141,397</u>	<u>139,916</u>	<u>476,190</u>	<u>1,757,503</u>
Operating income (loss)	<u>(155,555)</u>	<u>9,933</u>	<u>40,104</u>	<u>(105,518)</u>
<b>Nonoperating revenues:</b>				
Grants and subsidies	268,989	-	-	268,989
Interest revenue	53,645	-	-	53,645
Federal donated commodities	68,201	-	-	68,201
Total nonoperating revenues	<u>390,835</u>	<u>-</u>	<u>-</u>	<u>390,835</u>
Income before transfers	235,280	9,933	40,104	285,317
Transfer in	<u>-</u>	<u>-</u>	<u>13,775</u>	<u>13,775</u>
Change in net position	235,280	9,933	53,879	299,092
<b>Net position (deficit) at beginning of year, as previously reported</b>	34,320	66,639	(336,527)	(235,568)
Change in capital assets	<u>(26,706)</u>	<u>-</u>	<u>-</u>	<u>(26,706)</u>
<b>Net position (deficit) at beginning of year, restated</b>	<u>7,614</u>	<u>66,639</u>	<u>(336,527)</u>	<u>(262,274)</u>
<b>Net position (deficit) at end of year</b>	<u><u>\$ 242,894</u></u>	<u><u>\$ 76,572</u></u>	<u><u>\$ (282,648)</u></u>	<u><u>\$ 36,818</u></u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Food Service	Uniform School Supplies	Adult Education	Total Nonmajor Enterprise Funds
<b>Cash flows from operating activities:</b>				
Cash received from tuition and fees	\$ -	\$ 150,272	\$ -	\$ 150,272
Cash received from charges for services	980,255	-	285,825	1,266,080
Cash received from other operations	-	-	226,216	226,216
Cash payments for personal services	(517,543)	-	(227,177)	(744,720)
Cash payments for purchased services	(27,475)	-	(214,514)	(241,989)
Cash payments for materials and supplies	(559,286)	(138,936)	(32,268)	(730,490)
Cash payments for other expenses	(4,396)	(990)	(942)	(6,328)
Net cash provided by (used in) operating activities	(128,445)	10,346	37,140	(80,959)
<b>Cash flows from noncapital financing activities:</b>				
Cash received from grants and subsidies	268,989	-	-	268,989
Cash received from interfund loans	-	-	503	503
Cash used in repayment of interfund loans	-	-	(87,775)	(87,775)
Cash received from transfers	-	-	13,775	13,775
Net cash provided by (used in) noncapital financing activities	268,989	-	(73,497)	195,492
<b>Cash flows from investing activities:</b>				
Interest received	53,645	-	-	53,645
Net cash provided by investing activities	53,645	-	-	53,645
Net increase (decrease) in cash and cash equivalents	194,189	10,346	(36,357)	168,178
<b>Cash and cash equivalents at beginning of year</b>	796,023	66,226	52,977	915,226
<b>Cash and cash equivalents at end of year</b>	<u>\$ 990,212</u>	<u>\$ 76,572</u>	<u>\$ 16,620</u>	<u>\$ 1,083,404</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (155,555)	\$ 9,933	\$ 40,104	\$ (105,518)
Adjustments:				
Depreciation	14,752	-	-	14,752
Federal donated commodities	68,201	-	-	68,201
Changes in assets, liabilities, deferred inflows of resources, and deferred outflows of resources:				
(Increase) in materials and supplies inventory	(573)	-	-	(573)
(Increase) in inventory held for resale	(969)	-	-	(969)
(Increase) decrease in accounts receivable	(5,587)	423	(4,253)	(9,417)
(Decrease) in accounts payable	(2,010)	(10)	(3,129)	(5,149)
(Decrease) in accrued wages and benefits	(10,192)	-	(1,880)	(12,072)
(Decrease) in compensated absences payable	(14,617)	-	-	(14,617)
(Decrease) in net pension liability	(25,988)	-	(29,177)	(55,165)
Increase in net OPEB liability	13,774	-	10,238	24,012
Decrease in net OPEB asset	-	-	4,184	4,184
Decrease in deferred outflows - pensions	17,645	-	32,422	50,067
(Increase) in deferred outflows - OPEB	(22,407)	-	(9,988)	(32,395)
Increase in deferred inflows - pensions	13,146	-	15,327	28,473
(Decrease) in deferred inflows - OPEB	(17,724)	-	(17,184)	(34,908)
(Decrease) in intergovernmental payable	(96)	-	(27)	(123)
Increase (decrease) in pension and postemployment benefits payable	(245)	-	503	258
Net cash provided by (used in) operating activities	<u>\$ (128,445)</u>	<u>\$ 10,346</u>	<u>\$ 37,140</u>	<u>\$ (80,959)</u>

**Non-Cash Transactions:**

As of June 30, 2024, the food service fund had purchased \$43,518 in capital assets on account.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Final</u>	<u>Actual</u>	
<b><u>Food Services Fund</u></b>			
Total Revenues and Other Sources	\$ 1,248,200	\$ 1,249,244	\$ 1,044
Total Expenses and Other Uses	<u>1,210,664</u>	<u>1,197,879</u>	<u>(12,785)</u>
Net Change in Fund Equity	37,536	51,365	13,829
Fund Equity, July 1	785,359	785,359	-
Prior Year Encumbrances Appropriated	<u>10,664</u>	<u>10,664</u>	<u>-</u>
Fund Equity, June 30	<u><u>\$ 833,559</u></u>	<u><u>\$ 847,388</u></u>	<u><u>\$ 13,829</u></u>
<b><u>Uniform School Supplies Fund</u></b>			
Total Revenues and Other Sources	\$ 149,604	\$ 150,272	\$ 668
Total Expenses and Other Uses	<u>151,779</u>	<u>141,312</u>	<u>(10,467)</u>
Net Change in Fund Equity	(2,175)	8,960	11,135
Fund Equity, July 1	64,447	64,447	-
Prior Year Encumbrances Appropriated	<u>1,779</u>	<u>1,779</u>	<u>-</u>
Fund Equity, June 30	<u><u>\$ 64,051</u></u>	<u><u>\$ 75,186</u></u>	<u><u>\$ 11,135</u></u>
<b><u>Adult Education Fund</u></b>			
Total Revenues and Other Sources	\$ 618,041	\$ 632,319	\$ 14,278
Total Expenses and Other Uses	<u>607,903</u>	<u>571,311</u>	<u>(36,592)</u>
Net Change in Fund Equity	10,138	61,008	50,870
Fund Equity, July 1	13,074	13,074	-
Prior Year Encumbrances Appropriated	<u>39,903</u>	<u>39,903</u>	<u>-</u>
Fund Equity, June 30	<u><u>\$ 63,115</u></u>	<u><u>\$ 113,985</u></u>	<u><u>\$ 50,870</u></u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**FUND DESCRIPTION - NONMAJOR INTERNAL SERVICE FUND**

Internal Service Funds account for the financing of goods or services provided by one department or agency of the School District to other departments or agencies on a cost-reimbursement basis. Charges are intended to recoup the total cost of such services.

**Employee Benefits Self-Insurance Fund**

This fund accounts for the operations of the School District's self-insurance program for medical/surgical, dental benefits, and worker's compensation payments. Since the School District maintains only one internal service fund, no combining statements are presented.

**KENSTON LOCAL SCHOOL DISTRICT**  
**GEAUGA COUNTY, OHIO**  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 FUND EQUITY - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Final</u>	<u>Actual</u>	
<b><u>Employee Benefits Self-Insurance Fund</u></b>			
Total Revenues and Other Sources	\$ 6,841,639	\$ 7,453,869	\$ 612,230
Total Expenses and Other Uses	<u>9,219,492</u>	<u>8,287,031</u>	<u>(932,461)</u>
Net Change in Fund Equity	(2,377,853)	(833,162)	1,544,691
Fund Equity, July 1	1,936,151	1,936,151	-
Prior Year Encumbrances Appropriated	<u>1,219,492</u>	<u>1,219,492</u>	<u>-</u>
Fund Equity, June 30	<u><u>\$ 777,790</u></u>	<u><u>\$ 2,322,481</u></u>	<u><u>\$ 1,544,691</u></u>



# STATISTICAL SECTION



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**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**STATISTICAL SECTION**

This part of the Kenston City School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<b><u>Table of Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>138-149</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	<b>150-156</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>157-162</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>163-164</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	<b>166-181</b>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	2024	2023 (3)	2022	2021
<b>Governmental activities</b>				
Net investment in capital assets	\$ 9,258,923	\$ 7,639,960	\$ 13,307,248	\$ 13,467,109
Restricted for:				
Capital projects	1,260,382	731,060	639,266	754,418
Debt service	1,591,969	3,159,101	3,852,878	2,809,553
Locally funded programs	-	-	-	-
State funded programs	26,293	21,564	6,752	32,392
Federally funded programs	-	-	-	2,914
Student activities	404,517	430,175	401,329	383,547
OPEB	2,686,183	746,189	-	-
Other purposes	90,835	89,220	82,651	66,421
Unrestricted (deficit)	(33,753,799)	(28,184,045)	(25,316,179)	(29,009,358)
Total governmental activities net position	<u>\$ (18,434,697)</u>	<u>\$ (15,366,776)</u>	<u>\$ (7,026,055)</u>	<u>\$ (11,493,004)</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 46,089	\$ 60,841	\$ 84,289	\$ 52,090
Restricted for:				
OPEB	1,190	1,329	-	-
Unrestricted (deficit)	(10,461)	(324,444)	(493,650)	(1,071,040)
Total business-type activities net position	<u>\$ 36,818</u>	<u>\$ (262,274)</u>	<u>\$ (409,361)</u>	<u>\$ (1,018,950)</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 9,305,012	\$ 7,700,801	\$ 13,391,537	\$ 13,519,199
Restricted	6,061,369	5,178,638	4,982,876	4,049,245
Unrestricted (deficit)	(33,764,260)	(28,508,489)	(25,809,829)	(30,080,398)
Total primary government net assets	<u>\$ (18,397,879)</u>	<u>\$ (15,629,050)</u>	<u>\$ (7,435,416)</u>	<u>\$ (12,511,954)</u>

- (1) The School District implemented GASB Statement No. 75 in 2018.  
Amounts for 2017 have been restated to reflect the implementation of this statement.
- (2) The School District implemented GASB Statement No. 84 in 2020.  
Amounts for 2019 have been restated to reflect the implementation of this statement.
- (3) The School District adjusted amounts for capital assets in 2024.  
Amounts for 2023 have been restated to reflect the adjustment in capital assets.

