



OHIO AUDITOR OF STATE
KEITH FABER



**STRUTHERS CITY SCHOOL DISTRICT
MAHONING COUNTY
JUNE 30, 2024**

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**STRUTHERS CITY SCHOOL DISTRICT
MAHONING COUNTY
JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

Struthers City School District
Mahoning County
99 Euclid Avenue
Struthers, Ohio 44471

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Struthers City School District, Mahoning County, Ohio (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Struthers City School District, Mahoning County, Ohio as of June 30, 2024, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and ESSER funds for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 2, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

April 2, 2025

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Struthers City School District
Mahoning County, Ohio

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

This discussion and analysis of Struthers City School District's 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 financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2024 are as follows:

- In total, net position increased \$5,119,226 from fiscal year 2023, due mostly to an increase in cash and capital assets coupled with a reduction in the net pension liability. The effects of GASB 68 and 75 distort the comparative analysis to follow in this MD&A due to the significant change in total expenses on a full accrual basis.
- Revenues for governmental activities totaled \$29,611,080 in fiscal year 2024. Of this total, 76 percent consisted of general revenues while program revenues accounted for the balance of 24 percent.
- Program expenses totaled \$24,491,854. Instructional expenses made up 64 percent of the total while support services accounted for 28 percent. Other expenses rounded out the remaining 8 percent.
- The School District's has two major governmental funds, the general fund and the ESSER special revenue fund. The general fund had \$22,412,502 in revenues and \$20,072,784 in expenditures, excluding other financing sources and uses. During fiscal year 2024, the general fund balance increased \$2,299,718, or 17 percent.
- The ESSER fund had \$3,072,072 in revenue and \$2,693,332 in expenditures. During fiscal year 2024, the ESSER fund balance increased \$378,740, or 83 percent.
- The District's total net pension liability decreased to \$20,299,178 from \$21,413,999 and the net OPEB liability increased to \$1,103,604, from \$982,197, a combined net decrease of almost \$993,414. For more information on this liability see Notes 13 and 14 to the basic financial statements.

Using this Annual Financial Report

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

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

Struthers City School District
Mahoning County, Ohio

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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 cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's performance, demographic and socioeconomic factors and willingness of the community to support the School District.

In the Statement of Net Position and the Statement of Activities, all activities of the School District are classified as governmental. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, operation of food service and extracurricular 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 funds are the general fund and ESSER special revenue fund.

Governmental Funds All 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 fiscal 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 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.

Struthers City School District
Mahoning County, Ohio

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

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.

The School District as a Whole

The statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2024 compared to 2023:

Net Position (Table 1)
Governmental Activities

	2024	2023	Change
Assets			
Current and Other Assets	\$29,373,525	\$27,945,405	\$1,428,120
Capital Assets, Net	<u>14,957,577</u>	<u>12,871,941</u>	<u>2,085,636</u>
<i>Total Assets</i>	<u>44,331,102</u>	<u>40,817,346</u>	<u>3,513,756</u>
Deferred Outflows of Resources			
Pension	4,009,193	5,068,733	(1,059,540)
OPEB	<u>706,624</u>	<u>432,480</u>	<u>274,144</u>
<i>Total Deferred Outflows of Resources</i>	<u>4,715,817</u>	<u>5,501,213</u>	<u>(785,396)</u>
Liabilities			
Current Liabilities	2,880,650	3,389,405	(508,755)
Long-Term Liabilities			
Due within One Year	303,259	374,543	(71,284)
Due in More than One Year:			
Net Pension Liability	20,299,178	21,413,999	(1,114,821)
Net OPEB Liability	1,103,604	982,197	121,407
Other Amounts	<u>2,069,896</u>	<u>2,202,868</u>	<u>(132,972)</u>
<i>Total Liabilities</i>	<u>26,656,587</u>	<u>28,363,012</u>	<u>(1,706,425)</u>
Deferred Inflows of Resources			
Property Taxes	5,378,063	5,057,211	320,852
Pension	<u>2,003,387</u>	<u>2,355,251</u>	<u>(351,864)</u>
OPEB	<u>2,253,999</u>	<u>2,907,428</u>	<u>(653,429)</u>
<i>Total Deferred Inflows of Resources</i>	<u>9,635,449</u>	<u>10,319,890</u>	<u>(684,441)</u>
Net Position			
Net Investment in Capital Assets	14,112,390	11,803,581	2,308,809
Restricted	<u>3,551,989</u>	<u>4,081,370</u>	<u>(529,381)</u>
Unrestricted (Deficit)	<u>(4,909,496)</u>	<u>(8,249,294)</u>	<u>3,339,798</u>
<i>Total Net Position</i>	<u>\$12,754,883</u>	<u>\$7,635,657</u>	<u>\$5,119,226</u>

Struthers City School District
Mahoning County, Ohio

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

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2024 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The School District also adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

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 (asset). 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 (asset) 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.

Total assets increased by \$3,513,756. The majority of this increase can be attributed to an increase in cash and cash equivalents and capital assets. Total liabilities decreased by \$1,706,425 due mostly to the decrease in net pension liability and reduction of outstanding debt..

Struthers City School District
Mahoning County, Ohio

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

Table 2 shows the changes in net position for fiscal year 2024 as compared to fiscal year 2023.

Table 2
Change in Net Position

	2024	2023	Change
Revenues			
Program Revenues			
Charges for Services and Sales	\$775,371	\$748,218	\$27,153
Operating Grants and Contributions	6,277,615	5,076,678	1,200,937
Capital Grants and Contributions	26,500	26,000	500
<i>Total Program Revenues</i>	<u>7,079,486</u>	<u>5,850,896</u>	<u>1,228,590</u>
General Revenues			
Property Taxes	5,337,869	5,036,436	301,433
Intergovernmental	16,363,481	15,334,627	1,028,854
Investment Earnings	740,180	371,517	368,663
Miscellaneous	90,064	133,436	(43,372)
<i>Total General Revenues</i>	<u>22,531,594</u>	<u>20,876,016</u>	<u>1,655,578</u>
<i>Total Revenues</i>	<u>29,611,080</u>	<u>26,726,912</u>	<u>2,884,168</u>
Program Expenses			
Current:			
Instruction	15,556,415	14,952,864	(603,551)
Support Services	6,833,317	7,545,106	711,789
Operation of Non-Instructional/Food Services	1,182,622	1,282,072	99,450
Extracurricular Activities	884,770	830,068	(54,702)
Interest and Fiscal Charges	34,730	43,442	8,712
<i>Total Program Expenses</i>	<u>24,491,854</u>	<u>24,653,552</u>	<u>161,698</u>
<i>Change in Net Position</i>	<u>5,119,226</u>	<u>2,073,360</u>	<u>(2,722,470)</u>
<i>Net Position Beginning of Year</i>	<u>7,635,657</u>	<u>5,562,297</u>	<u>2,073,360</u>
<i>Net Position End of Year</i>	<u>\$12,754,883</u>	<u>\$7,635,657</u>	<u>\$5,119,226</u>

Governmental Activities

Net position of the School District's governmental activities increased \$5,119,226 due to an increase in program and general revenues plus a decrease in expenses. Total governmental expenses of \$24,491,854 were offset by program revenues of \$7,079,486 and general revenues of \$22,531,594. Program revenues supported 29 percent of total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These revenue sources represent 73 percent of total governmental revenue.

The largest expense of the School District is for instructional programs. Instructional expenses totaled \$15,556,415 or 64 percent of total governmental expenses for fiscal year 2024.

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

Struthers City School District
Mahoning County, Ohio

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

Table 3
Total and Net Cost of Program Services
Governmental Activities

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Program Expenses				
Instruction	\$15,556,415	\$12,828,529	\$14,952,864	\$12,600,182
Support Services	6,833,317	4,249,736	7,545,106	5,820,071
Operation of Non-Instructional/Food Services	1,182,622	(129,908)	1,282,072	(88,582)
Extracurricular Activities	884,770	429,281	830,068	427,543
Interest and Fiscal Charges	34,730	34,730	43,442	43,442
<i>Total Expenditures</i>	<u><u>\$24,491,854</u></u>	<u><u>\$17,412,368</u></u>	<u><u>\$24,653,552</u></u>	<u><u>\$18,802,656</u></u>

The table above reflects how the District funds its programs through program revenues, while non-instructional and food services were completely funded by program revenues during the fiscal year. Instructional services, support services, co-curricular activities, and interest charges rely heavily on general revenues. The increase in instructional and support services is the byproduct of GASB 68 and 75 as previously discussed. To gain a better understanding of operations, please refer to the fund analysis on the next following pages.

The dependence upon property taxes and other general revenues for governmental activities is apparent. For all governmental activities expenses, general revenue support is 92 percent this year. The School District's taxpayers, as a whole, are by far the primary support for the School District's students.

The School District's Funds

Information regarding the School District's major funds begins on page 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$29,621,961 to offset expenditures of \$27,440,658. The net change in fund balance for the year was most significant in the general fund, which increased \$2,299,718. As one can see from the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds, intergovernmental revenues and property taxes are the largest revenue sources, accounting for more than 76 percent and 18 percent respectively, of total governmental revenue. Clearly, the community is the greatest source of financial support for the students of the Struthers City School District.

The net change in fund balance of the ESSER fund was an increase of \$378,740 during fiscal year 2024. For the year, intergovernmental receipts of \$3,072,072 exceeded expenditures of \$2,693,332, resulting in the overall increase. The ESSER fund was not considered major in the prior fiscal year.

General Fund Budgeting Highlights

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

Struthers City School District
Mahoning County, Ohio

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
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During the course of fiscal year 2024, the School District amended its general fund budget as needed. For the general fund, original and final budgeted revenues and other financing sources were \$20,774,100. Actual revenues and other financing sources for fiscal year 2024 were \$22,011,863. This represents an increase of \$1,237,763 from original and final budgeted revenues. Intergovernmental revenues increased over \$0.8 million from the original and final budget due to a conservative estimate of school foundation payments.

General fund original appropriations of \$21,367,788 were amended to \$20,394,396 in the final appropriation. The actual budget basis expenditures for fiscal year 2024 totaled \$20,393,307, which were \$974,481 less than original appropriations and \$1,089 less than final budgeted appropriations. The variance with the original budget is due to a conservative approach to budgeting expenditures.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2024, the School District had \$14,957,577 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and textbooks and library books and intangible right to use leases.