**Source:** School District financial records.

2020	2019 (2)	2018	2017 (1)	2016	2015
\$ 12,520,887	\$ 10,807,408	\$ 8,575,170	\$ 4,991,103	\$ 8,972,501	\$ 14,505,172
1,020,679	2,235,423	2,305,629	3,981,244	201,741	265,409
1,777,992	2,084,898	2,061,407	3,273,997	3,330,058	4,247,132
9,926	40,813	42,644	-	-	-
56,935	19,063	3,876	3,892	3,876	70,437
-	-	-	1,596	-	-
376,976	447,517	356,051	280,946	290,192	306,497
-	-	-	-	-	-
55,074	55,074	58,947	58,947	78,700	83,006
(31,248,774)	(26,158,918)	(29,985,431)	(37,230,309)	(39,777,235)	(38,255,325)
<u>\$ (15,430,305)</u>	<u>\$ (10,468,722)</u>	<u>\$ (16,581,707)</u>	<u>\$ (24,638,584)</u>	<u>\$ (26,900,167)</u>	<u>\$ (18,777,672)</u>
\$ 63,706	\$ 72,557	\$ 71,481	\$ 92,128	\$ 112,772	\$ 282,553
-	-	-	-	-	-
(1,108,993)	(1,068,332)	(933,884)	(570,456)	(729,093)	(1,251,595)
<u>\$ (1,045,287)</u>	<u>\$ (995,775)</u>	<u>\$ (862,403)</u>	<u>\$ (478,328)</u>	<u>\$ (616,321)</u>	<u>\$ (969,042)</u>
\$ 12,584,593	\$ 10,879,965	\$ 8,646,651	\$ 5,083,231	\$ 9,085,273	\$ 14,787,725
3,297,582	4,882,788	4,828,554	7,600,622	3,904,567	4,972,481
(32,357,767)	(27,227,250)	(30,919,315)	(37,800,765)	(40,506,328)	(39,506,920)
<u>\$ (16,475,592)</u>	<u>\$ (11,464,497)</u>	<u>\$ (17,444,110)</u>	<u>\$ (25,116,912)</u>	<u>\$ (27,516,488)</u>	<u>\$ (19,746,714)</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Expenses</b>				
Governmental activities:				
Instruction:				
Regular	\$ 18,689,114	\$ 19,464,492	\$ 16,965,327	\$ 18,895,342
Special	5,829,300	6,142,138	5,431,922	6,106,647
Vocational	452,221	374,113	472,772	418,010
Other instructional	424,860	323,359	429,588	716,523
Support services:				
Pupil	2,606,344	2,621,130	2,401,146	2,581,368
Instructional staff	2,013,578	1,880,636	1,808,577	1,905,092
Board of education	125,415	294,237	108,344	66,257
Administration	2,640,014	2,749,565	2,511,034	2,996,386
Fiscal	2,450,048	1,188,363	1,324,888	1,302,804
Business	407,663	491,082	379,339	393,042
Operations and maintenance	3,947,070	4,017,279	3,996,398	4,006,711
Pupil transportation	2,991,255	3,163,717	3,242,602	3,199,845
Central	143,624	906,215	287,840	372,138
Operation of non-instructional services	33,401	17,535	3,086	87,048
Extracurricular activities	1,606,065	1,571,115	1,331,379	1,328,287
Interest and fiscal charges	843,780	846,720	937,208	863,738
Total governmental activities expenses	<u>45,203,752</u>	<u>46,051,696</u>	<u>41,631,450</u>	<u>45,239,238</u>
Business-type activities:				
Food services	1,141,397	1,136,946	1,178,838	899,173
Uniform school supplies	139,916	150,536	149,714	204,115
Kindergarten fees	-	-	-	-
Adult education	476,190	464,018	360,540	161,747
Total business-type activities	<u>1,757,503</u>	<u>1,751,500</u>	<u>1,689,092</u>	<u>1,265,035</u>
Total primary government expenses	<u>46,961,255</u>	<u>47,803,196</u>	<u>43,320,542</u>	<u>46,504,273</u>

2020	2019	2018	2017	2016 (1)	2015
\$ 18,617,080	\$ 14,894,657	\$ 7,646,607	\$ 17,356,884	\$ 15,341,661	\$ 15,512,319
6,019,114	5,806,578	4,019,505	5,851,894	4,661,158	4,608,502
402,175	98,594	45,979	223,147	193,915	268,312
783,689	624,842	577,881	655,874	658,436	603,260
2,397,701	1,999,792	1,333,836	2,533,325	2,494,672	2,232,423
1,840,768	1,731,750	955,406	2,428,467	2,281,487	1,952,922
58,936	87,779	88,576	55,549	141,100	57,682
3,104,413	2,682,742	1,448,156	3,059,109	2,936,438	2,819,604
1,367,753	1,323,644	899,146	1,281,656	1,095,551	1,085,992
446,647	356,419	127,219	81,300	42,944	45,081
4,224,660	3,699,099	2,744,063	5,149,226	3,752,274	3,656,927
3,097,152	2,747,931	1,785,167	3,128,753	2,625,309	2,602,077
260,771	157,232	10,772	8,817	36,683	39,064
-	97,561	140,776	255,902	220,175	218,255
1,479,169	1,479,414	1,000,393	1,739,537	1,615,127	1,706,149
1,162,418	1,249,029	1,589,061	1,666,600	1,172,312	1,187,671
45,262,446	39,037,063	24,412,543	45,476,040	39,269,242	38,596,240
943,939	973,768	981,862	1,114,395	956,171	962,766
201,789	323,252	142,422	167,446	138,940	147,308
-	-	-	-	-	311,506
248,717	215,761	178,491	220,527	169,220	155,516
1,394,445	1,512,781	1,302,775	1,502,368	1,264,331	1,577,096
46,656,891	40,549,844	25,715,318	46,978,408	40,533,573	40,173,336

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS - (Continued)  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 676,705	\$ 716,764	\$ 651,730	\$ 775,650
Special	217,578	267,626	327,544	276,722
Support services:				
Pupil	40,106	20,903	21,972	18,312
Instructional staff	3,413	3,280	7,246	1,267
Operations and maintenance	5	-	-	-
Central	949	536	268	-
Extracurricular activities	425,923	363,466	343,381	186,496
Operating grants and contributions:				
Instruction:				
Regular	19,147	193,966	220,551	198,145
Special	660,708	673,777	499,076	500,876
Vocational	2,295	695	351	819
Support services:				
Pupil	486,758	489,366	450,107	240,422
Instructional staff	52,760	75,332	91,696	77,488
Administration	-	-	8,020	168,337
Operations and maintenance	138,929	595,187	389,005	284,035
Pupil transportation	215,444	339,512	295,341	165,199
Central	1,149	625,907	277	-
Operation of non-instructional services	820	3,515	715	81,197
Extracurricular activities	86,223	61,301	47,310	69,144
Capital grants and contributions:				
Support services:				
Operations and maintenance	213,105	-	-	-
Extracurricular activities	-	-	-	-
Total governmental program revenues	<u>3,242,017</u>	<u>4,431,133</u>	<u>3,354,590</u>	<u>3,044,109</u>
Business-type activities:				
Charges for services:				
Food service	980,255	976,699	321,964	221,944
Uniform school supplies	149,849	146,608	128,603	160,314
Kindergarten fees	-	-	-	-
Adult Education	285,825	191,223	214,290	667
Operating grants and contributions:				
Food service	337,190	384,730	1,434,554	744,799
Total business-type activities				
program revenues	<u>1,753,119</u>	<u>1,699,260</u>	<u>2,099,411</u>	<u>1,127,724</u>
Total primary government program revenue	<u>4,995,136</u>	<u>6,130,393</u>	<u>5,454,001</u>	<u>4,171,833</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	(41,961,735)	(41,620,563)	(38,276,860)	(42,195,129)
Business-type activities	<u>(4,384)</u>	<u>(52,240)</u>	<u>410,319</u>	<u>(137,311)</u>
Total primary government net expense	<u>(41,966,119)</u>	<u>(41,672,803)</u>	<u>(37,866,541)</u>	<u>(42,332,440)</u>

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016 (1)</u>	<u>2015</u>
\$ 815,905	\$ 626,694	\$ 726,413	\$ 638,968	\$ 235,773	\$ 247,222
262,516	454,074	447,425	268,922	-	-
33,862	115,987	171,923	-	-	-
1,865	1,244	6,764	-	-	-
370	60	1,104	-	-	-
-	-	-	-	-	-
295,115	479,752	571,191	535,075	713,033	645,615
20,432	55,456	89,698	50,447	49,462	139,562
501,931	494,362	496,425	353,591	243,276	-
819	819	819	-	-	147,412
276,293	284,170	222,034	200,299	172,323	177,880
67,516	2,563	24,324	59,629	410,703	279,235
130,645	121,531	126,731	144,405	202,484	210,248
96,026	44,147	106,575	-	-	10,000
109,572	153,047	96,056	-	-	-
-	-	-	-	-	-
4,362	20,329	14,287	558	1,371	-
53,424	37,117	64,586	-	83,484	46,266
-	-	-	-	-	-
140,300	-	42,200	-	-	-
<u>2,810,953</u>	<u>2,891,352</u>	<u>3,208,555</u>	<u>2,251,894</u>	<u>2,111,909</u>	<u>1,903,440</u>
657,718	772,340	704,181	772,352	752,908	715,705
272,458	214,873	197,975	200,661	152,559	153,608
-	-	-	-	-	308,991
42,075	460	250	304	300	254
<u>170,706</u>	<u>193,154</u>	<u>160,124</u>	<u>133,735</u>	<u>110,074</u>	<u>168,196</u>
1,142,957	1,180,827	1,062,530	1,107,052	1,015,841	1,346,754
<u>3,953,910</u>	<u>4,072,179</u>	<u>4,271,085</u>	<u>3,358,946</u>	<u>3,127,750</u>	<u>3,250,194</u>
(42,451,493)	(36,145,711)	(21,203,988)	(43,224,146)	(37,157,333)	(36,692,800)
<u>(251,488)</u>	<u>(331,954)</u>	<u>(240,245)</u>	<u>(395,316)</u>	<u>(248,490)</u>	<u>(230,342)</u>
<u>(42,702,981)</u>	<u>(36,477,665)</u>	<u>(21,444,233)</u>	<u>(43,619,462)</u>	<u>(37,405,823)</u>	<u>(36,923,142)</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS - (Continued)  
(ACCRUAL BASIS OF ACCOUNTING)