Table 4 shows fiscal year 2024 balances compared to fiscal year 2023:

Table 4
Capital Assets at June 30 (Net of Depreciation/Amortization)

	2024	2023
Land	\$422,600	\$422,600
Construction in Progress	1,825,466	725,832
Land Improvements	1,267,401	1,342,780
Buildings and Improvements	10,654,664	9,405,058
Furniture and Equipment	201,789	221,358
Vehicles	476,051	595,433
Intangible Right to Use Lease	109,606	158,880
<i>Total</i>	<i>\$14,957,577</i>	<i>\$12,871,941</i>

All capital assets, except land and construction in progress, are reported net of depreciation/amortization. The overall increase in capital assets of \$2,085,636 is due to capital outlays of \$3,174,179 exceeding current year depreciation/amortization of \$1,088,543 during the fiscal year. For more information about the School District's capital assets, see Note 10 to the basic financial statements.

Struthers City School District
Mahoning County, Ohio

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

Long-Term Obligations

Table 5 summarizes the School District's long-term obligations outstanding at fiscal year end.

Table 5
Outstanding Long-Term Obligations at Year End

	2024	2023
Energy Conservation Note	\$0	\$88,877
Financed Purchase Agreements	728,568	814,065
Leases	116,619	165,418
Compensated Absences	1,527,968	1,509,051
Net Pension Liability	20,299,178	21,413,999
Net OPEB Liability	<u>1,103,604</u>	<u>982,197</u>
<i>Total</i>	<u><u>\$23,775,937</u></u>	<u><u>\$24,973,607</u></u>

At June 30, 2024, the School District had \$728,568 in financed purchase agreements, \$116,619 in leases, and \$1,527,968 in compensated absences outstanding. Of this total, \$303,259 is due within one year and the rest is due in more than one year. For more information about the School District's long-term obligations, see Note 15 to the basic financial statements.

Current Financial Issues

Struthers City School District has a moderate financial outlook due to its dependence upon grants and state funding. One can see the significant impact any external market changes would have on the School District, and ultimately, the residential taxpayers.

As a result of the challenges mentioned above, the Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial forecast future of the School District is not without its challenges. These challenges are external in nature. These challenges evolve as the State of Ohio continues to refine school funding.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact the Treasurer, Struthers City School District, 99 Euclid Avenue, Struthers, Ohio 44471-1831.

Struthers City School District

Mahoning County, Ohio

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$21,050,969
Accrued Interest Receivable	8,636
Accounts Receivable	56,639
Intergovernmental Receivable	480,261
Property Taxes Receivable	6,260,276
Inventory Held for Resale	5,886
Materials and Supplies Inventory	2,304
Net OPEB Asset	1,508,554
Nondepreciable Capital Assets	2,248,066
Depreciable Capital Assets, Net	12,709,511
<i>Total Assets</i>	<i>44,331,102</i>
Deferred Outflows of Resources	
Pension	4,009,193
OPEB	706,624
<i>Total Deferred Outflows of Resources</i>	<i>4,715,817</i>
Liabilities	
Accounts Payable	113,983
Accrued Wages and Benefits Payable	2,205,034
Intergovernmental Payable	558,594
Accrued Interest Payable	3,039
Long-Term Liabilities:	
Due Within One Year	303,259
Due In More Than One Year:	
Net Pension Liability	20,299,178
Net OPEB Liability	1,103,604
Other Amounts Due in More than One Year	2,069,896
<i>Total Liabilities</i>	<i>26,656,587</i>
Deferred Inflows of Resources	
Property Taxes	5,378,063
Pension	2,003,387
OPEB	2,253,999
<i>Total Deferred Inflows of Resources</i>	<i>9,635,449</i>
Net Position	
Net Investment in Capital Assets	14,112,390
Restricted for:	
Capital Projects	1,050,457
Other Purposes	2,501,532
Unrestricted (Deficit)	(4,909,496)
<i>Total Net Position</i>	<i>\$12,754,883</i>

See accompanying notes to the basic financial statements

Struthers City School District

Mahoning County, Ohio

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

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions			
		Governmental Activities					
Governmental Activities							
Current:							
Instruction:							
Regular	\$10,784,651	\$157,432	\$1,228,540	\$0	(\$9,398,679)		
Special	3,923,911	75,967	1,079,711	0	(2,768,233)		
Vocational	593,257	1,550	184,686	0	(407,021)		
Other	254,596	0	0	0	(254,596)		
Support Services:							
Pupils	1,543,597	0	378,031	0	(1,165,566)		
Instructional Staff	396,689	0	129,923	0	(266,766)		
Board of Education	84,369	0	0	0	(84,369)		
Administration	1,864,893	0	51,625	0	(1,813,268)		
Fiscal	450,887	200	18,944	0	(431,743)		
Business	47,261	0	0	0	(47,261)		
Operation and Maintenance of Plant	2,137,668	0	1,994,535	0	(143,133)		
Pupil Transportation	288,070	10,323	0	0	(277,747)		
Central	19,883	0	0	0	(19,883)		
Operation of Non-Instructional Services	1,182,622	140,780	1,171,750	0	129,908		
Extracurricular Activities	884,770	389,119	39,870	26,500	(429,281)		
Interest and Fiscal Charges	34,730	0	0	0	(34,730)		
<i>Total Governmental Activities</i>	<i>\$24,491,854</i>	<i>\$775,371</i>	<i>\$6,277,615</i>	<i>\$26,500</i>	<i>(17,412,368)</i>		
General Revenues							
Property Taxes Levied for:							
General Purposes					4,937,240		
Capital Outlay					400,629		
Grants and Entitlements not							
Restricted to Specific Programs					16,363,481		
Investment Earnings					740,180		
Miscellaneous					90,064		
<i>Total General Revenues</i>					<i>22,531,594</i>		
Change in Net Position							
<i>Net Position Beginning of Year</i>					<i>7,635,657</i>		
<i>Net Position End of Year</i>					<i>\$12,754,883</i>		

See accompanying notes to the basic financial statements

Struthers City School District
Mahoning County, Ohio

Balance Sheet
Governmental Funds
June 30, 2024

	General	ESSER Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$17,811,802	\$0	\$3,239,167	\$21,050,969
Accrued Interest Receivable	8,636	0	0	8,636
Accounts Receivable	54,639	0	2,000	56,639
Interfund Receivable	192,977	0	0	192,977
Intergovernmental Receivable	0	192,977	287,284	480,261
Property Taxes Receivable	5,799,215	0	461,061	6,260,276
Inventory Held for Resale	0	0	5,886	5,886
Materials and Supplies Inventory	0	0	2,304	2,304
<i>Total Assets</i>	<u>\$23,867,269</u>	<u>\$192,977</u>	<u>\$3,997,702</u>	<u>\$28,057,948</u>
Liabilities				
Accounts Payable	\$82,532	\$0	\$31,451	\$113,983
Accrued Wages and Benefits Payable	1,866,662	62,840	275,532	2,205,034
Intergovernmental Payable	489,013	15,129	54,452	558,594
Interfund Payable	0	192,977	0	192,977
<i>Total Liabilities</i>	<u>2,438,207</u>	<u>270,946</u>	<u>361,435</u>	<u>3,070,588</u>
Deferred Inflows of Resources				
Property Taxes	4,978,943	0	399,120	5,378,063
Unavailable Revenue - Property Taxes	771,807	0	58,406	830,213
<i>Total Deferred Inflows of Resources</i>	<u>5,750,750</u>	<u>270,946</u>	<u>457,526</u>	<u>6,208,276</u>
Fund Balances				
Nonspendable	0	0	2,304	2,304
Restricted	174,844	0	3,116,779	3,291,623
Committed	0	0	256,055	256,055
Assigned	1,407,771	0	0	1,407,771
Unassigned (Deficit)	14,095,697	(77,969)	(196,397)	13,821,331
<i>Total Fund Balances</i>	<u>15,678,312</u>	<u>(77,969)</u>	<u>3,178,741</u>	<u>18,779,084</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$23,867,269</u>	<u>\$192,977</u>	<u>\$3,997,702</u>	<u>\$28,057,948</u>

See accompanying notes to the basic financial statements

Struthers City School District
Mahoning County, Ohio

*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2024*

Total Governmental Fund Balances \$18,779,084

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

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds. 14,957,577

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

Property Taxes 830,213

The net pension and OPEB liabilities/(asset) are not due and payable
in the current period and, therefore, are not reported in the funds.

Net OPEB Asset	1,508,554
Deferred Outflows - Pension	4,009,193
Deferred Inflows - Pension	(2,003,387)
Net Pension Liability	(20,299,178)
Deferred Outflows - OPEB	706,624
Deferred Inflows - OPEB	(2,253,999)
Net OPEB Liability	<u>(1,103,604)</u>

Total (19,435,797)

In the statement of activities, interest is accrued on outstanding
general obligation bonds, whereas in governmental
funds, an interest expenditure is reported when due. (3,039)

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

Financed Purchase Agreement	(728,568)
Leases	(116,619)
Compensated Absences	<u>(1,527,968)</u>

Total (2,373,155)

Net Position of Governmental Activities \$12,754,883

See accompanying notes to the basic financial statements

Struthers City School District

Mahoning County, Ohio

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

	General	ESSER Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$4,944,309	\$0	\$404,441	\$5,348,750
Tuition and Fees	245,272	0	0	245,272
Interest	739,907	0	273	740,180
Charges for Services	0	0	138,320	138,320
Extracurricular Activities	48,843	0	339,476	388,319
Rentals	3,460	0	0	3,460
Contributions and Donations	15,665	0	86,006	101,671
Intergovernmental	16,343,134	3,072,072	3,150,719	22,565,925
Miscellaneous	71,912	0	18,152	90,064
<i>Total Revenues</i>	<i>22,412,502</i>	<i>3,072,072</i>	<i>4,137,387</i>	<i>29,621,961</i>
Expenditures				
Current:				
Instruction:				
Regular	9,364,150	828,802	182,914	10,375,866
Special	2,910,797	0	1,076,246	3,987,043
Vocational	407,334	0	192,004	599,338
Other	254,596	0	0	254,596
Support Services:				
Pupils	1,272,763	186,011	121,742	1,580,516
Instructional Staff	319,030	0	122,415	441,445
Board of Education	82,696	0	80	82,776
Administration	1,839,551	0	41,000	1,880,551
Fiscal	444,774	0	15,658	460,432
Business	49,060	0	0	49,060
Operation and Maintenance of Plant	1,867,225	1,414,106	331,900	3,613,231
Pupil Transportation	530,786	0	0	530,786
Central	20,312	0	0	20,312
Operation of Non-Instructional Services	0	0	1,205,579	1,205,579
Extracurricular Activities	450,575	0	364,851	815,426
Capital Outlay	0	264,413	1,020,153	1,284,566
Debt Service:				
Principal Retirement	223,173	0	0	223,173
Interest and Fiscal Charges	35,962	0	0	35,962
<i>Total Expenditures</i>	<i>20,072,784</i>	<i>2,693,332</i>	<i>4,674,542</i>	<i>27,440,658</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>2,339,718</i>	<i>378,740</i>	<i>(537,155)</i>	<i>2,181,303</i>
Other Financing Sources (Uses)				
Transfers In	0	0	224,070	224,070
Transfers Out	(224,070)	0	0	(224,070)
<i>Total Other Financing Sources (Uses)</i>	<i>(224,070)</i>	<i>0</i>	<i>224,070</i>	<i>0</i>
<i>Net Change in Fund Balances</i>	<i>2,115,648</i>	<i>378,740</i>	<i>(313,085)</i>	<i>2,181,303</i>
<i>Fund Balances (Deficit) Beginning of Year, as Previously Presented</i>	<i>13,562,664</i>	<i>0</i>	<i>3,035,117</i>	<i>16,597,781</i>
<i>Change Within Financial Reporting Entity</i>	<i>0</i>	<i>(456,709)</i>	<i>456,709</i>	<i>0</i>
<i>Fund Balances (Deficit) Beginning of Year, as Adjusted</i>	<i>13,562,664</i>	<i>(456,709)</i>	<i>3,491,826</i>	<i>16,597,781</i>
<i>Fund Balances (Deficit) End of Year</i>	<i>\$15,678,312</i>	<i>(\$77,969)</i>	<i>\$3,178,741</i>	<i>\$18,779,084</i>

See accompanying notes to the basic financial statements

Struthers City School District
Mahoning 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*

Net Change in Fund Balances - Total Governmental Funds \$2,181,303

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period.

Capital Outlay	3,174,179
Current Year Depreciation/Amortization	<u>(1,088,543)</u>

Total	2,085,636
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	(10,881)
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Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

223,173	
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued Interest on Bonds	1,232
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	1,838,904
OPEB	<u>44,330</u>

Total	1,883,234
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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	(1,431,758)
OPEB	<u>206,204</u>

Total	(1,225,554)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	<u>(18,917)</u>
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Change in Net Position of Governmental Activities \$5,119,226

See accompanying notes to the basic financial statements

Struthers City School District

Mahoning County, Ohio

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

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$4,844,156	\$4,844,156	\$4,929,291	\$85,135
Tuition and Fees	0	0	235,661	235,661
Interest	544,291	544,291	617,571	73,280
Extracurricular Activities	0	0	11,070	11,070
Rentals	0	0	1,000	1,000
Contributions and Donations	0	0	13,530	13,530
Intergovernmental	15,330,653	15,330,653	16,150,025	819,372
Miscellaneous	55,000	55,000	53,715	(1,285)
<i>Total Revenues</i>	<i>20,774,100</i>	<i>20,774,100</i>	<i>22,011,863</i>	<i>1,237,763</i>
Expenditures				
Current:				
Instruction:				
Regular	9,812,748	9,354,489	9,353,900	589
Special	3,061,473	2,920,003	2,920,003	0
Vocational	417,200	397,578	397,578	0
Other	267,013	254,446	254,446	0
Support Services:				
Pupils	1,099,312	1,047,600	1,047,600	0
Instructional Staff	364,513	347,412	347,412	0
Board of Education	92,965	89,129	89,129	0
Administration	1,931,724	1,841,267	1,841,267	0
Fiscal	478,421	456,457	455,957	500
Business	51,275	48,862	48,862	0
Operation and Maintenance of Plant	2,366,822	2,219,708	2,219,708	0
Pupil Transportation	599,346	572,350	572,350	0
Central	21,305	20,302	20,302	0
Operation of Non-Instructional Services	1,801	1,801	1,801	0
Extracurricular Activities	448,405	427,309	427,309	0
Debt Service:				
Principal Retirement	90,068	174,374	174,374	0
Interest and Fiscal Charges	73,397	31,309	31,309	0
<i>Total Expenditures</i>	<i>21,177,788</i>	<i>20,204,396</i>	<i>20,203,307</i>	<i>1,089</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(403,688)</i>	<i>569,704</i>	<i>1,808,556</i>	<i>1,238,852</i>
Other Financing Sources (Uses)				
Transfers Out	(190,000)	(190,000)	(190,000)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(190,000)</i>	<i>(190,000)</i>	<i>(190,000)</i>	<i>0</i>
<i>Net Change in Fund Balance</i>	<i>(593,688)</i>	<i>379,704</i>	<i>1,618,556</i>	<i>1,238,852</i>
<i>Fund Balance Beginning of Year</i>	<i>13,642,535</i>	<i>13,642,535</i>	<i>13,642,535</i>	<i>0</i>
<i>Prior Year Encumbrances Appropriated</i>	<i>496,178</i>	<i>496,178</i>	<i>496,178</i>	<i>0</i>
<i>Fund Balance End of Year</i>	<i>\$13,545,025</i>	<i>\$14,518,417</i>	<i>\$15,757,269</i>	<i>\$1,238,852</i>

See accompanying notes to the basic financial statements

Struthers City School District
Mahoning County, Ohio

*Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
ESSEER Fund
For the Fiscal Year Ended June 30, 2024*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$8,450,000	\$6,450,000	\$3,057,163	(\$3,392,837)
<i>Total Revenues</i>	<u>8,450,000</u>	<u>6,450,000</u>	<u>3,057,163</u>	<u>(3,392,837)</u>
Expenditures				
Current:				
Instruction:				
Regular	1,173,799	824,960	824,960	0
Support Services:				
Pupils	204,033	172,013	172,013	0
Operation and Maintenance of Plant	3,753,356	1,917,923	1,917,923	0
Capital Outlay	802,852	367,245	367,245	0
<i>Total Expenditures</i>	<u>5,934,040</u>	<u>3,282,141</u>	<u>3,282,141</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	2,515,960	3,167,859	(224,978)	(3,392,837)
<i>Fund Balance (Deficit) Beginning of Year</i>	(2,468,173)	(2,468,173)	(2,468,173)	0
<i>Prior Year Encumbrances Appropriated</i>	2,290,105	2,290,105	2,290,105	0
<i>Fund Balance (Deficit) End of Year</i>	<u>\$2,337,892</u>	<u>\$2,989,791</u>	<u>(\$403,046)</u>	<u>(3,392,837)</u>

See accompanying notes to the basic financial statements

Struthers City School District
Mahoning County, Ohio

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

Note 1 - Description of the School District and Reporting Entity

The Struthers City School District (the “School District”) operates under a locally elected five-member Board and provides educational services as authorized by State and federal agencies. The Board controls the School District’s three instructional support facilities staffed by 85 non-certified and 140 certified full-time teaching personnel and 7 administrative employees who provide services to students and other community members.

The School District is located in Struthers, Ohio, Mahoning County, including an area extending roughly five miles around the City. The enrollment for the School District during the 2024 fiscal year was 1,609. The School District operates three elementary schools (K-4), one middle school (5-8), and one high school (9-12).

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The Struthers City School District does not have any component units.

The School District participates in two jointly governed organizations, one council of governments and one shared risk pool. These organizations are the Area Cooperative Computerized Educational Service System Council of Governments (ACCESS), the Mahoning County Career and Technical Center, the Ohio Schools' Council Association and the Mahoning County Schools Employee Insurance Consortium. These organizations are presented in Notes 18 and 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with 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 more significant of the School District's accounting policies are described below.

Struthers City School District
Mahoning County, Ohio

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

A. Basis of Presentation

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

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

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

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

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. The School District has no proprietary or fiduciary funds.

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

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

Elementary and Secondary School Emergency Relief (ESSER) Fund – The ESSER fund accounts for emergency relief grants related to the COVID-19 pandemic.

Struthers City School District
Mahoning County, Ohio

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

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

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

Fiduciary Fund Type 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 used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no fiduciary funds.

C. Measurement Focus

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

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

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

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

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

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

Deferred Outflows/Inflows of Resources In addition to assets, the statement of net position and balance sheets will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources include pension and OPEB reported in the government-wide statement of net position. The deferred outflows of resources related to pension and OPEB are explained in Notes 13 and 14.

In addition to liabilities, the statements of net position and balance sheets report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and 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. For the School District unavailable revenue includes delinquent property taxes, tuition and fees and rent revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide of statement of net position (see Notes 13 and 14).

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

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

Struthers City School District
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*Notes to the Basic Financial Statements
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E. Budgetary Data

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Although the legal level of control was established at the fund level of expenditures, the School District has elected to present budgetary statement comparisons at the fund and function level of expenditures. The Treasurer has been given authority to allocate board appropriations to the function and object levels within each fund.

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

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

F. Cash and Cash Equivalents

To improve cash management, all 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. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2024, investments were limited to U.S. Treasury Notes, Commercial Paper, Federal Home Loan Bank Bonds, Federal Home Loan Mortgage Corporation Bonds, Federal Farm Credit Bonds, Municipal Bonds and STAR Ohio.

STAR 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 District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$739,907, \$2,566 of which was assigned from other School District funds.

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

G. Inventory

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

H. Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. See Note 17 for additional information regarding set asides.

I. Capital Assets

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

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

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

Description	Estimated Lives
Land Improvements	10 - 99 years
Buildings and Improvements	10 - 99 years
Furniture, Fixtures and Equipment	5 - 10 years
Vehicles	10 years
Textbooks and Library Books	5 - 10 years
Intangible Right to Use Leases	5 - 10 years

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J. Compensated Absences

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

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

K. Interfund Balances

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

L. Internal Activity

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

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

M. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability (asset) 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.

N. 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:

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education, which may be expressed by a motion but need not be passed by formal action, such as a Board Resolution.

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

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

O. Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include operation of instructional services, food service operations and extracurricular activities.

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

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*Notes to the Basic Financial Statements
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P. Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an increase of the face amount of the general obligation bonds payable. On fund financial statements, bond premiums are received in the year the bonds are issued.

Q. Deferred Charge (Loss) on Refunding

The difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the deferred charge (loss) on refunding, is being amortized as a component of interest expense. This accounting loss is amortized over the remaining life of the old or new debt, whichever is shorter, and is presented as a deferred outflow of resources on the statement of net position.

R. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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 systems. 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 systems report investments at fair value.

S. Estimates

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

T. Fair Market Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Note 3 – Change in Accounting Principle

For fiscal year 2024, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62".

GASB Statement No. 100 primary objective 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 implementation of this pronouncement did not impact the beginning net position or fund balance of the District.

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Note 4 – Accountability

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

<u>Major Governmental Fund:</u>	<u>Deficit</u>
ESSER Fund	\$77,969
<u>Nonmajor Governmental Funds:</u>	
Coronavirus Relief Fund	1,245
IDEA Part B	132,350
Title I	188,910
Improving Teacher Quality	57,962

The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. These deficit fund balances are the result of adjustments for accrued liabilities.

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balances (GAAP).
4. Advances-in and advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. *Certain funds have legally separate adopted budgets (budget) but are included in the General Fund (GAAP).