<b>General Revenues and Other Changes in Net Position</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 28,272,444	\$ 29,739,927	\$ 32,106,289	\$ 34,292,570
Debt service	1,670,646	2,402,911	3,137,539	4,021,454
Payments in lieu of taxes	145	145	145	201,143
Grants and entitlements not restricted to specific programs	7,873,285	7,372,011	7,646,499	7,498,590
Investment earnings	826,857	626,835	156,101	44,086
Increase (decrease) in fair value of investments	224,380	(128,530)	(353,813)	-
Miscellaneous	39,832	95,907	51,049	74,587
Gain on sale of assets	-	146,000	-	-
Transfers	(13,775)	-	-	-
Total governmental activities	<u>38,893,814</u>	<u>40,255,206</u>	<u>42,743,809</u>	<u>46,132,430</u>
Business-type activities:				
Investment earnings	53,645	15,869	1,205	-
Miscellaneous	236,056	210,164	198,065	163,648
Transfers	13,775	-	-	-
Total business-type activities	<u>303,476</u>	<u>226,033</u>	<u>199,270</u>	<u>163,648</u>
Total primary government	<u>39,197,290</u>	<u>40,481,239</u>	<u>42,943,079</u>	<u>46,296,078</u>
<b>Change in Net Position</b>				
Governmental activities	(3,067,921)	(1,365,357)	4,466,949	3,937,301
Business-type activities	<u>299,092</u>	<u>173,793</u>	<u>609,589</u>	<u>26,337</u>
Total primary government	<u>\$ (2,768,829)</u>	<u>\$ (1,191,564)</u>	<u>\$ 5,076,538</u>	<u>\$ 3,963,638</u>

**Source:** School District financial records.

**(1)** Amounts have been restated to combine Kindergarten fees business type into governmental activity general fund.



<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016 (1)</u>	<u>2015</u>
\$ 25,944,242	\$ 29,305,685	\$ 29,580,085	\$ 30,882,765	\$ 24,227,596	\$ 27,715,003
2,993,916	3,373,600	3,244,684	3,510,202	2,692,461	3,364,843
576,383	996,926	-	-	-	-
7,298,584	7,814,950	8,321,337	10,940,199	9,493,456	10,199,220
612,270	463,391	93,508	32,896	101,034	45,506
-	-	-	-	-	-
64,515	203,388	40,877	471,313	263,344	72,929
-	-	-	-	-	-
-	-	(98,446)	(351,646)	-	-
<u>37,489,910</u>	<u>42,157,940</u>	<u>41,182,045</u>	<u>45,485,729</u>	<u>36,777,891</u>	<u>41,397,501</u>
-	-	-	-	-	-
201,976	198,582	182,465	181,663	174,030	161,067
-	-	98,446	351,646	-	-
<u>201,976</u>	<u>198,582</u>	<u>280,911</u>	<u>533,309</u>	<u>174,030</u>	<u>161,067</u>
<u>37,691,886</u>	<u>42,356,522</u>	<u>41,462,956</u>	<u>46,019,038</u>	<u>36,951,921</u>	<u>41,558,568</u>
(4,961,583)	6,012,229	19,978,057	2,261,583	(379,442)	4,704,701
<u>(49,512)</u>	<u>(133,372)</u>	<u>40,666</u>	<u>137,993</u>	<u>(74,460)</u>	<u>(69,275)</u>
<u>\$ (5,011,095)</u>	<u>\$ 5,878,857</u>	<u>\$ 20,018,723</u>	<u>\$ 2,399,576</u>	<u>\$ (453,902)</u>	<u>\$ 4,635,426</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund:				
Nonspendable	\$ 42,853	\$ 35,772	\$ 48,367	\$ 28,699
Assigned	692,436	747,049	2,319,770	2,912,688
Unassigned	<u>5,407,673</u>	<u>10,329,366</u>	<u>11,322,544</u>	<u>10,676,754</u>
Total general fund	<u>6,142,962</u>	<u>11,112,187</u>	<u>13,690,681</u>	<u>13,618,141</u>
All Other Governmental Funds:				
Nonspendable	-	-	-	-
Restricted	4,574,525	5,466,567	6,024,186	5,730,919
Committed	28,780	19,415	15,013	6,563
Unassigned (deficit)	<u>(82,932)</u>	<u>(392,519)</u>	<u>(226,400)</u>	<u>(459,698)</u>
Total all other governmental funds	<u>4,520,373</u>	<u>5,093,463</u>	<u>5,812,799</u>	<u>5,277,784</u>
Total governmental funds	<u>\$ 10,663,335</u>	<u>\$ 16,205,650</u>	<u>\$ 19,503,480</u>	<u>\$ 18,895,925</u>

**Source:** School District financial records.

**(1)** Amounts have been restated to combine Kindergarten fees business type into governmental activity general fund.

**(2)** The School District implemented GASB Statement No. 84 in 2020.

Amounts for 2019 have been restated to reflect the implementation of this statement.

<u>2020</u>	<u>2019 (2)</u>	<u>2018</u>	<u>2017</u>	<u>2016 (1)</u>	<u>2015</u>
\$ 80,968	\$ 120,829	\$ 99,856	\$ 49,938	\$ 34,613	\$ 59,879
5,766,413	2,182,821	286,089	2,877,476	2,539,314	4,921,589
4,300,314	11,548,961	14,339,323	12,201,454	8,603,544	8,145,332
<u>10,147,695</u>	<u>13,852,611</u>	<u>14,725,268</u>	<u>15,128,868</u>	<u>11,177,471</u>	<u>13,126,800</u>
-	98	-	-	-	-
4,924,664	6,248,370	6,444,807	8,464,632	4,503,832	7,995,181
7,493	15,790	68,380	17,000	-	182,678
(90,182)	(76,216)	(61,075)	(66,935)	(2,177,494)	(13,736)
<u>4,841,975</u>	<u>6,188,042</u>	<u>6,452,112</u>	<u>8,414,697</u>	<u>2,326,338</u>	<u>8,164,123</u>
<u>\$ 14,989,670</u>	<u>\$ 20,040,653</u>	<u>\$ 21,177,380</u>	<u>\$ 23,543,565</u>	<u>\$ 13,503,809</u>	<u>\$ 21,290,923</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>				
Taxes	\$ 29,696,983	\$ 32,206,580	\$ 35,148,177	\$ 38,492,658
Intergovernmental	9,956,015	9,978,674	9,878,409	8,839,703
Investment earnings	835,823	617,811	154,749	53,673
Tuition and fees	838,260	982,175	974,369	1,052,355
Extracurricular	449,391	389,450	371,510	206,092
Charges for services	-	950	6,262	-
Rental income	5	-	-	-
Contributions and donations	117,411	107,526	80,752	52,223
Payment in lieu of taxes	145	145	145	201,143
Miscellaneous	97,947	119,743	64,220	74,767
Increase (decrease) in fair value of investments	224,380	(128,530)	(353,813)	-
Total revenues	<u>42,216,360</u>	<u>44,274,524</u>	<u>46,324,780</u>	<u>48,972,614</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	18,555,099	17,682,784	16,974,298	16,640,326
Special	6,046,837	6,188,420	5,860,963	5,963,024
Vocational	456,367	373,782	484,907	414,591
Other	433,958	338,786	452,286	709,471
Support services:				
Pupil	2,702,750	2,634,118	2,631,894	2,520,949
Instructional staff	1,893,137	2,061,599	1,923,130	1,853,234
Board of education	126,370	294,763	110,211	65,499
Administration	2,795,753	2,755,123	2,759,185	2,975,349
Fiscal	1,855,331	1,224,000	1,389,727	1,269,266
Business	457,998	456,329	403,060	380,794
Operations and maintenance	4,151,175	5,349,763	4,304,538	4,149,321
Pupil transportation	2,995,659	3,046,109	3,251,473	2,903,752
Central	189,735	884,904	310,507	363,708
Operation of non-instructional services	35,729	37,653	1,689	81,804
Extracurricular activities	1,619,770	1,572,665	1,449,333	1,213,477
Facilities acquisition and construction	527,139	30,242	15,650	130,073
Debt service:				
Principal retirement	2,896,120	2,824,667	1,784,384	2,500,977
Interest and fiscal charges	586,726	604,773	634,771	673,927
Accretion on capital appreciation bonds	-	-	1,010,000	-
Issuance Costs	-	-	-	91,141
Total expenditures	<u>48,325,653</u>	<u>48,360,480</u>	<u>45,752,006</u>	<u>44,900,683</u>
Excess (deficiency) of revenues over (under) expenditures	(6,109,293)	(4,085,956)	572,774	4,071,931
<b>Other Financing Sources (Uses)</b>				
Sale of capital assets	125,500	146,000	-	-
Inception of lease	435,392	-	-	-
Inception of SBITA	19,861	-	-	-
Insurance recovery	-	642,126	34,781	19,209
Proceeds from debt and refunded debt	-	-	-	11,485,000
Discounts of debt issued	-	-	-	-
Premiums on debt issued	-	-	-	-
Payment of refunding debt	-	-	-	(11,669,885)
Transfers in	1,493,838	955,000	797,000	785,000
Transfers out	(1,507,613)	(955,000)	(797,000)	(785,000)
Total other financing sources (uses)	<u>566,978</u>	<u>788,126</u>	<u>34,781</u>	<u>(165,676)</u>
Net change in fund balances	<u>\$ (5,542,315)</u>	<u>\$ (3,297,830)</u>	<u>\$ 607,555</u>	<u>\$ 3,906,255</u>
Capital expenditures	\$ 1,656,489	\$ 1,329,175	\$ 496,162	\$ 725,542
Debt service principal and interest as a percentage of noncapital expenditures	7.5%	7.3%	5.3%	7.2%