*As part of Governmental Accounting Standards Board No. 54 "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the General fund on a GAAP basis. These include the uniform school supplies, rotary-internal services, public school support, special enterprise, employee benefits, workers compensation, Ohio Reads, Summer Intervention, and the Medicaid-Ohio Plans special revenue funds.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and the ESSER special revenue fund.

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	Net Change in Fund Balance	
	General	ESSER
GAAP Basis	\$2,299,718	\$378,740
Net Adjustment for Revenue Accruals	(400,639)	(14,909)
Net Adjustment for Expenditure Accruals	(11,593)	(378,740)
Net Adjustment for Funds Budgeted as Special Revenue	83,585	0
Adjustment for Encumbrances	(352,515)	(210,069)
Budget Basis	<u><u>\$1,618,556</u></u>	<u><u>(\$224,978)</u></u>

Note 6 - Deposits and Investments

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

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

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

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

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies held by the School District can 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 payment of 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, 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;

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3. Written repurchase agreements in securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
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.

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

A. Cash on Hand

At fiscal year-end, the School District had \$150 in un-deposited cash on hand which is included on the financial statements of the School District as part of "Equity in Pooled Cash and Cash Equivalents."

B. Deposits with Financial Institutions

At June 30, 2024, the carrying amount of all School District deposits was \$14,573,396 and the bank balance of all School District deposits was \$14,618,722. Of the bank balance \$2,293,954 was covered by Federal Deposit Insurance Corporation (FDIC) and \$12,324,768 was potentially exposed to custodial credit risk as discussed below, because those deposits were uninsured and could be uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being

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Notes to the Basic Financial Statements
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secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, one of the School District's financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

C. Investments

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

Investment Type	Fair Value	Maturity
Amortized Cost: STAR Ohio	\$2,380,670	6 Months or Less
Commercial Paper	1,115,160	6 Months or Less
Federal Home Loan Bank Bond	396,177	6 Months or Less
Commercial Paper	241,158	Less than 1 Year
Federal Home Loan Bank Bond	150,367	Less than 1 Year
U.S. Treasury Notes	445,131	1 to 3 Years
Federal Home Loan Mortgage Corporation Bond	150,888	1 to 3 Years
Municipal Bonds	100,589	1 to 3 Years
U.S. Treasury Notes	703,991	3 to 5 Years
Federal Home Loan Bank Bond	290,978	3 to 5 Years
Federal Farm Credit Bureau Bond	502,314	3 to 5 Years
 Total Portfolio	 <u>\$6,477,423</u>	

The weighted average maturity of investments is 1.37 years.

The School District's investments in federal agency securities (FHLB, FFCB & FHLMC) are valued using quoted prices in markets 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 directly or indirectly (Level 2 inputs).

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by 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 STAR Ohio carries a rating of AAA 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 School District has no investment policy that addresses credit risk. The Federal Bonds were rated at least AA+ by Standard and Poors and Aaa by Moody's.

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.

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Concentration of Credit Risk The District places no limit on the amount it may invest in any one issuer. Following are the District's investment percentages by investment type.

	Fair Value	% of Total
STAR Ohio	\$2,380,670	36.75%
Commercial Paper	1,356,318	20.94%
U.S. Treasury Notes	1,149,122	17.74%
Federal Home Loan Bank	837,522	12.93%
Federal Farm Credit Bank	502,314	7.75%
Federal Home Loan Mortgage Corporation	150,888	2.33%
Municipal Bonds	100,589	1.55%
Total Portfolio	\$6,477,423	100.00%

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

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

<u>Cash and Investments per Note Disclosure</u>	<u>Cash and Investments per Statement of Net Position</u>
Carrying amount of deposits	\$14,573,396
Investments	6,477,423
Cash on hand	150
Total	\$21,050,969
	\$21,050,969

Note 7 - 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 located in the School District. Real property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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 December 31, 2022, were levied after April 1, 2023 and are collected in 2024 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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The School District receives property taxes from Mahoning County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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

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

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

	2023 Second Half Collections		2024 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$138,815,290	92.22 %	\$203,918,750	94.43 %
Public Utility Personal	11,718,660	7.78	12,017,080	5.57
Total	\$150,533,950	100.00 %	\$215,935,830	100.00 %
Tax rate per \$1,000 of assessed valuation		\$63.30		\$63.40

Note 8 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the government funds.

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For the Fiscal Year Ended June 30, 2024

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

Fund Balances	General	ESSER	Nonmajor Governmental	Total
<i>Nonspendable</i>				
Inventory	\$0	\$0	\$2,304	\$2,304
<i>Restricted for</i>				
Food Service Operations	0	0	1,520,904	1,520,904
Community Activities	0	0	11,637	11,637
Technology Improvements	0	0	102,412	102,412
Classroom Maintenance	0	0	225,765	225,765
Athletics & Music	0	0	167,569	167,569
Data Communication	0	0	49,039	49,039
Teacher Development	0	0	1,817	1,817
Student Achievement	126,926	0	0	126,926
Summer Intervention Programs	47,918	0	0	47,918
Miscellaneous State & Federal Grants	0	0	148,140	148,140
Capital Improvements	0	0	735,996	735,996
Other Purposes	0	0	153,500	153,500
<i>Total Restricted</i>	<i>174,844</i>	<i>0</i>	<i>3,116,779</i>	<i>3,291,623</i>
<i>Committed to</i>				
Capital Improvements	0	0	256,055	256,055
<i>Assigned to</i>				
Other Purposes	414,581	0	0	414,581
Encumbrances	269,983	0	0	269,983
Employee Insurance	723,207	0	0	723,207
<i>Total Assigned</i>	<i>1,407,771</i>	<i>0</i>	<i>0</i>	<i>1,407,771</i>
<i>Unassigned (Deficit)</i>	<i>14,095,697</i>	<i>(77,969)</i>	<i>(196,397)</i>	<i>13,821,331</i>
<i>Total Fund Balances</i>	<i>\$15,678,312</i>	<i>(\$77,969)</i>	<i>\$3,178,741</i>	<i>\$18,779,084</i>

Note 9 - Receivables

Receivables at June 30, 2024, consisted of taxes, accrued interest, accounts, interfund and intergovernmental revenues. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables are expected to be collected within one year.

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A summary of the principal items of intergovernmental receivables follows:

Nonmajor Governmental Funds:	Amount
Other Grants	\$4,170
Public School Preschool Grant	21,250
Miscellaneous State Grant	138,882
ESSER Grant	192,977
IDEA Part B grant	47,600
Title I Supplemental Grant	3,940
Title I Grant	52,947
Drug Free Schools Grant	10,443
Improving Teacher Quality Grant	8,052
Total Receivable	\$480,261

Note 10 - Capital Assets

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

	Balance 6/30/23	Additions	Reductions	Balance 6/30/24
Governmental Activities:				
Capital assets not being depreciated				
Land	\$422,600	\$0	\$0	\$422,600
Construction in progress	725,832	3,015,311	(1,915,677)	1,825,466
Total capital assets not being depreciated	1,148,432	3,015,311	(1,915,677)	2,248,066
Capital assets being depreciated/amortized				
Land improvements	2,976,724	46,350	0	3,023,074
Buildings and improvements	32,463,450	2,012,511	0	34,475,961
Furniture, fixtures and equipment	1,591,794	15,684	0	1,607,478
Vehicles	1,485,169	0	0	1,485,169
Textbooks and Library Books	496,934	0	0	496,934
Intangible Right to Use Lease**	246,369	0	0	246,369
Total capital assets being depreciated/amortized	39,260,440	2,074,545	0	41,334,985
Accumulated depreciation/amortization				
Land improvements	(1,633,944)	(121,729)	0	(1,755,673)
Buildings and improvements	(23,058,392)	(762,905)	0	(23,821,297)
Furniture, fixtures and equipment	(1,370,436)	(35,253)	0	(1,405,689)
Vehicles	(889,736)	(119,382)	0	(1,009,118)
Textbooks and Library Books	(496,934)	0	0	(496,934)
Intangible Right to Use Lease**	(87,489)	(49,274)	0	(136,763)
Total accumulated depreciation/amortization	(27,536,931)	(1,088,543) *	0	(28,625,474)
Capital assets being depreciated/amortized, net	11,723,509	986,002	0	12,709,511
Governmental activities capital assets, net	\$12,871,941	\$4,001,313	(\$1,915,677)	\$14,957,577

Struthers City School District
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*Depreciation/amortization expense was charged to governmental functions as follows:

Instruction:	
Regular	\$733,295
Support Services:	
Instruction Staff	5,070
Board of Education	2,236
Administration	1,029
Business	661
Operation and Maintenance of Plant	186,750
Pupil Transportation	84,302
Operation of Non-Instructional/Food Services	5,412
Extracurricular Activities	<u>69,788</u>
Total Depreciation/Amortization Expense	<u>\$1,088,543</u>

**Of the current year depreciation total of \$1,088,543, \$49,274 is presented as a regular instruction expense on the Statement of Activities related to the District's intangible asset of copiers and a postage machine, which are included in the table above as an Intangible Right to Use Lease. With the implementation of GASB Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Note 11 – Interfund Activity

A. Interfund Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. During fiscal year 2024, interfund transfer activity was as follows:

	Transfers Out	Transfers In
Major Governmental Fund:		
General	\$224,070	\$0
Non-major Governmental Fund:		
Building Capital Projects Fund	0	40,000
Miscellaneous State Grants Fund	0	1,200
Race to the Top Grant	0	1,245
IDEA Part B	0	36,561
Title I	0	85,969
Improving Teacher Quality Fund	0	56,878
Miscellaneous Federal Grants Fund	<u>0</u>	<u>2,217</u>
Total	<u>\$224,070</u>	<u>\$224,070</u>

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B. Interfund Balances

Interfund receivable/payable consisted of \$192,977 due to the general fund from the ESSER major special revenue fund. The primary purpose of this interfund balance was to cover costs where revenues were not received by June 30. This interfund balance will be repaid once the anticipated revenue is received.

Note 12 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the School District contracted with Ohio Casualty/Liberty Mutual for property insurance with a \$2,500 deductible. Professional liability is also protected by Ohio Casualty/Liberty Mutual with a \$3,000,000 aggregate limit.

Vehicles and buses are covered by Ohio Casualty/Liberty Mutual and hold a \$250/\$1,000 deductible for comprehensive and a \$500/\$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability. CB radios on the School District's buses are also covered by Ohio Casualty/Liberty Mutual.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

\$10,000 performance bonds are maintained for both the Board president and Superintendent. A \$40,000 performance bond is maintained for the Treasurer. A \$250,000 blanket bond is maintained for all other employees. All performance bonds are maintained by the Hartford Insurance Company, and the blanket bond is maintained by Ohio Casualty/Liberty Mutual.