**Source:** School District financial records.

2020	2019	2018	2017	2016	2015
\$ 28,848,751	\$ 32,640,453	\$ 32,774,348	\$ 34,310,498	\$ 26,611,517	\$ 31,011,220
8,345,632	8,893,049	9,246,642	11,718,893	10,582,736	10,936,036
615,866	473,401	159,759	132,129	101,034	45,506
1,075,851	1,080,768	1,173,838	907,891	266,047	247,222
330,842	596,983	694,878	535,075	713,033	645,615
-	-	-	-	-	-
370	60	1,104	-	-	-
261,857	121,458	137,420	-	-	-
576,383	996,926	-	-	-	-
95,955	239,688	377,081	360,973	329,784	380,952
-	-	-	-	-	-
40,151,507	45,042,786	44,565,070	47,965,459	38,604,151	43,266,551
16,056,701	15,665,321	15,295,525	15,359,038	14,545,654	15,102,791
5,865,481	6,350,571	6,195,444	5,687,671	4,798,980	4,729,806
400,926	114,991	111,233	214,951	196,846	272,518
755,270	688,294	765,743	636,193	667,886	620,430
2,295,527	2,255,688	2,227,949	2,465,125	2,463,055	2,277,626
1,844,513	1,956,043	1,957,435	2,187,073	2,193,435	2,047,277
58,078	90,483	100,515	54,378	141,015	57,871
2,969,161	3,081,467	3,052,945	2,976,560	2,959,273	3,041,568
1,345,275	1,390,816	1,201,434	1,260,624	1,106,465	1,101,648
434,668	388,565	264,124	82,181	42,936	45,390
4,040,493	3,715,028	3,825,655	3,559,298	3,472,536	3,587,332
2,820,971	2,792,747	2,652,270	2,711,299	2,365,540	2,598,577
245,777	177,686	10,772	8,817	8,270	10,651
-	79,787	232,886	240,723	225,821	228,113
1,345,599	1,572,225	1,538,975	1,431,943	1,520,197	1,489,544
1,087,368	1,661,822	3,032,850	4,378,947	5,264,802	268,176
2,227,402	3,064,700	3,885,850	3,404,050	3,288,700	2,425,000
1,027,481	1,234,035	1,178,506	1,088,608	1,129,854	1,158,429
-	-	-	-	-	-
71,300	-	30,250	502,406	-	-
44,891,991	46,280,269	47,560,361	48,249,885	46,391,265	41,062,747
(4,740,484)	(1,237,483)	(2,995,291)	(284,426)	(7,787,114)	2,203,804
-	-	-	4,100	-	-
-	-	-	-	-	2,660,907
-	-	-	-	-	-
26,289	-	-	-	-	-
6,715,000	-	1,237,146	10,000,000	-	-
-	-	-	(19,496)	-	-
-	-	30,816	691,224	-	-
(6,901,788)	-	-	-	-	-
720,505	126,000	171,500	9,826,038	113,930	79,350
(870,505)	(126,000)	(269,946)	(10,177,684)	(113,930)	(79,350)
(310,499)	-	1,169,516	10,324,182	-	2,660,907
\$ (5,050,983)	\$ (1,237,483)	\$ (1,825,775)	\$ 10,039,756	\$ (7,787,114)	\$ 4,864,711
\$ 1,496,555	\$ 1,602,048	\$ 2,743,440	\$ 2,894,411	\$ 4,972,805	\$ 123,348
7.5%	9.6%	11.3%	9.9%	10.7%	8.8%

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS**

Collection Year	Real Property (a)			Tangible Public Utility	
	Assessed Value		Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
	Residential/ Agricultural	Commercial/ Industrial/PU			
2024	\$ 1,063,260,950	\$ 111,264,690	\$ 3,355,787,543	\$ 20,999,810	\$ 23,863,420
2023	813,384,410	102,940,800	2,618,072,029	20,491,310	23,285,580
2022	806,074,170	107,310,070	2,609,669,257	19,246,680	21,871,227
2021	798,629,110	99,038,250	2,564,763,886	18,314,690	20,812,148
2020	716,101,390	97,593,960	2,324,843,857	17,885,470	20,324,398
2019	708,542,140	95,747,280	2,297,969,771	16,831,340	19,126,523
2018	700,646,470	93,811,210	2,269,879,086	15,558,280	17,679,864
2017	671,387,260	92,550,230	2,182,678,543	14,997,060	17,042,114
2016	663,918,660	91,595,650	2,158,612,314	14,162,360	16,093,591
2015	657,768,660	91,330,170	2,140,282,371	13,504,910	15,346,489

**Source:** Office of the County Auditor, Geauga County, Ohio

(1) This amount is calculated based on the following percentages:

Real estate is assessed at 35% of actual value.

Public utility personal is assessed at 88% of actual value.

<b>Total</b>			
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>	<b>%</b>
\$ 1,195,525,450	\$ 3,379,650,963	87.07	35.37%
936,816,520	2,641,357,609	89.01	35.47%
932,630,920	2,631,540,484	89.46	35.44%
915,982,050	2,585,576,034	90.22	35.43%
831,580,820	2,345,168,255	90.78	35.46%
821,120,760	2,317,096,294	90.33	35.44%
810,015,960	2,287,558,950	90.33	35.41%
778,934,550	2,199,720,657	90.59	35.41%
769,676,670	2,174,705,905	90.64	35.39%
762,603,740	2,155,628,860	86.43	35.38%

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(RATE PER \$1,000 OF ASSESSED VALUE)  
LAST TEN YEARS**

Tax Year/ Collection Year	Voted Levies									
	Unvoted Levy	1976 Current Expense	1977 Current Expense	1979 Current Expense	1982 Current Expense	1987 Current Expense	1990 Current Expense	1992 Bond	1997 Current Expense	2002 Bond
2023/2024	4.50	30.50	7.50	5.50	3.50	5.90	8.30	-	6.90	0.68
2022/2023	4.50	30.50	7.50	5.50	3.50	5.90	8.30	-	6.90	2.40
2021/2022	4.50	30.50	7.50	5.50	3.50	5.90	8.30	-	6.90	2.85
2020/2021	4.50	30.50	7.50	5.50	3.50	5.90	8.30	-	6.90	3.57
2019/2020	4.50	30.50	7.50	5.50	3.50	5.90	8.30	-	6.90	3.64
2018/2019	4.50	30.50	7.50	5.50	3.50	5.90	8.30	-	6.90	3.64
2017/2018	4.50	30.50	7.50	5.50	3.50	5.90	8.30	-	6.90	3.64
2016/2017	4.50	30.50	7.50	5.50	3.50	5.90	8.30	0.50	6.90	4.10
2015/2016	4.50	30.50	7.50	5.50	3.50	5.90	8.30	0.67	6.90	3.98
2014/2015	4.50	30.50	7.50	5.50	3.50	5.90	8.30	0.73	6.90	3.71

**Source:** Office of the County Auditor, Geauga County, Ohio and the Ohio Department of Taxation

(1) Other levies include the Auburn Township, Bainbridge Township, Newbury Township, Auburn Joint Vocational School District and the Geauga County Library District

(2) Bond Issue approved by voters in May 2015; tax not levied until January 2017.



<b>Voted Levies</b>							<b>Debt Service</b>	
<b>2005 Current Expense</b>	<b>2015 Current Expense</b>	<b>2017 Bond (2)</b>	<b>Total School Levy</b>	<b>County Levy</b>	<b>Other Levies (1)</b>	<b>Total Levy</b>	<b>Included in Total Levy</b>	
							<b>School</b>	<b>Total</b>
9.39	4.00	0.40	87.07	12.22	58.85	158.14	1.08	1.08
9.39	4.00	0.62	89.01	12.15	58.72	159.88	3.02	3.02
9.39	4.00	0.62	89.46	12.65	60.53	162.64	3.47	3.47
9.39	4.00	0.66	90.22	15.50	52.80	158.52	4.23	4.23
9.39	4.00	1.15	90.78	15.60	51.00	157.38	4.79	4.79
9.39	4.00	0.70	90.33	15.60	51.00	156.93	4.34	4.34
9.39	4.00	0.70	90.33	15.60	51.00	156.93	4.34	4.34
9.39	4.00	-	90.59	15.60	50.50	156.69	4.60	4.60
9.39	4.00	-	90.64	15.60	48.50	154.74	4.65	4.65
9.39	-	-	86.43	13.40	48.50	148.33	4.44	4.44

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

PRINCIPAL TAXPAYERS  
REAL ESTATE TAX  
DECEMBER 31, 2023 AND DECEMBER 31, 2014

<b>December 31, 2023</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Marketplace Associates	\$ 16,073,070	1	1.37%
South Franklin Circle	14,504,710	2	1.23%
ICP Geauga Lake LLC	4,818,890	3	0.41%
RE Aurora Ohio Family LLC	4,025,000	4	0.34%
V&V Lakeshore	3,434,350	5	0.29%
HD Development of Maryland Inc	3,010,000	6	0.26%
Tanglewood Square Shopping Center LLC	2,750,510	7	0.23%
Target Corporation	2,628,500	8	0.22%
Menard Inc	2,625,000	9	0.22%
McFarlands Corners Ltd	1,780,210	10	0.15%
Total	<u>\$ 55,650,240</u>		<u>4.72%</u>
Total Real Estate Valuation	<u>\$ 1,174,525,640</u>		

<b>December 31, 2014</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Bainbridge Shopping Center	\$ 12,732,600	1	1.70%
South Franklin Circle	12,424,760	2	1.66%
Gauga Lake LLC	4,041,920	3	0.54%
Tanglewood Square	2,579,050	4	0.34%
V&V Lakeshore Ltd.	2,424,030	5	0.32%
Target Corporation	2,240,000	6	0.30%
HD Development of Maryland Inc.	2,170,010	7	0.29%
McFarland Corners Ltd.	1,947,230	8	0.26%
Stock Equipment Company Inc.	1,383,730	9	0.18%
Key Trust Co.	1,308,180	10	0.17%
Total	<u>\$ 43,251,510</u>		<u>5.76%</u>
Total Real Estate Valuation	<u>\$ 749,098,830</u>		

**Source:** Office of the County Auditor, Geauga County, Ohio

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

PRINCIPAL PROPERTY TAX PAYERS  
PUBLIC UTILITY PROPERTY TAX  
DECEMBER 31, 2023 AND DECEMBER 31, 2014

<b>December 31, 2023</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Public Utility Assessed Value</b>
Cleveland Electric Illuminating Co.	\$ 13,152,530	1	62.63%
American Transmission Systems Inc.	4,511,480	2	21.48%
East Ohio Gas Company	1,723,360	3	8.21%
Total	<u>\$ 19,387,370</u>		<u>92.32%</u>
Total Public Utility Assessed Valuation	<u>\$ 20,999,810</u>		

<b>December 31, 2014</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Public Utility Assessed Value</b>
Cleveland Electric Illuminating Company	\$ 10,754,670	1	79.64%
American Transmission	1,003,050	2	7.43%
East Ohio Gas Company	603,570	3	4.47%
Aqua Ohio Inc.	463,480	4	3.43%
Ohio Edison	401,210	5	2.97%
Orwell Natural Gas	232,530	6	1.72%
Cleveland Commercial RA	46,400	7	0.34%
Total	<u>\$ 13,504,910</u>		<u>100.00%</u>
Total Public Utility Assessed Valuation	<u>\$ 13,504,910</u>		

**Source:** Office of the County Auditor, Geauga County, Ohio

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS (1)  
LAST TEN FISCAL YEARS

<b>Tax Year/ Collection Year (2)</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Current Tax Collections to Total Tax Levy</b>	<b>Delinquent Tax Collections (3)</b>	<b>Total Tax Collection</b>	<b>Total Collection As a Percent of Total Levy</b>
2023	\$ 37,211,478	\$ 36,589,097	98.33%	\$ 722,400	\$ 37,311,497	100.27%
2022	39,357,345	36,648,312	93.12%	789,606	37,437,918	95.12%
2021	39,738,714	36,789,149	92.58%	1,125,033	37,914,182	95.41%
2020	37,263,262	36,659,171	98.38%	752,614	37,411,785	100.40%
2019	36,857,265	35,490,025	96.29%	587,636	36,077,661	97.88%
2018	37,781,270	35,317,975	93.48%	729,935	36,047,910	95.41%
2017	37,611,430	35,773,662	95.11%	932,923	36,706,585	97.59%
2016	35,151,359	34,191,756	97.27%	683,941	34,875,697	99.22%
2015	33,419,104	30,950,116	92.61%	617,465	31,567,581	94.46%
2014	31,497,560	27,194,365	86.34%	809,812	28,004,177	88.91%

**Source:** Office of the County Auditor, Geauga County, Ohio

(1) Includes Homestead/ Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) Data is presented on a calendar year basis, consistent with the County Auditor's method of maintaining the information.