B. Workers' Compensation

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

C. Employee Health Benefits

The School District has contracted with the Mahoning County Insurance Consortium to provide employee medical/surgical, prescription drug, dental and vision benefits. The Mahoning County Insurance Consortium is a shared risk pool comprised of twelve Mahoning County school districts. Rates are set through an annual calculation process. The Struthers City School District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The board of directors has the right to return monies to an exiting district subsequent to the settlement of all expenses and claims. The School District pays premiums of \$2,031 for family coverage, \$1,525 for employee plus spouse, \$1,241 for employee plus children and \$730 for single coverage per employee per month.

Struthers City School District
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*Notes to the Basic Financial Statements
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Note 13 – Defined Benefit Pension Plans

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

A. Net Pension Liability/Net OPEB Liability/(Asset)

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

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B. School Employees Retirement System

Plan Description - District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. Established in 1937, SERS provides retirement, disability, and survivor benefits to non-teaching employees of Ohio's public K-12 school districts. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or Before August 1, 2017*	Eligible to Retire on or After August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

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

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

The District's contractually required contribution to SERS was \$361,237 for fiscal year 2024. Of this amount \$237,900 is reported as an intergovernmental payable.

Struthers City School District
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C. State Teachers Retirement System

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined (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 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination.

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

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

A DB or CO Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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. 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.

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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 percent 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 \$1,477,667 for fiscal year 2024. Of this amount \$245,168 is reported as an intergovernmental payable.

D. 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 projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the Net Pension Liability			
Prior Measurement Date	0.06826690%	0.07971882%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.06506840%</u>	<u>0.07756611%</u>	
Change in Proportionate Share	<u>-0.00319850%</u>	<u>-0.00215271%</u>	
Proportionate Share of the Net Pension Liability	\$3,595,364	\$16,703,814	\$20,299,178
Pension Expense	\$296,548	\$1,135,210	\$1,431,758

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$154,536	\$608,985	\$763,521
Change of Assumptions	25,468	1,375,649	1,401,117
Change in Proportionate Share	0	5,651	5,651
District contributions subsequent to the measurement date	<u>361,237</u>	<u>1,477,667</u>	<u>1,838,904</u>
Total Deferred Outflows of Resources	<u>\$541,241</u>	<u>\$3,467,952</u>	<u>\$4,009,193</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$37,066	\$37,066
Net difference between projected and actual earnings on pension plan investments	50,532	50,064	100,596
Change of Assumptions	0	1,035,469	1,035,469
Change in Proportionate Share	<u>148,637</u>	<u>681,619</u>	<u>830,256</u>
Total Deferred Inflows of Resources	<u>\$199,169</u>	<u>\$1,804,218</u>	<u>\$2,003,387</u>

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\$1,838,904 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 year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$41,273)	(\$393,000)	(\$434,273)
2026	(181,336)	(813,128)	(994,464)
2027	200,764	1,570,457	1,771,221
2028	2,680	(178,262)	(175,582)
Total	(\$19,165)	\$186,067	\$166,902

Actuarial Assumptions - SERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2132.

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

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

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll)
Inflation	2.40 Percent
Future Salary Increases, Including Inflation	3.25 Percent to 13.58 Percent
Investment Rate of Return	7.0 Percent, Net of Investment Expenses
COLA or Ad hoc COLA	2.0 Percent, on and after April 1, 2018, COLA's for future retirees will be delayed for 3 years following commencement

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table

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projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

The target asset 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 %
U.S. Equity	24.75	4.82
Non-U.S. Equity Developed	13.50	5.19
Non-U.S. Equity Emerging	6.75	5.98
Fixed Income/Global Bond	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><u>100.00 %</u></u>	

Discount Rate The total pension liability was calculated using the discount rate of 7.0 percent. The discount rate determination does 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. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments for fiscal year 2023, was 6.90 percent.

Sensitivity of the 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 7.0 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent), or one percentage point higher (8.0 percent) than the current rate.

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	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's Proportionate Share of the Net Pension Liability	\$5,306,574	\$3,595,364	\$2,153,996

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	Varies by Service from 2.5% to 8.5%
Investment Rate of Return	7.0 Percent, Net of Investment Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers 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 the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Fixed Income	22.00	1.75
Alternatives	19.00	7.38
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	100.00 %	7.00 %

*Final target weights reflected at October 1, 2022.

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

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Discount Rate The discount rate used to measure the total pension liability was 7.0 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.0 percent was applied to all periods of projected benefit payment 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 presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.0 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.0 percent) or one-percentage-point higher (8.0 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(6.0%)	(7.0%)	(8.0%)
District's Proportionate Share of the Net Pension Liability	\$25,686,768	\$16,703,814	\$9,106,692

Assumption and Benefit Changes Since the Prior Measurement Date The discount rate remained at 7.00 percent for June 30, 2023 valuation.

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

E. Social Security System

Effective, July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2024, certain members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

Note 14 – Defined Benefit Other Postemployment Benefit (OPEB) Plans

See note 13 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

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the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy - State statute permits SERS to fund health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$44,330.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$44,330 for fiscal year 2024, all of which was reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset)			
Prior Measurement Date	0.06995650%	0.07971882%	
Proportion of the Net OPEB Liability (Asset)			
Current Measurement Date	<u>0.06698880%</u>	<u>0.07756611%</u>	
Change in Proportionate Share	<u>-0.00296770%</u>	<u>-0.00215271%</u>	
Proportionate Share of the Net OPEB Liability (Asset)	\$1,103,604	(\$1,508,554)	(\$404,950)
OPEB Expense	(\$133,702)	(\$72,502)	(\$206,204)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$2,302	\$2,352	\$4,654
Net difference between projected and actual earnings on OPEB plan investments	8,551	2,690	11,241
Change of Assumptions	373,162	222,230	595,392
Change in Proportionate Share	34,789	16,218	51,007
District contributions subsequent to the measurement date	<u>44,330</u>	0	<u>44,330</u>
Total Deferred Outflows of Resources	<u>\$463,134</u>	<u>\$243,490</u>	<u>\$706,624</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$569,167	\$230,098	\$799,265
Change of Assumptions	313,431	995,323	1,308,754
Change in Proportionate Share	<u>144,732</u>	1,248	<u>145,980</u>
Total Deferred Inflows of Resources	<u>\$1,027,330</u>	<u>\$1,226,669</u>	<u>\$2,253,999</u>

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\$44,330 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 in the 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:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$185,056)	(\$436,579)	(\$621,635)
2026	(164,528)	(200,861)	(365,389)
2027	(104,218)	(76,237)	(180,455)
2028	(65,543)	(103,963)	(169,506)
2029	(52,004)	(94,801)	(146,805)
Thereafter	<u>(37,177)</u>	<u>(70,738)</u>	<u>(107,915)</u>
Total	<u>(\$608,526)</u>	<u>(\$983,179)</u>	<u>(\$1,591,705)</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.

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.

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

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.0 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Medical Trend Assumption	
Medicare	6.75 to 4.40 percent

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Disabled retirees is based on PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Contingent survivors is based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board 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 log-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, 7.0 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13 for details.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2023 was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023 was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 1.50 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic pension benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2023, and the June 30, 2022 total OPEB liability.

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The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.86 percent at June 30, 2023 and 3.69 percent 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 of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27 percent) and higher (5.27 percent) than the current discount rate (4.27 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
District's proportionate share of the net OPEB liability (asset)	\$1,410,721	\$1,103,604	\$861,429
	1% Decrease (5.75 % decreasing to 3.40 %)	Current Trend Rate (6.75% decreasing to 4.40 %)	1% Increase (7.75 % decreasing to 5.40 %)
District's proportionate share of the net OPEB liability (asset)	\$810,780	\$1,103,604	\$1,491,636

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 are presented below:

Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.0 percent, net of investment expenses, including inflation
Payroll Increases	3.0 percent
Discount Rate of Return	7.0 percent
Health Care Cost Trends:	
<i>Medical</i>	
Pre-Medicare	7.50 percent initial, 4.14 percent ultimate
Medicare	(10.94) percent initial, 4.14 percent ultimate
<i>Prescription Drug</i>	
Pre-Medicare	(11.95) percent initial, 4.14 percent ultimate
Medicare	1.33 percent initial, 4.14 percent ultimate

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

Discount Rate The discount rate used to measure the total OPEB liability was 7.0 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.0 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.0 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.0 percent) or one percentage point higher (8.0 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
District's proportionate share of the net OPEB asset	\$1,276,793	\$1,508,554	\$1,710,392
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$1,719,759	\$1,508,554	\$1,254,161

Assumption and Benefit Changes Since the Prior Measurement Date The discount rate remained unchanged at 7.00 percent for June 30, 2023, valuation.

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

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Note 15 - Long-term Obligations

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

Governmental-Type Activities	Outstanding 6/30/23	Additions	Deductions	Outstanding 6/30/24	Due in One Year
<i>Other Long-Term Obligations:</i>					
2019 Energy Conservation Note	\$88,877	\$0	(\$88,877)	\$0	\$0
Financed Purchase Agreements (2)	814,065	0	(85,497)	728,568	98,568
Leases (2)	165,418	0	(48,799)	116,619	50,408
Compensated Absences	1,509,051	170,287	(151,370)	1,527,968	154,283
<i>Total Before Net Pension & OPEB Liability</i>	<i>2,577,411</i>	<i>170,287</i>	<i>(374,543)</i>	<i>2,373,155</i>	<i>303,259</i>
<i>Net Pension Liability:</i>					
STRS	17,721,594	0	(1,017,780)	16,703,814	0
SERS	3,692,405	0	(97,041)	3,595,364	0
<i>Total Net Pension Liability</i>	<i>21,413,999</i>	<i>0</i>	<i>(1,114,821)</i>	<i>20,299,178</i>	<i>0</i>
<i>Net OPEB Liability:</i>					
SERS	982,197	121,407	0	1,103,604	0
<i>Total Long-Term Obligations</i>	<i>\$24,973,607</i>	<i>\$291,694</i>	<i>(\$1,489,364)</i>	<i>\$23,775,937</i>	<i>\$303,259</i>

On May 1, 2019, the School District issued a \$451,477 energy conservation note with an interest rate of 3.50 percent, maturing on May 1, 2024. The proceeds are to be used for the Lighting upgrade project throughout the District. The energy conservation note will be repaid from the general fund.

In September of 2019, the School District issued a \$152,490 financed purchase agreement with an interest rate of 3.393 percent, maturing on September 3, 2024. The proceeds are to be used for the LED scoreboard/stadium project within the District. The financed purchase agreement will be repaid from the building capital projects fund.