(3) The County is aware of the requirement to report delinquent tax collections by levy year rather than by collection year. The County's current computer system tracks levy amounts by either current levy or delinquent levy. Once amounts become part of the delinquent levy, the ability to track information by levy year is lost. The County is looking at options to provide this information in the future.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2024**

<u>Governmental Unit</u>	<u>Net General Tax Supported Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct debt:</b>			
Kenston Local School District	\$ 25,334,954	100.00%	\$ 25,334,954
Total direct debt	<u>25,334,954</u>		<u>25,334,954</u>
<b>Overlapping debt:</b>			
Geauga County Library District	21,045	28.06%	5,905
Auburn Career Center Joint Vocational School District	2,155	16.99%	366
Geauga County	<u>12,232,362</u>	25.90%	<u>3,168,182</u>
Total overlapping debt	<u>12,255,562</u>		<u>3,174,453</u>
 Total direct and overlapping debt	 <u>\$ 37,590,516</u>		 <u>\$ 28,509,407</u>

**Note:** The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the subdivision's boundaries and dividing it by the District's total taxable assessed value. Net general tax supported debt includes accreted interest on capital appreciation bonds but excludes unamortized bond premiums, discounts and deferred losses on refundings.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Estimated Actual Value of Taxable Property (2)</b>	<b>General Bonded Debt Outstanding</b>	<b>Resources Available to to Pay Principal (3)</b>	<b>Net General Bonded Debt Outstanding</b>	<b>Ratio of Net Bonded Debt to Estimated Actual Value</b>	<b>Net Bonded Debt per Capita</b>
2024	17,545	3,379,650,963	24,968,421	1,591,969	23,376,452	0.69%	1,332
2023	17,545	2,641,357,609	27,642,452	3,159,101	24,483,351	0.93%	1,395
2022	17,545	2,631,540,484	30,260,261	3,852,878	26,407,383	1.00%	1,505
2021	17,545	2,585,576,034	32,793,419	2,809,553	29,983,866	1.16%	1,709
2020	17,351	2,345,168,255	35,247,360	1,777,992	33,469,368	1.43%	1,929
2019	17,351	2,317,096,294	38,031,539	2,084,898	35,946,641	1.55%	2,072
2018	17,351	2,287,558,950	40,383,822	2,061,407	38,322,415	1.68%	2,209
2017	17,351	2,199,720,657	42,341,312	3,273,997	39,067,315	1.78%	2,252
2016	17,351	2,174,705,905	49,476,407	3,330,058	46,146,349	2.12%	2,660
2015	17,351	2,155,628,860	37,524,492	4,247,132	33,277,360	1.54%	1,918

**Source:** (1) 2015 - 2020 U.S. Census Bureau - 2010 Census; 2021-2024 U.S. Census Bureau - 2020 Census

(2) Office of the Auditor, Geauga County, Ohio

(3) Resources available to pay principal is obtained from the District's Statement of Net Position for net position restricted for debt service.

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**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Voted Debt Limit</b>	<b>Total Debt Applicable to Limit (1)</b>	<b>Debt Service Available Balance</b>	<b>Net Debt Applicable to Limit</b>	<b>Voted Legal Debt Margin</b>
2024	\$ 107,597,291	\$ 22,610,000	\$ 2,982,605	\$ 19,627,395	\$ 87,969,896
2023	84,313,487	25,290,000	4,377,582	20,912,418	63,401,069
2022	83,936,783	27,905,000	4,907,510	22,997,490	60,939,293
2021	82,438,385	29,485,000	3,786,752	25,698,248	56,740,137
2020	74,842,274	31,870,000	3,165,238	28,704,762	46,137,512
2019	73,900,868	34,100,000	2,840,350	31,259,650	42,641,218
2018	72,901,436	36,270,000	3,483,936	32,786,064	40,115,372
2017	70,104,110	39,375,000	4,155,007	35,219,993	34,884,117
2016	69,270,900	46,980,000	4,008,827	42,971,173	26,299,727
2015	68,634,337	34,995,000	4,770,521	30,224,479	38,409,858

**Source:** Office of the Auditor, Geauga County, Ohio and School District Financial Records.

(1) Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. House Bill 530 became effective on March 30, 2006, which excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.



<b>Legal Debt Margin as a Percentage of Debt Limit</b>		<b>Unvoted Debt Limit</b>	<b>Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit</b>
81.76%	\$	1,195,525	100.00%
75.20%		936,817	100.00%
72.60%		932,631	100.00%
68.83%		915,982	100.00%
61.65%		831,581	100.00%
57.70%		821,121	100.00%
55.03%		810,016	100.00%
49.76%		778,935	100.00%
37.97%		769,677	100.00%
55.96%		762,604	100.00%

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Total Primary Government</b>	<b>Percentage of Actual Taxable Value of Property (1)</b>	<b>Percentage of Personal Income (2)</b>	<b>Per Capita (2)</b>
	<b>General Obligation Bonds</b>	<b>Leases Payable (3)</b>	<b>SBITAs Payable</b>				
2024	\$ 24,968,421	\$ 353,206	\$ 13,327	\$ 25,334,954	0.75%	2.00%	1,444
2023	27,642,452	-	-	27,642,452	1.05%	2.69%	1,576
2022	30,260,261	86,194	-	30,346,455	1.15%	2.95%	1,730
2021	32,793,419	170,912	-	32,964,331	1.27%	3.20%	1,879
2020	35,247,360	-	-	35,247,360	1.50%	4.62%	2,031
2019	38,031,539	-	-	38,031,539	1.64%	4.98%	2,192
2018	40,383,822	807,307	-	41,191,129	1.80%	5.40%	2,376
2017	42,341,312	1,588,157	-	43,929,469	2.00%	5.75%	2,532
2016	49,476,407	2,087,207	-	51,563,614	2.37%	6.75%	2,972
2015	37,524,492	2,660,907	-	40,185,399	1.86%	5.26%	2,316

**(3)** The School District implemented GASB Statement No. 87 in 2022.

Amounts for 2021 have been restated to reflect the implementation of this statement.

**Note:** The balances of outstanding debt should tie to the financial statements, that is they should be presented net of premiums and discounts.

**Source:** Details regarding the School District's outstanding debt can be found in the notes to the financial statements.

(1) See schedule "Assessed and Estimated Actual Value of Taxable Property, Last Ten Years" for property value date.

(2) See schedule "Demographic and Economic Statistics, Last Ten Years" for per capita personal income and population data.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

<b>Year</b>	<b>Bainbridge Township Population (1)</b>	<b>Auburn Township Population (1)</b>	<b>Total Personal Income (2)</b>	<b>Per Capita Personal Income (1)</b>	<b>Geauga County Unemployment Rate (3)</b>
2024	11,039	6,506	\$ 1,265,705,406	\$ 65,018	3.4%
2023	11,039	6,506	1,028,558,080	58,624	4.9%
2022	11,039	6,506	1,028,558,080	58,624	4.9%
2021	11,039	6,506	1,028,558,080	58,624	4.7%
2020	10,908	6,443	763,409,298	43,998	9.5%
2019	10,908	6,443	763,409,298	43,998	4.0%
2018	10,908	6,443	763,409,298	43,998	5.2%
2017	10,908	6,443	763,409,298	43,998	5.4%
2016	10,908	6,443	763,409,298	43,998	4.1%
2015	10,908	6,443	763,409,298	43,998	5.4%

**Sources:** (1) 2015 - 2020 U.S. Census Bureau - 2010 Census; 2022 - 2024 U.S. Census Bureau - 2020 Census  
(2) Computation of per capital personal income multiplied by population  
(3) Ohio Department of Job and Family Services - Ohio Labor Market Information as of June 30th of fiscal year.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

PRINCIPAL EMPLOYERS  
DECEMBER 31, 2023 AND DECEMBER 31, 2014

<b>Employer</b>	<b>December 31, 2023</b>		
	<b>Number of Employees (1)</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Kenston Local School District	380	1	4.29%
Tarkett USA, Inc.	308	2	3.48%
Lattice Composites LLC	179	3	2.02%
Century Simplimatic, Inc.	138	4	1.56%
Medhurst Mason Contractors Inc.	122	5	1.38%
Rural/ Metro Corporation Bainbridge Twp	117	6	1.32%
Modern Logistics Inc.	113	7	1.28%
Chagrin Valley Athletic Club	94	8	1.06%
Mar-Bal, Inc.	92	9	1.04%
Custum Materials, Inc.	68	10	0.77%
Total	1,611		18.20%
Total Employment within the School District (2)	8,859		

<b>Employer</b>	<b>December 31, 2014</b>		
	<b>Number of Employees (1)</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Kenston Local School District	493	1	6.62%
Stock Equipment Company, Inc.	240	2	3.22%
Heinen's Inc.	233	3	3.13%
SPX Corporation	180	4	2.42%
Stock Fairchild Corp	170	5	2.28%
Mar-Bal, Inc.	128	6	1.72%
Medhurst Mason Contractors Inc.	115	7	1.54%
Rural/Metro Corporation	110	8	1.48%
Modern Logistics Inc.	105	9	1.41%
Chagrin Valley Athletic Club	100	10	1.34%
Total	1,874		25.16%
Total Employment within the School District (2)	7,451		

(1) Obtained from the Dun and Bradstreet's "Million Dollar Database" through Cuyahoga County Library Search Engine.

(2) Obtained from the 2010 and 2020 U.S. Census Bureau

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**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**BUILDING STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Kenston High School</b>				
Constructed in	2006	2006	2006	2006
Total Building Square Footage	222,067	222,067	222,067	222,067
Enrollment Grades	9-12	9-12	9-12	9-12
Student Capacity	1,200	1,200	1,200	1,200
Regular Instruction Classroom	73	73	73	73
Regular Instruction Teachers	56.00	52.00	52.00	53.25
Special Instruction Teachers	6.00	7.00	8.00	7.00
<b>Kenston Middle School</b>				
Constructed in	1956	1956	1956	1956
Total Building Square Footage	146,415	146,415	146,415	146,415
Enrollment Grades	6-8	6-8	6-8	6-8
Student Capacity	855	855	855	855
Regular Instruction Classroom	40	40	40	40
Regular Instruction Teachers	45.00	38.00	38.75	36.57
Special Instruction Teachers	7.00	7.00	7.00	8.00
Vocational Instruction Teachers	-	-	-	-
<b>Kenston Intermediate School</b>				
Constructed in	1967	1967	1967	1967
Total Building Square Footage	90,356	90,356	90,356	90,356
Enrollment Grades	4-5	4-5	4-5	4-5
Student Capacity	616	616	616	616
Regular Instruction Classroom	38	38	38	38
Regular Instruction Teachers	23.00	20.00	20.00	21.00
Special Instruction Teachers	3.00	4.00	4.00	4.00
Vocational Instruction Teachers	-	-	-	-
<b>Timmons Elementary School</b>				
Constructed in	1994	1994	1994	1994
Total Building Square Footage	92,100	92,100	92,100	92,100
Enrollment Grades	K-3	K-3	K-3	K-3
Student Capacity	900	900	900	900
Regular Instruction Classroom	38	38	38	38
Regular Instruction Teachers	46.00	38.00	40.00	36.50
Special Instruction Teachers	4.00	3.00	3.00	3.00
Vocational Instruction Teachers	-	-	-	-
<b>Gardner Early Learning Center (1)</b>				
Constructed in	1962	1962	1962	1962
Total Building Square Footage	42,063	42,063	42,063	42,063
Enrollment Grades	N/A	N/A	N/A	N/A
Student Capacity	N/A	N/A	N/A	N/A
Regular Instruction Classroom	N/A	N/A	N/A	N/A
Regular Instruction Teachers	N/A	N/A	N/A	N/A
Special Instruction Teachers	N/A	N/A	N/A	N/A

**Source:** Information provided by the Kenston Local School District.

(1) This building is currently not utilized by the School District.

2020	2019	2018	2017	2016	2015
2006	2006	2006	2006	2006	2006
222,067	222,067	222,067	222,067	222,067	222,067
9-12	9-12	9-12	9-12	9-12	9-12
1,200	1,200	1,200	1,200	1,200	1,200
73	73	73	73	73	73
54.00	57.00	57.36	53.00	58.61	70.00
7.00	7.00	7.00	7.00	7.00	-
1956	1956	1956	1956	1956	1956
146,415	146,415	146,415	146,415	146,415	146,415
6-8	6-8	6-8	6-8	6-8	6-8
855	855	855	855	855	855
40	40	40	40	40	40
36.82	36.57	39.07	36.00	41.25	52.00
7.00	7.00	7.00	8.00	8.00	-
-	-	-	2.00	-	-
1967	1967	1967	1967	1967	1967
90,356	90,356	90,356	90,356	90,356	90,356
4-5	4-5	4-5	4-5	4-5	4-5
616	616	616	616	616	616
38	38	38	38	38	38
20.00	20.00	21.00	18.00	21.82	29.00
4.00	4.00	4.00	6.00	6.00	-
-	-	-	2.00	2.00	-
1994	1994	1994	1994	1994	1994
92,100	92,100	92,100	92,100	92,100	92,100
K-3	K-3	K-3	K-3	K-3	K-3
900	900	900	900	900	900
38	38	38	38	38	38
36.50	37.00	37.00	30.00	35.00	43.00
3.00	6.00	-	4.00	4.00	-
-	-	4.00	1.00	1.00	2.00
1962	1962	1962	1962	1962	1962
42,063	42,063	42,063	42,063	42,063	42,063
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**COST PER PUPIL  
LAST TEN FISCAL YEARS**

<b>Year</b>	<b>Student Enrollment</b>		<b>General Government (2)</b>		<b>Governmental Activities</b>	
	<b>Average Enrollment (1)</b>	<b>Percentage Change</b>	<b>Total Expenditures</b>	<b>Cost Per Pupil</b>	<b>Total Expenses</b>	<b>Cost Per Pupil</b>
2024	2,547	-1.09%	44,842,807	17,606	45,203,752	17,748
2023	2,575	1.10%	44,931,040	17,449	46,051,696	17,884
2022	2,547	-0.51%	43,332,851	17,013	41,631,450	16,345
2021	2,560	-3.40%	41,634,638	16,264	45,239,238	17,672
2020	2,650	-0.15%	41,565,808	15,685	45,262,446	17,080
2019	2,654	-2.07%	41,981,534	15,818	39,037,063	14,709
2018	2,710	0.37%	42,465,755	15,670	24,412,543	9,008
2017	2,700	-3.47%	43,254,821	16,020	45,476,040	16,843
2016	2,797	-7.08%	41,976,221	15,008	39,269,242	14,040
2015	3,010	-2.15%	37,479,318	12,452	38,596,240	12,823

**Source:** Kenston Local School District Records.

(1) Based upon EMIS information provided to the Ohio Department of Education (ODE)

(2) Debt Service expenditures and other financing uses have been excluded.



**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

ENROLLMENT STATISTICS  
LAST TEN FISCAL YEARS

<b>Year</b>	<b>Elementary Schools (1)</b>	<b>Middle School</b>	<b>Senior High School</b>	<b>Total</b>
2024	1,165	596	786	2,547
2023	1,177	605	793	2,575
2022	1,148	603	796	2,547
2021	1,093	596	871	2,560
2020	1,104	605	941	2,650
2019	1,107	609	938	2,654
2018	1,093	644	973	2,710
2017	1,140	665	973	2,778
2016 (2)	1,132	691	974	2,797
2015	1,189	760	1,061	3,010

**Source:** Based upon EMIS information provided to the Ohio Department of Education.  
 (1) Includes Pre-School Students  
 (2) The School District provided enrollment figures for 2016, 2013, and 2012.  
 Information from ODE was unavailable.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**FULL-TIME EQUIVALENT TEACHERS BY EDUCATION  
LAST TEN FISCAL YEARS**

<b>Year</b>	<b>Bachelor's</b>			<b>Master's</b>			<b>PhD</b>	<b>Total</b>
	<b>Degree</b>	<b>Degree +15</b>	<b>Degree +30</b>	<b>Degree</b>	<b>Degree +15</b>	<b>Degree +30</b>		
2024	1.00	-	16.00	47.00	59.00	62.00	3.00	188.00
2023	1.00	2.00	16.00	55.00	52.00	58.00	3.00	187.00
2022	-	2.00	22.00	57.00	52.00	56.00	3.00	192.00
2021	-	2.00	25.00	68.00	49.00	45.00	3.00	192.00
2020	1.00	2.00	22.00	77.00	49.00	45.00	4.00	200.00
2019	1.00	2.00	23.00	75.00	50.00	44.00	2.00	197.00
2018	2.00	2.00	25.00	77.00	51.00	40.00	2.00	199.00
2017	2.00	4.00	29.00	79.00	52.00	38.00	2.00	206.00
2016	3.00	2.00	32.00	84.00	45.00	37.00	2.00	205.00
2015	3.00	2.00	34.00	86.00	43.00	35.00	2.00	205.00

**Source:** Kenston Local School District Payroll Department.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

AVERAGE NUMBER OF STUDENTS PER TEACHER  
LAST TEN FISCAL YEARS

<b>Year</b>	<b>Kenston Average</b>	<b>State Average</b>
2024	13.6	N/A
2023	17.4	N/A
2022	16.2	N/A
2021	17.1	N/A
2020	17.6	N/A
2019	17.5	N/A
2018 (1)	17.4	N/A
2017	25.0	N/A
2016	25.0	N/A
2015	25.0	25.0

**Source:** Ohio Department of Education, EMIS Reports.

N/A - Information was not available at time of completion.

(1) Calculation for 2018 was adjusted to reflect a more accurate representation of the average number of students per teacher ratio.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

ATTENDANCE AND GRADUATION RATES  
LAST TEN FISCAL YEARS

<b>Year</b>	<b>Kenston Attendance Rate</b>	<b>State Average</b>	<b>Kenston Graduation Rate</b>	<b>State Average</b>
2024	94.8%	91.3%	95.3%	N/A
2023	94.9%	91.2%	99.1%	87.3%
2022	95.1%	90.4%	95.7%	87.2%
2021	96.5%	91.5%	97.8%	87.2%
2020	97.0%	94.9%	96.2%	85.9%
2019	95.8%	93.5%	97.6%	85.9%
2018	96.1%	93.7%	97.2%	83.5%
2017	95.0%	N/A	96.4%	83.6%
2016	96.5%	N/A	95.7%	83.0%
2015	N/A	N/A	98.0%	N/A

**Source:** Ohio Department of Educational Local Report Cards.

N/A - Information was not available at time of completion.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

SAT COMPOSITE SCORES  
LAST TEN FISCAL YEARS

<b>School Year</b>	<b>Number of Test Takers</b>	<b>Number of Seniors</b>	<b>Percent of Students</b>	<b>Kenston Verbal</b>	<b>Ohio Verbal</b>	<b>National Verbal</b>	<b>Kenston Math</b>	<b>Ohio Math</b>	<b>National Math</b>
2024	210	208	99%	564	519	520	550	525	508
2023	188	207	90%	559	528	560	558	525	547
2022	235	224	99%	550	528	529	576	525	521
2021	235	244	96%	555	525	533	557	523	528
2020	217	219	82%	558	536	528	578	534	523
2019	214	261	82%	555	N/A	531	575	N/A	528
2018	245	245	100%	563	N/A	536	569	N/A	531
2017	89	255	35%	599	N/A	538	585	N/A	533
2016	112	247	45%	586	N/A	510	602	N/A	510
2015	116	251	46%	547	N/A	495	551	N/A	511

**Source:** High School Guidance Office, Kenston Local School District.  
N/A - Information was not available at time of completion.