In August of 2022, the School District issued a \$750,000 financed purchase agreement with an interest rate of 3.81 percent, maturing on December 1, 2032. The proceeds are to be used for the transportation facilities project within the District. The financed purchase agreement will be repaid from the building capital projects fund.

Compensated absences will be paid from the general fund and the food service, auxiliary services, IDEA Part B, Title I and improving teacher quality special revenue funds.

There is no repayment schedule for the net pension liability and net OPEB liability (asset); however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension liability and net OPEB liability (asset) see Notes 13 and 14.

The School District's overall legal debt margin was \$19,434,225 with an unvoted debt margin of \$215,936 at June 30, 2024.

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Principal requirements to retire financed purchases and leases outstanding, are as follows:

Fiscal Year Ending June 30,	2019 Financed Purchase Agreement			2022 Financed Purchase Agreement		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$32,568	\$1,103	\$33,671	\$66,000	\$25,260	\$91,260
2026	0	0	0	68,000	22,708	90,708
2027	0	0	0	71,000	20,060	91,060
2028	0	0	0	74,000	17,298	91,298
2029	0	0	0	77,000	14,421	91,421
2030 - 2033	0	0	0	340,000	26,556	366,556
Total	\$32,568	\$1,103	\$33,671	\$696,000	\$126,303	\$822,303

Leases Payable – The District previously entered into lease agreements for copiers and a postage machine. Due to the implementation of GASB Statement No. 87, these leases have met the criteria of a lease thus requiring them to be recorded by the District. These leases will be amortized over the lease term since it is shorter than the useful life due to the District not taking ownership. A summary of the principal and interest amounts remaining for the lease are as follows:

Fiscal Year Ending June 30,	Leases					
	2021 Copiers			2022 Postage Machine		
Principal	Interest	Total	Principal	Interest	Total	
2025	\$47,996	\$2,872	\$50,868	\$2,412	\$172	\$2,584
2026	49,580	1,288	50,868	2,492	92	2,584
2027	12,648	69	12,717	1,491	16	1,507
Total	\$110,224	\$4,229	\$114,453	\$6,395	\$280	\$6,675

Note 16 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn five to twenty-five days of vacation per fiscal year, depending upon length of service and hours worked. Teachers do not earn vacation time. Administrators earn twenty days of vacation annually. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment.

Each employee earns sick leave at the rate of one and one-quarter days per month. Sick leave may be accumulated without maximum for all employees. Upon retirement, classified employees and bus drivers receive payments for thirty percent of the total sick leave accumulation up to a maximum of 90 days. Administrators and teachers can receive payment for twenty-five to thirty-five percent of the total sick leave accumulation without limit.

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B. Life Insurance

The School District provides life insurance to all regular employees. Coverage is equal to the annual salary for administrators, the annual salary for certified employees with a minimum of \$20,000 and a maximum of \$50,000, \$20,000 for non-union classified employees, and a minimum \$20,000 and maximum of \$50,000 for classified employees. Life insurance coverage is provided through Mutual of Omaha.

Note 17 - Set-Asides

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

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

	Capital Improvements
Set-Aside Reserve Balance as of June 30, 2023	\$0
Current Year Set-Aside Requirement	366,042
Qualifying Disbursements	(551,821)
Current year offsets	(423,806)
Total	<u>(\$609,585)</u>
Set-Aside Balance Carried Forward to	
Future Fiscal Years	<u><u>\$0</u></u>
Cash balance as of June 30, 2024	<u><u>\$0</u></u>

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

Note 18 - Jointly Governed Organizations & Council of Governments

A. Area Cooperative Computerized Educational Service System Council of Governments

The Area Cooperative Computerized Educational Service System/ACCESS Assembly (ACCESS) is a consortium of twenty-six school districts in Mahoning and Columbiana Counties, two educational service centers, twenty non-public schools and two Special Education Regional Resource Centers.

The jointly governed organization was formed for the purpose of utilizing computers and other electronic equipment for administrative and instructional functions among member districts. These include educational management information system services, fiscal services, library services, network services and student services.

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ACCESS is governed by an Assembly, which makes all decisions regarding programs, fees, budget and policy. The Assembly is composed of the Superintendent of each of the member districts. Assembly members may designate proxy attendees at meetings for voting purposes. The Assembly meets twice per year, once in November and once in May. Budgets and fees are discussed at the fall meeting, while the Board of Directors are chosen at the spring meeting.

While the Assembly has overall governance for ACCESS, the Board of Directors is selected to make the majority of the day-to-day operational decisions. Everything from equipment purchases, contracts, personnel action and financial oversight is handled by the Board. The Board is made up of two superintendents each from both Mahoning and Columbiana counties, and the superintendents from both the Mahoning County and Columbiana County Educational Service Centers. The ACCESS Executive Director and the Treasurer are also part of the Board of Directors but are non-voting members.

All ACCESS revenues are generated from charges for services and State funding. Each of the members supports the ACCESS Assembly based upon a per pupil charge. Financial information can be obtained by contacting the Treasurer, Brian Stidham, at 493 Bev Road, Unit 1, Boardman, Ohio 44512.

B. Mahoning County Career and Technical Center

The Mahoning County Career and Technical Center is a political subdivision of the State of Ohio operated under the direction of a Board consisting of the five members of the Mahoning County Educational Service Center Governing Board, representing the eleven local school district's and one representative from each of the two city school districts. During fiscal year 2024, no monies were received from the School District. To obtain financial information write to the Treasurer at the Mahoning County Career and Technical Center, 7300 North Palmyra Road, Canfield, Ohio, 44406.

C. Ohio Schools' Council Association

The Ohio Schools' Council Association (Council) is a council of governments among area school districts. The council of governments was formed to purchase quality products and services at the lowest possible cost to the member districts. Each district supports the Council by paying an annual participation fee. The Council's Board consists of seven superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. In fiscal year 2024, the Struthers City School District paid \$63,525 to the Council. Financial information can be obtained by contacting the Executive Secretary of the Ohio Schools Council at 6133 Rockside Road, Suite 10, Independence, Ohio 44131.

Note 19 - Shared Risk Pool

Mahoning County Schools Employee Insurance Consortium - The Mahoning County Schools Employee Insurance Consortium is a shared risk pool comprised of thirteen Mahoning County School Districts. The Consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly exercises control over the operation of the Consortium. All Consortium revenues are generated from charges for services. To obtain the financial information write to Mahoning County Insurance Consortium, P.O. Box 549, New Middletown, Ohio 44442.

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Note 20 - Contingencies

Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. The final adjustment was not material and is not reflected in the accompanying financial statements.

Litigation

At June 30, 2024, the School District was not party to any legal proceedings.

Note 21 – Tax Abatements

As of June 30, 2024, the District provides tax abatements through an Enterprise Zone (Ezone). This program relates to the abatement of property taxes.

Ezone - Under the authority of ORC Sections 5709.62 and 5709.63, the Ezone program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. An Ezone is a designated area of land in which businesses can receive tax incentives in the form of tax exemptions on qualifying new investments. An Ezone's geographic area is identified by the local government involved in the creation of the zone. Once the zone is defined, the local legislative authority participating in the creation must petition the OSDA. The OSDA must then certify the area for it to become an active Enterprise Zone. The local legislative authority negotiates the terms of the Enterprise Zone Agreement (the "Agreement") with the business, which may include tax sharing with the City. Legislation must then be passed to approve the Agreement. All Agreements must be finalized before the project begins and may contain provisions for the recoupment of taxes should the individual or entity fail to perform. The amount of the abatement deducted from the business's property tax bill was not material for fiscal year 2024.

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Struthers City School District

Mahoning County, Ohio

Required Supplementary Information

*Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio (SERS)
Last Ten Fiscal Years*

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.06506840%	0.06826690%	0.06955100%	0.06757020%
School District's Proportionate Share of the Net Pension Liability	\$3,595,364	\$3,692,405	\$2,566,230	\$4,469,235
School District's Covered Payroll	\$2,581,436	\$2,550,157	\$2,400,721	\$2,368,864
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.28%	144.79%	106.89%	188.67%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%

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

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
0.07132060%	0.07007100%	0.07115050%	0.07020040%	0.07019550%	0.07029300%
\$4,267,237	\$4,013,096	\$4,251,085	\$5,138,022	\$4,005,423	\$3,557,489
\$2,534,011	\$2,515,163	\$2,245,571	\$2,259,825	\$2,231,695	\$2,144,457
168.40%	159.56%	189.31%	227.36%	179.48%	165.89%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

Struthers City School District

Mahoning County, Ohio

Required Supplementary Information

Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio (STRS)
Last Ten Fiscal Years

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.077566110%	0.079718820%	0.079737158%	0.083461030%
School District's Proportionate Share of the Net Pension Liability	\$16,703,814	\$17,721,594	\$10,195,112	\$20,194,600
School District's Covered Payroll	\$10,476,729	\$10,363,829	\$9,839,043	\$10,072,443
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.44%	170.99%	103.62%	200.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.48%

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

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
0.083323250%	0.082097730%	0.081549260%	0.079629550%	0.077176900%	0.078681820%
\$18,426,436	\$18,051,448	\$19,372,202	\$26,654,411	\$21,329,438	\$19,138,142
\$9,940,455	\$9,478,940	\$8,629,914	\$8,523,337	\$8,186,906	\$8,409,471
185.37%	190.44%	224.48%	312.72%	260.53%	227.58%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

Struthers City School District

Mahoning County, Ohio

*Required Supplementary Information
Schedule of School District Pension Contributions
School Employees Retirement System of Ohio (SERS)
Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Pension Contribution	\$361,237	\$361,401	\$357,022	\$336,101
Pension Contributions in Relation to the Contractually Required Contribution	(\$361,237)	(\$361,401)	(\$357,022)	(\$336,101)
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll	\$2,580,264	\$2,581,436	\$2,550,157	\$2,400,721
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
\$331,641	\$342,092	\$339,547	\$314,380	\$316,376	\$294,137
(\$331,641)	(\$342,092)	(\$339,547)	(\$314,380)	(\$316,376)	(\$294,137)
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$2,368,864	\$2,534,011	\$2,515,163	\$2,245,571	\$2,259,825	\$2,231,695
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%

Struthers City School District

Mahoning County, Ohio

Required Supplementary Information
Schedule of School District Pension Contributions
State Teachers Retirement System of Ohio (STRS)
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Pension Contribution	\$1,477,667	\$1,466,742	\$1,450,936	\$1,377,466
Pension Contributions in Relation to the Contractually Required Contribution	(\$1,477,667)	(\$1,466,742)	(\$1,450,936)	(\$1,377,466)
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll	\$10,554,764	\$10,476,729	\$10,363,829	\$9,839,043
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
\$1,410,142	\$1,391,664	\$1,327,051	\$1,208,188	\$1,193,267	\$1,146,167
(\$1,410,142)	(\$1,391,664)	(\$1,327,051)	(\$1,208,188)	(\$1,193,267)	(\$1,146,167)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,072,443	\$9,940,455	\$9,478,940	\$8,629,914	\$8,523,337	\$8,186,906
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Struthers City School District
Mahoning County, Ohio