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

ACT COMPOSITE SCORES  
LAST TEN FISCAL YEARS

<b>School Year</b>	<b>Number of Test Takers</b>	<b>Number of Seniors</b>	<b>Percent of Students</b>	<b>Kenston Composite</b>	<b>Ohio Composite</b>	<b>National Composite</b>
2024	91	216	42%	25.5	19.0	19.4
2023	108	207	52%	24.3	19.2	19.5
2022	102	244	42%	24.4	19.4	19.8
2021	102	244	42%	24.5	20.0	20.7
2020	145	219	66%	25.2	19.9	20.6
2019	195	261	75%	25.1	20.0	20.7
2018	205	248	82%	24.9	20.3	20.8
2017	227	255	89%	24.1	22.0	21.0
2016	221	247	89%	24.3	22.0	20.8
2015	360	251	143%	23.7	22.0	21.1

**Source:** High School Guidance Office, Kenston Local School District.

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**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**SCHOOL DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Regular Instruction</b>				
Elementary Classroom Teachers	46.00	49.00	49.00	49.50
Middle School Classroom Teachers	68.00	29.00	29.00	27.82
High School Classroom Teachers	56.00	49.00	49.00	47.00
Specials - Art, Music, Health and Physical Ed.	20.00	21.00	20.75	22.00
<b>Special Instruction</b>				
Elementary Classroom Teachers	4.00	10.00	10.00	5.00
Gifted Education Teachers	6.00	5.00	5.00	5.00
Middle School Classroom Teachers	7.00	7.00	7.00	8.00
High School Classroom Teachers	6.00	8.00	8.00	7.00
<b>Other Instruction</b>				
Elementary Tutors	2.00	5.00	4.44	2.44
Middle School Tutors	2.00	2.00	2.00	2.00
High School Tutors	2.00	1.00	1.00	1.00
Districtwide Tutors	0.60	1.00	0.60	0.60
<b>Pupil Support Services</b>				
Guidance Counselors	7.00	6.00	7.00	7.00
Speech and Language Pathologists	4.35	4.00	4.35	4.35
Nurse	2.53	3.00	3.57	3.54
Non-Teaching Support Staff Elementary	10.00	10.00	10.00	10.00
Non-Teaching Support Staff Middle School	8.00	7.00	8.00	5.00
Non-Teaching Support Staff High School	3.00	3.00	4.00	3.00
Non-Teaching Support Staff Districtwide	3.00	3.00	4.00	3.00
<b>Instructional Support Services</b>				
Librarian	2.90	1.00	-	-
Technology	2.00	3.00	2.00	2.00
Non-Teaching Support Staff Elementary-Aides	8.58	7.00	7.41	7.41
Non-Teaching Support Staff Middle School	2.78	2.00	2.35	1.95
Non-Teaching Support Staff High School	3.41	3.00	4.03	4.41
Non-Teaching Support Staff Central		-	0.33	-
<b>Administrators, Supervisors and Support Staff</b>				
Elementary	3.94	7.00	6.88	9.38
Middle School	4.94	5.00	4.88	5.38
High School	8.88	10.00	9.88	10.19
Central Office	12.81	16.00	16.03	13.19
Other	3.88	-	-	-
<b>Fiscal</b>				
Treasurer's Office	6.00	-	5.00	5.00
<b>Operations and Maintenance of Plant Services</b>				
Custodial Department	21.00	26.00	29.00	28.00
Maintenance Department		3.00	6.00	7.00
<b>Pupil Transportation</b>				
Bus Drivers	22.36	25.00	26.81	26.46
Bus Aides	3.60	3.00	2.93	3.62
Mechanics	3.00	3.00	3.00	4.00
Transportation Support Staff	1.88	2.00	1.57	1.57
<b>Central</b>				
Community Relations	-	1.00	1.00	1.00
<b>Food Service Program</b>				
Elementary Cooks	3.04	4.00	3.93	3.42
Middle School Cooks	3.81	4.00	4.25	3.29
High School Cooks	3.44	3.00	3.44	4.10
<b>Totals:</b>	<b>379.73</b>	<b>351.00</b>	<b>367.43</b>	<b>354.62</b>

**Source:** Kenston Local School District's Staff Total FTE Repor.

**Method:** Used full-time equivalency (FTE) for each full, part-time and seasonal employee



2020	2019	2018	2017	2016	2015
44.50	47.00	47.00	42.00	48.82	54.00
28.07	28.07	30.32	36.00	29.50	40.00
47.75	50.75	51.50	53.00	48.97	53.00
22.00	21.75	20.61	23.00	24.39	22.00
7.00	7.00	8.00	10.00	10.00	8.00
5.00	5.00	5.00	5.00	5.00	3.00
7.00	7.00	8.00	8.00	8.00	8.00
7.00	7.00	7.00	7.00	7.00	4.00
4.44	4.44	4.44	4.44	6.44	5.00
2.00	1.71	1.71	1.71	1.71	2.00
1.00	1.00	1.00	1.00	1.00	1.00
0.60	1.00	0.60	1.00	-	-
6.00	6.00	6.00	7.00	7.00	7.00
4.35	4.36	4.34	3.33	3.32	4.00
3.54	3.87	3.91	4.16	3.12	4.00
10.00	9.00	8.00	9.84	10.00	19.00
4.00	4.00	4.00	3.00	3.00	7.00
5.00	5.00	5.00	5.00	4.00	13.00
3.00	3.00	-	-	-	3.00
-	-	1.00	1.00	1.00	1.00
2.00	2.00	3.00	5.00	4.00	3.00
7.41	6.94	6.93	8.50	7.61	12.00
2.72	2.72	3.76	3.21	2.21	4.00
4.31	4.57	4.57	4.10	3.55	4.00
-	-	-	-	-	-
9.88	9.88	9.88	9.44	7.00	3.00
5.38	5.38	5.38	5.38	5.00	2.00
10.25	10.75	10.75	9.82	9.38	3.00
14.62	15.81	13.81	10.81	7.00	3.00
-	-	-	2.00	-	-
5.00	5.00	5.00	5.00	5.00	5.00
23.00	24.26	23.63	24.15	28.79	24.00
7.00	7.00	8.00	7.01	7.00	5.00
31.46	32.08	34.08	30.05	45.00	44.00
3.19	4.35	4.35	4.36	4.01	6.00
3.00	3.00	3.00	3.00	2.00	3.00
1.57	1.35	1.35	2.00	2.00	2.00
1.00	1.00	1.00	1.00	1.00	1.00
3.37	2.93	4.01	4.57	4.57	9.00
3.14	3.92	4.30	4.33	4.33	6.00
4.77	4.54	5.26	5.26	5.26	7.00
355.32	364.43	369.49	374.47	376.98	404.00

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023 (1)</u>	<u>2022</u>	<u>2021 (2)</u>
Land	\$ 1,321,516	\$ 1,321,516	\$ 1,321,516	\$ 1,321,516
Land improvements	3,951,687	4,538,230	4,841,476	5,362,745
Buildings and improvements	25,395,775	26,407,248	33,853,720	34,891,293
Furniture, fixtures and equipment	1,052,269	593,345	459,225	456,082
Vehicles	909,357	1,041,321	1,541,631	1,743,224
Construction in progress	172,248	169,712	-	164,876
Intangible right to use:				
Leased equipment	348,314	-	85,456	170,912
SBITAs	13,241	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Governmental Activities				
Capital Assets, net	<u>\$ 33,164,407</u>	<u>\$ 34,071,372</u>	<u>\$ 42,103,024</u>	<u>\$ 44,110,648</u>

**Source:** School District financial records.

**Note:** Amounts above are presented net of accumulated depreciation.

**(1)** Amounts have been restated.

**(2)** The School District implemented GASB Statement No. 87 in 2022.

Amounts for 2021 have been restated to reflect the implementation of this statement.

<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016 (1)</b>	<b>2015</b>
\$ 1,321,516	\$ 1,321,516	\$ 1,207,191	\$ 1,207,191	\$ 1,207,191	\$ 1,207,191
5,678,605	6,068,115	6,217,711	5,843,875	3,786,280	1,020,959
35,904,449	36,242,786	35,724,452	36,105,939	35,253,065	46,564,347
521,917	462,784	584,064	690,937	725,674	704,923
2,018,644	2,202,819	2,375,882	2,640,111	2,786,790	121,075
174,142	171,699	989,212	-	1,826,222	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 45,619,273</u>	<u>\$ 46,469,719</u>	<u>\$ 47,098,512</u>	<u>\$ 46,488,053</u>	<u>\$ 45,585,222</u>	<u>\$ 49,618,495</u>

**KENSTON LOCAL SCHOOL DISTRICT  
GEAUGA COUNTY, OHIO**

**FREE OR REDUCED LUNCH PROGRAM PERCENTAGES  
LAST TEN SCHOOL YEARS**

<b>School Year</b>	<b>Students</b>	<b>Students Applicable for Free Lunch</b>	<b>Percentage of Applicable Students for the Free Lunch Program</b>	<b>Students Applicable for Reduced Lunch</b>	<b>Percentage of Applicable Students for the Reduced Lunch Program</b>
2024	2,547	235	9.23%	48	1.88%
2023	2,575	162	6.29%	33	1.28%
2022 (1)	2,662	204	7.66%	47	1.77%
2021 (1)	2,662	204	7.66%	47	1.77%
2020	2,662	204	7.66%	47	1.77%
2019	2,794	205	7.34%	48	1.72%
2018	3,297	242	7.34%	62	1.88%
2017	3,297	242	7.34%	62	1.88%
2016	2,797	158	5.65%	59	2.11%
2015	3,050	244	8.00%	56	1.84%

**Source:** "Lunch MR Report for October" obtained from the Ohio Department of Education

(1) The School District in accordance with the guidance issued by the USDA and the USDOE, encourages the use of October 2019 data for determination of free and reduced lunch percent's due to the incompleteness and inaccuracy of the current year data due to the COVID-19 pandemic. The School District participated in the Summer Food Service Program, which did not require school districts to collect or report October 2021 free and reduced lunch data.

<b>Total Students Applicable for the Free and Reduced Lunch Program</b>	<b>Total Percentage of Applicable Students for the Free and Reduced Lunch Programs</b>
283	11.11%
195	7.57%
251	9.43%
251	9.43%
251	9.43%
253	9.06%
304	9.22%
304	9.22%
217	7.76%
300	9.84%

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# **Kenston Local School District**

**Single Audit Reports  
For the Fiscal Year Ended June 30, 2024**

**Kenston Local School District**

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**For the Fiscal Year Ended June 30, 2024**

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

Board of Education and Management  
Kenston Local School District  
Chagrin Falls, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Kenston Local School District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2024.

**Report on Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001 and 2024-002 that we consider to be material weaknesses.

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

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2024-003.

## **Kenston Local School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## **Purpose of this Report**

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

*Ciuni & Panichi, Inc.*

Cleveland, Ohio  
December 30, 2024

**Independent Auditor's Report on Compliance for Each Major Program;  
Report on Internal Control over Compliance; and Report on Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

Board of Education and Management  
Kenston Local School District  
Chagrin Falls, Ohio

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Kenston Local School District's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

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### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

### **Report on Internal Control over Compliance**

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

Board of Education and Management  
Kenston Local School District

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

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

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 30, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 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.