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

	2024	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.06698880%	0.06995650%	0.07181020%	0.07040980%	0.07323110%	0.07132110%	0.07241810%	0.07241810%
School District's Proportionate Share of the Net OPEB Liability	\$1,103,604	\$982,197	\$1,359,067	\$1,530,235	\$1,841,608	\$1,978,640	\$1,943,512	\$2,064,184
School District Covered Payroll	\$2,581,436	\$2,550,157	\$2,400,721	\$2,368,864	\$2,534,011	\$2,515,163	\$2,245,571	\$2,259,825
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	42.75%	38.52%	56.61%	64.60%	72.68%	78.67%	86.55%	91.34%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

Note: Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Struthers City School District
Mahoning County, Ohio

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

	2024	2023	2022	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability (Asset)	0.07756611%	0.07971882%	0.07973716%	0.08346103%	0.08332325%	0.08209773%	0.08154926%	0.07962955%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$1,508,554)	(\$2,064,185)	(\$1,681,193)	(\$1,466,826)	(\$1,380,033)	(\$1,319,227)	\$3,181,751	\$4,361,276
School District Covered Payroll	\$10,476,729	\$10,363,829	\$9,839,043	\$10,072,443	\$9,940,455	\$9,478,940	\$8,629,914	\$8,523,337
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.40%	-19.92%	-17.09%	-14.56%	-13.88%	-13.92%	36.87%	51.17%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	168.52%	230.73%	174.73%	182.13%	174.74%	176.00%	47.10%	37.30%

Note: Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Struthers City School District

Mahoning County, Ohio

*Required Supplementary Information
Schedule of School District OPEB Contributions
School Employees Retirement System of Ohio (SERS)
Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required OPEB Contribution	\$44,330	\$49,149	\$46,468	\$46,566
OPEB Contributions in Relation to the Contractually Required Contribution	(\$44,330)	(\$49,149)	(\$46,468)	(\$46,566)
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll	\$2,580,264	\$2,581,436	\$2,550,157	\$2,400,721
Contributions as a Percentage of Covered Payroll	1.72%	1.90%	1.82%	1.94%

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
\$46,615	\$58,031	\$39,570	\$40,472	\$36,592	\$55,839
(\$46,615)	(\$58,031)	(\$39,570)	(\$40,472)	(\$36,592)	(\$55,839)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,368,864	\$2,534,011	\$2,515,163	\$2,245,571	\$2,259,825	\$2,231,695
1.97%	2.29%	1.57%	1.80%	1.62%	2.50%

Struthers City School District

Mahoning County, Ohio

*Required Supplementary Information
Schedule of School District OPEB Contributions
State Teachers Retirement System of Ohio (STRS)
Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required OPEB Contribution	\$0	\$0	\$0	\$0
OPEB Contributions in Relation to the Contractually Required Contribution	\$0	\$0	\$0	\$0
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll	\$10,554,764	\$10,476,729	\$10,363,829	\$9,839,043
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$10,072,443	\$9,940,455	\$9,478,940	\$8,629,914	\$8,523,337	\$8,186,906
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Struthers City School District
Mahoning County, Ohio

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

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented below:

	Fiscal Year 2022	Fiscal Year 2017	Fiscal Year 2016 & Prior
Wage inflation	2.40 Percent	3.00 Percent	3.25 Percent
Future Salary Increases, Including Inflation	3.25 to 13.58 Percent	3.50 to 18.20 Percent	4.00 to 22.00 Percent
Investment Rate of Return	7.00 Percent Net of Investment Expense, Including Inflation	7.50 Percent Net of Investment Expense, Including Inflation	7.75 Percent Net of Investment Expense, Including Inflation

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

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

Fiscal Year 2022

*Assumed rate of inflation was reduced from 3.00% to 2.40%

*Payroll growth assumption was reduced from 3.50% to 1.75%

*Assumed real wage growth was increased from 0.50% to 0.85%

*Cost-of-Living-Adjustments was reduced from 2.50% to 2.00%

*The discount rate was reduced from 7.50% to 7.00%

*Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience.

*Mortality among active members was updated to the following:

PUB-2010 General Amount Weighted Below Median Employee mortality table. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

*Mortality among service retired members was updated to the following:

PUB-2010 General Employee 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. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Struthers City School District
Mahoning County, Ohio

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

Net Pension Liability

Changes in Assumptions – SERS (continued)

*Mortality among contingent survivors was updated to the following:

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. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

*Mortality among disabled members was updated to the following:

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.

Fiscal Year 2023-2024

*Cost-of-Living-Adjustments was increased from 2.00% to 2.50%

Changes of Benefit and Funding Terms – SERS

In fiscal year 2019, post-retirement increases in benefits included the following changes:

*Members, or their survivors, retiring prior to January 1, 2018, receive a COLA increase of 3 percent of their base benefit on the anniversary of their initial date of retirement.

*Members, or their survivors, retiring on and after January 1, 2018, receive a COLA increase on each anniversary of their initial date of retirement equal to the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent, nor greater than 2.5 percent. COLAs are suspended for calendar years 2018, 2019, and 2020.

*Members, or their survivors, retiring on and after April 1, 2018, will have their COLA delayed for three years following their initial date of retirement.

Fiscal Year 2022-2024

None

Struthers City School District
Mahoning County, Ohio

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

Net Pension Liability

Changes in Assumptions - STRS

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

Fiscal Year 2022	
Inflation	2.50 Percent
Projected Salary Increases	Varies by Service from 2.50 to 8.50 Percent
Investment Rate of Return	7.00 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017

Fiscal Year 2018	
Inflation	2.50 Percent
Projected Salary Increases	12.50 Percent at Age 20 to 2.50 Percent at Age 65
Investment Rate of Return	7.45 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.00 Percent
Cost of Living Adjustments (COLA)	0 Percent, Effective July 1, 2017

Fiscal Year 2017 & Prior	
Inflation	2.75 Percent
Projected Salary Increases	12.25 Percent at Age 20 to 2.75 Percent at Age 70
Investment Rate of Return	7.75 Percent, Net of Expenses, Including Inflation
Payroll Increases	3.50 Percent
Cost of Living Adjustments (COLA)	2 Percent Simple applied as follows: For Members Retiring Before August 1, 2013 3 percent per year. For Members retiring August 1, 2013 or later, 2 percent COLA commences on 5th anniversary date

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

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

Struthers City School District
Mahoning County, Ohio

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

Net Pension Liability

Changes in Assumptions – STRS (continued)

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

Fiscal Year 2022

The investment and discount rate changed from 7.45 percent to 7.0 percent.

Fiscal Year 2023-2024

*The investment and discount rate remained at 7.0 percent.

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

Changes in Benefit Terms - STRS

There were no changes in benefit terms from the amounts reported for fiscal years 2014 - 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 years 2019 - 2022.

Fiscal Year 2023

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

Struthers City School District
Mahoning County, Ohio

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

Net OPEB Liability

Changes in Assumptions – SERS

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

Municipal Bond Index Rate:

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

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

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

Fiscal Year 2022

*The discount rate was changed from 2.63% to 2.27%.

*The investment rate of return was reduced from 7.50% to 7.00%.

*Assumed rate of inflation was reduced from 3.00% to 2.40%

*Payroll Growth Assumption was reduced from 3.50% to 1.75%

*Assumed real wage growth was increased from 0.50% to 0.85%

*Rates of withdrawal, retirement and disability were updated to reflect recent experience.

*Rate of health care participation for future retirees and spouses was updated to reflect recent experience.

*Mortality among active members was updated to the following:

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

*Mortality among service retired members was updated to the following:

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 beneficiaries was updated to the following:

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.

*Mortality among disabled member was updated to the following:

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.

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

Struthers City School District
Mahoning County, Ohio

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

Net OPEB Liability

Changes in Assumptions – SERS (continued)

Fiscal Year 2023

*The discount rate was changed from 2.27% to 4.08%.
*The health care trend rates were updated.

Fiscal Year 2024

The Discount rate changed from 4.08% to 4.27%.

Health care trend rates were updated.

Assumption for percentage of pre-Medicare eligible retirees who choose the Wraparound plan was increased from 10% to 20%.

Health care trend assumption on retiree premiums was updated to not apply the trend to the \$35 surcharge. Assumption was added to assume that 15% of pre-65 retirees who waive health care will elect coverage upon Medicare eligibility.

Morbidity factors were updated based on the society of Actuaries' June 2013 research report, Health Care Costs—From Birth to Death by Dale Yamamoto, and from the Actuarial Standards of Practice (ASOP) 6 practice note developed by the American Academy of Actuaries.

Changes of Benefit and Funding Terms – SERS

In fiscal year 2019, SERS' funding policy allowed a 2.0 percent health care contribution rate to be allocated to the Health Care fund. The 2.0 percent is a combination of 0.5 percent employer contributions and 1.5 percent surcharge.

In fiscal year 2020, SERS' funding policy allowed a 1.5 percent health care contribution rate to be allocated to the Health Care fund. The 1.5 percent is a combination of 0.0 percent employer contributions and 1.5 percent surcharge.

Fiscal Year 2022

SERS changed the Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

Fiscal Year 2023

None

Fiscal Year 2024

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.

Struthers City School District
Mahoning County, Ohio

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

Net OPEB Liability

Changes in Assumptions – STRS OPEB

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

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

Fiscal Year 2022

In 2021 the investment and discount rate of return changed from 7.45 percent to 7.0 percent.

Fiscal Year 2023

Demographic assumptions were reviewed and adopted by the Board on February 17, 2022 as part of an experience study performed (report dated and accepted March 11, 2022) covering the period from July 1, 2015 to June 30, 2021, with changes going into effect June 30, 2022.

From Plan Year Ending June 30, 2022 to Plan Year Ending June 30, 2023, Medicare projected medical cost decreased 42%, the Medicare projected net pharmacy cost increased 6% and the premium charged to Medicare Eligible Retirees dropped 15%. The Non Medicare projected medical, pharmacy and premium charged to retirees increased 3%, slightly less than expected.

Fiscal Year 2024

The investment and discount rate of return remained unchanged at 7.0 percent.

Changes in Benefit Terms – STRS OPEB

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

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

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

Struthers City School District
Mahoning County, Ohio

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

Changes in Benefit Terms – STRS OPEB (continued)

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

Fiscal Year 2022

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.100 percent. The non-Medicare frozen subsidy base was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in current year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

Fiscal Year 2023

The change in the 2023 subsidy percentage and the base amount for all participants, went from 2.1% per year to 2.2% per year, max 30 years, as well as the changes in Primary Care Physician office visit copays, the PBM network changes for Medicare, and the increase of the Part B premium reimbursement to \$30 per month for all retirees and surviving spouses.