*Ciuni & Panichi, Inc.*

Cleveland, Ohio  
December 30, 2024

# Kenston Local School District

## Schedule of Expenditures of Federal Awards

**For the Year Ended June 30, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Identifying Number</u>	<u>Expenditures</u>	<u>Non-cash Expenditures</u>
U.S. Department of Agriculture:				
Passed Through Ohio Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	\$ 2,909	\$ -
School Lunch Program	10.555	N/A	<u>262,881</u>	<u>68,200</u>
Total Child Nutrition Cluster			<u>265,790</u>	<u>68,200</u>
U.S. Department of Education:				
Passed Through Ohio Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	131,559	-
Special Education Cluster (IDEA):				
Special Education - Grants to States	84.027	N/A	554,242	-
COVID-19 - Special Education - Grants to States	84.027X	N/A	<u>1,432</u>	<u>-</u>
Total Special Education - Grants to States			555,674	-
COVID-19 - Special Education - Preschool Grants	84.173X	N/A	<u>12,245</u>	<u>-</u>
Total Special Education Cluster (IDEA)			567,919	-
Supporting Effective Instruction State Grants	84.367	N/A	39,573	-
Student Support and Academic Enrichment Program	84.424	N/A	9,590	-
Education Stabilization Fund:				
COVID-19 - Education Stabilization Fund	84.425D	N/A	327,646	-
COVID-19 - Education Stabilization Fund	84.425U	N/A	<u>6,816</u>	<u>-</u>
Total Education Stabilization Fund			<u>334,462</u>	<u>-</u>
Total U.S. Department of Education			<u>1,083,103</u>	<u>-</u>
U.S. Department of the Treasury:				
Passed Through Ohio Office of Budget and Management:				
COVID-19 - Coronavirus State and Fiscal Recovery Funds	21.027	N/A	<u>213,015</u>	<u>-</u>
Total Expenditures of Federal Awards			\$ <u>1,561,908</u>	\$ <u>68,200</u>

# **Kenston Local School District**

## **Notes to the Schedule of Expenditures of Federal Awards**

**For the Year Ended June 30, 2024**

---

### **Note 1: Significant Accounting Policies**

#### **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal awards of the Kenston Local School District (the "District") and is presented on the cash basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

#### **Child Nutrition Cluster**

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. When reporting expenditures on the Schedule the District assumes federal monies are expended first.

#### **Food Donation Program**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.

### **Note 2: Indirect Cost Rate**

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

# Kenston Local School District

## Schedule of Findings and Questioned Costs

**For the Year Ended June 30, 2024**

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### 1. Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	None reported
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	None reported
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR Section 200.516(a)?	No
(d)(1)(vii)	Major Programs	Special Education Cluster (IDEA): ALN 84.027, 84.027X and 84.173X Coronavirus State Fiscal Recovery Fund: 21.027
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: >\$750,000 Type B: All Others
(d)(1)(ix)	Low Risk Auditee?	No

### 2. Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS

#### **2024-001: Material Weakness in internal control over financial reporting**

##### **Condition:**

Sound financial reporting is the responsibility of the District and Board of Education and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. Lack of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.



# **Kenston Local School District**

## **Schedule of Findings and Questioned Costs (continued)**

**For the Year Ended June 30, 2024**

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### **2. Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS (continued)**

#### **2024-001: Material Weakness in internal control over financial reporting (continued)**

The following audit adjustments were made to the financial statements:

- Adjustment to increase investment earnings and cash in the food service fund and decrease investment earnings and cash in the general fund.
- Restatement and adjustments to capital assets, accumulated depreciation and related expenses in the governmental activities and the food service fund.
- Adjustment to increase claims payable and increase claims expense.
- Adjustment to payables and related expenditures and expenses in the general fund, permanent improvement fund, food service fund, and the district managed student activity fund.
- Adjustment to increase compensated absences and fiscal expenditures in the general fund and governmental activities.
- Adjustment to reclassify insurance proceeds and related costs out of the business-type activities and into the general fund.
- Adjustment to reclassify federal funds into the proper fund from the miscellaneous state grant fund to the miscellaneous federal grants fund.

#### **Criteria:**

The internal control structure and processes should provide for the accurate assessment of the above accounts and the internal control structure and processes should provide for preparation of accurate financial statements at year-end.

#### **Cause:**

Controls were not in place to make sure the financial statements were properly adjusted for the above accounts. The District did not consider the accuracy of its fixed assets and federal funds at year-end. Additionally, controls related to the compilation of the District's accounts payable listings and compensated absences and were not in place to make sure compliance with the District's cutoff and completeness procedures.

#### **Effect:**

The lack of controls to ensure the financial statements are accurately reported may result in users of the financial statements basing decisions and judgments on incomplete or inaccurate information.

#### **Recommendation:**

We recommend the District implement controls over its cut-off procedures and year-end financial reporting process, such as a detail review of the GAAP conversion workpapers and financial statements by management.

#### **Management's Response:**

See Corrective Action Plan

# Kenston Local School District

## Schedule of Findings and Questioned Costs (continued)

**For the Year Ended June 30, 2024**

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### **2. Findings Related to the Financial Statements Required to be Reported in Accordance With GAGAS (continued)**

#### **2024-002: Material Weakness in Preparing the Schedule of Expenditures of Federal Awards (SEFA)**

**Condition:**

We noted that the Schedule of Expenditures of Federal Awards did not properly report program expenditures.

**Criteria:**

The internal control structure and processes should provide for the accurate reporting of federal award programs on the SEFA.

**Cause:**

Controls were not in place to ensure accurate reporting of federal award programs on the SEFA.

**Effect:**

The lack of controls over the accurate reporting of federal award programs on the SEFA can result in errors and irregularities that may go undetected and cause the District to fail to properly report expenditures of federal funds which could lead to improper major program determination and selection.

**Recommendation:**

We recommend that the SEFA be monitored and updated throughout the year to ensure all federal grant programs are properly identified and reported.

**Management's Response:**

See Corrective Action Plan

#### **2024-003: Material Noncompliance – Budgetary Noncompliance**

Contrary to Section 5705.41, Ohio Revised Code, the following funds had expenditures plus encumbrances in excess of appropriations:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures Plus Encumbrances</u>	<u>Excess</u>
Special Revenue Funds			
IDEA – Education of Handicapped			
Children Fund	\$ 662,256	\$ 700,766	\$ (38,510)
Title I – Disadvantaged Children/ Targeted Assistance Fund	\$ 142,651	\$ 164,193	\$ (21,542)
Title II-A Fund	\$ 46,178	\$ 63,491	\$ (17,313)

**Management's Response:**

See Corrective Action Plan

# **Kenston Local School District**

## **Schedule of Findings and Questioned Costs (continued)**

**For the Year Ended June 30, 2024**

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### **3. Findings and Questioned Costs for Federal Awards**

None noted.

## Kenston Local School District

### Schedule of Prior Audit Findings and Questioned Costs

**For the Year Ended June 30, 2024**

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<b>Finding No.</b>	<b>Finding Summary</b>	<b>Fully Corrected</b>	<b>Explanation</b>
2023-001	<b><i>Material Weakness in internal control over financial reporting</i></b> We noted the District had multiple significant audit adjustments made to the financial statements during the fiscal 2023 audit. Sound financial reporting is the responsibility of the Treasurer and the Board of Education and is essential to ensure the information provided to the readers of the financial statements is complete and accurate. The lack of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.	No	Re-issued as Finding 2024-001
2023-002	<b><i>Material Weakness – Schedule of Expenditures of Federal Awards (SEFA) Preparation</i></b> We noted that the Schedule of Expenditures of Federal Awards did not properly report program expenditures. Controls were not in place to ensure accurate reporting of federal award programs on the SEFA. The lack of controls over the accurate reporting of federal award programs on the SEFA can result in errors and irregularities that may go undetected and cause the District to fail to properly report expenditures of federal funds which could lead to improper major program determination and selection.	No	Re-issued as Finding 2024-002
2023-003	<b><i>Material Noncompliance – Budgetary Noncompliance</i></b> We noted the District had three funds in which expenditures plus encumbrances were in excess of appropriations, contrary to Section 5705.41 of the Ohio Revised Code.	No	Re-issued as Finding 2024-003

## Kenston Local School District

### Schedule of Prior Audit Findings and Questioned Costs (continued)

**For the Year Ended June 30, 2024**

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<b>Finding No.</b>	<b>Finding Summary</b>	<b>Fully Corrected</b>	<b>Explanation</b>
2023-004	<b><i>Material Weakness and Material Noncompliance – Wage Rate Requirements</i></b> The District did not have internal controls in place to ensure the applicable wage rate provisions and the requirement that the contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the District were not included in the agreement. As a result of a lack of proper internal controls, none of the applicable wage rate provisions were included in the agreement.	Yes	Finding No Longer Valid



# KENSTON

## S C H O O L S

**Kenston  
Local Schools**

17419 Snyder Road

Chagrin Falls, Ohio

44023-2730

Phone: (440) 543-9677

Fax: (440) 543-8634

**Bruce R. Willingham Jr., Ed.D.**  
*Superintendent*

**Seth S. Cales**  
*Treasurer*

**Kathleen M. Poe, Ed.D.**  
*Assistant Superintendent*

**Corrective Action Plan: FY24 Audit**

December 30, 2024

**2024-001: Material Weakness in internal control over financial reporting**

**Management's Response:**

The District will complete an assessment of the above financial reporting adjustments and ensure the proper controls and processes are in place to mitigate reoccurrence in the future.

- **Anticipated Completion Date:** June 30, 2025
- **Responsible Contact Person:** Seth Cales, Treasurer

**2024-002: Material Weakness in the Schedule of Expenditures of Federal Awards (SEFA) Preparation**

**Management's Response:**

The District will reconcile the amounts reported in the District's computer system in order to accurately report the amount of federal awards received and spent at year-end. In addition, the SEFA be monitored and updated throughout the year to ensure all federal grant expenditures are properly reported. Lastly, the District will review SEFA at year end to ensure compliance upon year-end reporting.

- **Anticipated Completion Date:** June 30, 2025
- **Responsible Contact Person:** Seth Cales, Treasurer

**2024-003: Material Noncompliance – Budgetary Noncompliance**

**Management's Response:**

Management will compare appropriations with expenditures plus encumbrances on a monthly basis to ensure appropriations are not exceeded or budgetary adjustments are made.

- **Anticipated Completion Date:** June 30, 2025
- **Responsible Contact Person:** Seth Cales, Treasurer

Very Respectfully,

Seth S. Cales  
Treasurer / CFO  
Kenston Local School District  
17419 Snyder Road  
Chagrin Falls, Ohio 44023  
440-543-9677 ext.1200

# OHIO AUDITOR OF STATE KEITH FABER



**KENSTON LOCAL SCHOOL DISTRICT**

**GEAUGA 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 4/3/2025**

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](http://www.ohioauditor.gov)