Fiscal Year 2024

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

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**STRUTHERS CITY SCHOOL DISTRICT
MAHONING COUNTY**

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> <i>Program / Cluster Title</i>	Federal AL Number	Total Federal Expenditures	Non-Cash Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
<i>Nutrition Cluster:</i>			
<i>Non-Cash Assistance (Food Distribution):</i>			
National School Lunch Program	10.555		\$55,090
<i>Cash Assistance:</i>			
School Breakfast Program	10.553	\$206,441	
National School Lunch Program	10.555	<u>745,354</u>	
Nutrition Cluster Total (Cash and Non-Cash)		<u>951,795</u>	<u>55,090</u>
 Pandemic EBT Food Benefit Program	10.649	<u>3,253</u>	
Pandemic EBT Food Benefit Program Total		<u>3,253</u>	
 Total U.S. Department of Agriculture		<u>955,048</u>	<u>55,090</u>
UNITED STATES DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Title 1 Grants to Local Educational Agencies (Title 1, Part A of the ESEA)	84.010	968,279	
Title 1 Expanding Opportunities for Each Child School Improvement Grant	84.010A	<u>37,573</u>	
Title I Total		<u>1,005,852</u>	
 <i>Special Education Cluster:</i>			
Special Education - Grants to States (IDEA, Part B)	84.027	488,037	
COVID 19 - Special Education - Grants to States (IDEA, Part B)	84.027X	<u>1,015</u>	
Special Education Cluster Total		<u>489,052</u>	
Supporting Effective Instruction State Grants (Title II-A)	84.367	101,630	
Student Support and Academic Enrichment Program	84.424	87,091	
Education Stabilization Fund (ESF) Under the Coronavirus Aid, Relief, and Economic Security Act			
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II)	84.425D	290,688	
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER III)	84.425U	<u>2,781,383</u>	
Total Elementary and Secondary School Emergency Relief		<u>3,072,071</u>	
 Total U.S. Department of Education		<u>4,755,696</u>	
UNITED STATES DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>208,767</u>	
 Total U.S. Department of Treasury		<u>208,767</u>	
 Total Expenditures of Federal Awards		<u>\$5,919,511</u>	<u>\$55,090</u>

The accompanying notes are an integral part of this schedule.

**STRUTHERS CITY SCHOOL DISTRICT
MAHONING COUNTY**

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Struthers City School District (the District) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – NUTRITION CLUSTER

The amount reported on the District's federal schedule in fiscal year 2024 includes a carryover amount of \$439,058 for AL# 10.553 and 10.555. In fiscal year 2024, the District had federal expenditures that were greater than receipts in the amount totaling \$47,722 and reducing the cumulative carryover to fiscal year 2025 to \$391,336.



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800-282-0370

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

Struthers City School District
Mahoning County
99 Euclid Avenue
Struthers, Ohio 44471

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Struthers City School District, Mahoning County, Ohio (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 April 2, 2025.

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 a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

Struthers City School District
Mahoning County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

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

District's Response to the Finding

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

April 2, 2025



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800-282-0370

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

Struthers City School District
Mahoning County
99 Euclid Avenue
Struthers, Ohio 44471

To the Board of Education:

Report on Compliance for Each Major Federal Program

Qualified and Unmodified Opinions

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

Qualified Opinion on Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, Struthers City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Nutrition Cluster for the year ended June 30, 2024.

Unmodified Opinion on the Other Major Federal Program

In our opinion, Stuthers City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended June 30, 2024.

Basis for Qualified and Unmodified Opinions

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

Struthers City School District

Mahoning County

Independent Auditor's Report on Compliance with Requirements

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

Required by the Uniform Guidance

Page 2

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.

Matter Giving Rise to Qualified Opinion on the Nutrition Cluster

As described in finding 2024-002 in the accompanying schedule of findings, the District did not comply with requirements regarding eligibility applicable to its AL #10.553 and 10.555 Nutrition Cluster major federal program.

Compliance with such requirements is necessary, in our opinion, for the District to comply with requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

Struthers City School District

Mahoning County

Independent Auditor's Report on Compliance with Requirements

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

Required by the Uniform Guidance

Page 3

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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2024-002 to be a material weakness.

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

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Struthers City School District

Mahoning County

Independent Auditor's Report on Compliance with Requirements

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

Required by the Uniform Guidance

Page 4

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



Keith Faber
Auditor of State
Columbus, Ohio

April 2, 2025

STRUTHERS CITY SCHOOL DISTRICT
MAHONING COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified (Nutrition Cluster – AL #10.553 and 10.555) Unmodified (Title 1 – AL #84.010)
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster (AL #10.553 and #10.555) Title 1 (AL #84.010)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

FINDING 2024-001

Material Weakness – Implementation of GASB Statement 100

GASB 100 requires the face of the financial statements to reflect the movement of funds between major and nonmajor to be included in the aggregate adjustment amount. The beginning balance as previously reported will reflect the major/nonmajor presentation as reported in the prior financial statements and will then show an adjustment to reflect the new major/nonmajor presentation.

The District's ESSER Special Revenue fund was reported as a major fund in the fiscal year 2024 filed report; however, this fund did not meet the requirements to be presented as major per GASB 34, paragraph 76 in the audited fiscal year 2023 financial statements. GASB 100 (paragraph 9) addresses this issue, which notes the change from a nonmajor fund to a major is deemed a change to or within the financial reporting entity. As noted in Note 3 to the Financial Statements the District implemented GASB 100, additional language is to be included within the Statement of Revenues, Expenditures, and Changes in Fund Balances which was not properly presented in the filed financial statements. The financial statements have been updated to reflect the additional presentation issue.

This is the result of the District and GAAP converter not reviewing the language within GASB 100. Failure to review the new GASB pronouncements could result in adjustments to the filed financial statements.

To help ensure the District's financial statements are complete and accurate, the District should adopt policies and procedures to identify and correct errors and omissions. In addition, the District should review the new GASB pronouncements and compare them to those in the filed financial statement report to help ensure they are properly implemented and shown in the financial statements.

Officials' Response: See Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

1. Nutrition Cluster Eligibility and Verification Process

Finding Number:	2024-002
Assistance Listing Number and Title:	AL #10.553 and #10.555 Nutrition Cluster
Federal Award Identification Number / Year:	2024
Federal Agency:	United States Department of Agriculture
Compliance Requirement:	Eligibility
Pass-Through Entity:	Ohio Department of Education and Workforce
Repeat Finding from Prior Audit?	No

Material Weakness and Noncompliance

Non-Federal entities must establish and maintain effective internal controls over Federal awards that provide reasonable assurance that the non-Federal entity is managing Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. In addition, Section 9(b)(3) of the NSLA and regulations at 7 CFR 245.6a(c)(1) established requirements for LEAs in conducting verification of eligibility for free and reduced price meals based on applications in participating schools and states, in part, the verification process is required when eligibility is determined through the application process.

During fiscal year 2024, the District participated in Child Nutrition Cluster programs, for which the federal government reimburses the District for eligible children. The School District is required to establish a child's eligibility to receive program benefits. The District accepted online applications for free and reduced meals, with which eligibility was determined based on several factors, including, but not limited to family size and income. Payschools, the District's Point of Sale (POS) software, selects the student to be verified based on the number of online/paper applications received. The Food Service Supervisor is required to verify income eligibility with the application signer. If income documentation is not received or the income documentation is not below the USDA guidelines for free/reduced lunches, the Food Service Supervisor is to notify the application signer that there will be a change in eligibility status and report those changes to the Ohio Department of Education and Workforce (DEW). These changes must also be changed in the POS software system.

For fiscal year 2024, the eligibility process was 100% online through PaySchools to determine eligibility for free and reduced meals. When an application was received, the Food Service Supervisor would input the information into Payschools for processing with no additional review, rather than applications being in pending status until reviewed and approved by the District. As such, the District had no procedures in place to ensure the system determined the proper eligibility status based on the information provided in the application.

In addition, the Food Service Supervisor sent out the required documents for the three students selected for verification; however, did not receive the required income documents to determine if the eligibility status on the student application was correct for each student selected. In addition, the Food Service Director selected one additional student for verification; however, did not receive the required documentation. Finally, the Food Service Supervisor reported there were no changes in eligibility status through the verification process with DEW and those students should have been marked as denied. This is the result of the District not reviewing policies and procedures in place and the verification requirements to report the proper status of those students selected for verification.

Failure to implement controls over all eligibility applications could result in ineligible students receiving benefits. In addition, failure to follow-up on and change the eligibility status of those students who do not satisfy the verification requirements could result in questioned costs and reduced funding.

The District should implement control procedures for online applications to help ensure students are properly marked as paid, free or reduced. In addition, the District should establish policies and procedures to ensure that all students selected for income verification are processed correctly with changes in their free/reduced status as well as report the correct finding to DEW.

Officials' Response: See Corrective Action Plan.

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STRUTHERS CITY SCHOOLS

BOARD OF EDUCATION OFFICE
99 EUCLID AVENUE STRUTHERS, OHIO 44471
330-750-1061 FAX 330-750-5516
Mr. Peter J. Pirone Jr., Superintendent
Mr. Ryan R. Cene, Treasurer

April 10, 2025

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

Finding Number: 2024-001

Planned Corrective Action: The District will research and understand new GASB pronouncements as they are issued and review financial statements prepared by the GAAP converter in detail before they are filed. The District will work directly with the GAAP converter to ensure that all GASB pronouncements are being followed and applied to the District's financial statements.

Anticipated Completion Date: 6/30/2025

Responsible Contact Person: Ryan Cene, Treasurer

Finding Number: 2024-002

Planned Corrective Action: Beginning in fiscal year 2025, the District has implemented the Community Eligibility Provision (CEP) at all three of its school buildings. The CEP program is in place for four years and it will not be necessary for the District to verify income for free and reduced school lunches during that time period. If in the future the District no longer participates in CEP, control procedures will be implemented to ensure that all students selected for income verification are being correctly categorized and reported to ODEW. This will include the Cafeteria Manager reviewing the free and reduced lunch applications and forwarding any without necessary documentation to the Superintendent and Treasurer for additional verification for eligibility.

Anticipated Completion Date: 6/30/2025

Responsible Contact Person: Ryan Cene, Treasurer and Mary Spatholt, Cafeteria Manager

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OHIO AUDITOR OF STATE KEITH FABER



STRUTHERS CITY SCHOOL DISTRICT

MAHONING 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 5/8/2025

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