



**TUSCARAWAS VALLEY LOCAL  
SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

***SINGLE AUDIT***

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





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Columbus, Ohio 43215  
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Board of Education  
Tuscarawas Valley Local School District  
2637 Tuscarawas Valley Road NE  
Zoarville, Ohio 44656

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

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

Keith Faber  
Auditor of State  
Columbus, Ohio

February 18, 2025

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**Tuscarawas Valley School District**  
**Tuscarawas County, Ohio**  
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**Tuscarawas Valley School District**

**Tuscarawas County, Ohio**

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To the Board of Education and Management  
Tuscarawas Valley Local School District  
Tuscarawas County, Ohio  
2637 Tusky Valley Rd.  
Zoarville, OH 44656

### **Independent Auditor's Report**

#### **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 Tuscarawas Valley Local School District, Tuscarawas 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 District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standard* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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, required budgetary comparison schedule, and pension and other post-employment benefit schedules 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 GAAS, which

Tuscarawas Valley Local School District

Independent Auditor's Report

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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 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 GAAS. 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 December 14, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.

New Philadelphia, Ohio

December 14, 2024

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**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

### **Financial Highlights**

Key financial highlights for fiscal year 2024 are as follows:

- In total, net position of governmental activities increased \$4,019,619 which represents an 8.79% increase from June 30, 2023's net position.
- General revenues accounted for \$20,502,954 or 85.84% of all governmental activity revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,381,292 or 14.16% of total governmental activity revenues of \$23,884,246.
- The District had \$19,864,627 in expenses related to governmental activities; \$3,381,292 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$20,502,954 were adequate to provide for these programs.
- The District has three major funds including the general fund, the permanent improvement fund, and the classroom facilities fund. The general fund had \$18,629,028 in revenues and \$17,598,934 in expenditures and other financing uses. The fund balance of the general fund increased from \$9,013,346 to \$10,043,440.
- The permanent improvement fund had \$3,201,565 in revenues and other financing sources and \$1,894,870 in expenditures. The fund balance of the permanent improvement fund increased from \$3,540,744 to \$4,847,439.
- The classroom facilities fund had \$7,716,280 in revenues and \$19,667,306 in expenditures. The fund balance of the classroom facilities fund decreased from \$14,600,628 to \$2,649,602.

### **Using this Financial Report**

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

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. The District has three major funds: the general fund, the permanent improvement fund, and the classroom facilities fund.

### **Reporting the District as a Whole**

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

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

In the Statement of Net Position and the Statement of Activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities and food service operations.

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

***Fund Financial Statements***

The analysis of the District's major governmental funds begins on page 13. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

***Governmental Funds***

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

***Proprietary Fund***

The District maintains one proprietary fund, which is an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for self-insurance of the District's medical, dental and vision benefits.

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

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

***Required Supplementary Information***

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2024 and June 30, 2023.

<b>Net Position</b>		
	Governmental Activities 2024	Governmental Activities 2023
<b><u>Assets</u></b>		
Current and other assets	\$ 44,205,120	\$ 61,944,905
Net OPEB asset	946,183	1,361,153
Capital assets, net	<u>63,478,158</u>	<u>43,390,314</u>
Total assets	<u>108,629,461</u>	<u>106,696,372</u>
<b><u>Deferred outflows of resources</u></b>		
Pension	2,836,929	3,386,182
OPEB	<u>654,655</u>	<u>297,492</u>
Total deferred outflows of resources	<u>3,491,584</u>	<u>3,683,674</u>
<b><u>Liabilities</u></b>		
Current liabilities	4,635,918	5,720,546
Long-term liabilities:		
Due within one year	717,584	703,967
Due in more than one year:		
Net pension liability	13,299,565	14,156,225
Net OPEB liability	857,748	654,697
Other amounts	<u>27,170,639</u>	<u>27,794,837</u>
Total liabilities	<u>46,681,454</u>	<u>49,030,272</u>
<b><u>Deferred inflows of resources</u></b>		
Property taxes levied for the next fiscal year	12,506,129	12,022,534
Pension	1,642,227	1,617,503
OPEB	<u>1,530,604</u>	<u>1,968,725</u>
Total deferred inflows of resources	<u>15,678,960</u>	<u>15,608,762</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	36,070,889	14,390,359
Restricted	6,980,712	24,392,363
Unrestricted	<u>6,709,030</u>	<u>6,958,290</u>
Total net position	<u>\$ 49,760,631</u>	<u>\$ 45,741,012</u>

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

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

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

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

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

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

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

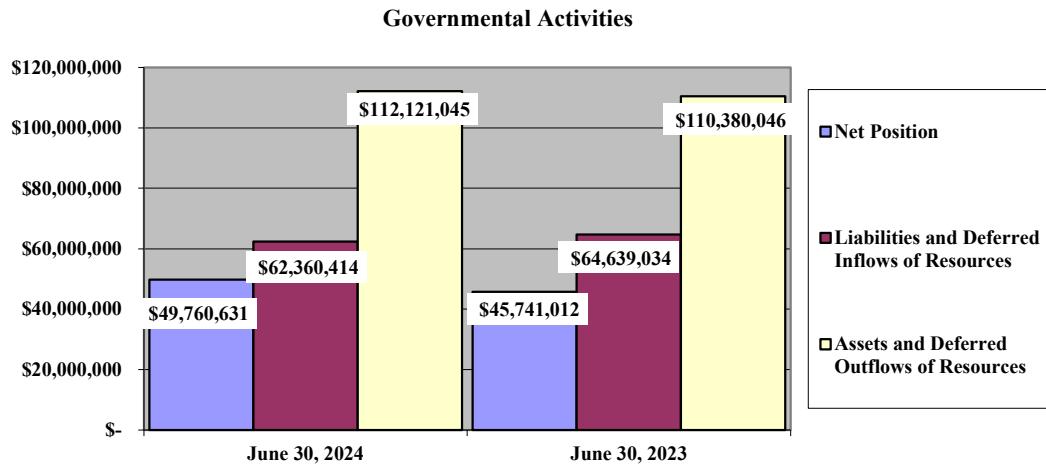
In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows. As the preceding table illustrates, some of the more significant changes in net position were a result of the net pension/OPEB liability/asset and the related deferred inflows and outflows of resources. Other significant changes include a decrease in current and other assets, and increase in net capital assets, as the District continues to spend available resources on the construction projects.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the District's assets and deferred outflows exceeded liabilities and deferred inflows of resources by \$49,760,631.

At year-end, capital assets represented 58.44% of total assets. Net capital assets increased in fiscal year 2024 as the District continues its District-wide construction projects. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. Net investment in capital assets at June 30, 2024, was \$36,070,889. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$6,980,712, represents resources that are subject to external restriction on how they may be used. The District's unrestricted net position is \$6,709,030.

The table below shows the District's assets, deferred outflows, liabilities, deferred inflows and net position at June 30, 2024 and June 30, 2023.



**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

The table below shows the changes in net position for fiscal years 2024 and 2023.

	<b>Change in Net Position</b>	
	Governmental Activities 2024	Governmental Activities 2023
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 893,807	\$ 835,618
Operating grants and contributions	1,977,485	2,157,947
Capital grants and contributions	510,000	45,000
General revenues:		
Property taxes	12,245,081	13,304,914
Grants and entitlements	6,680,799	6,558,458
Ohio Facilities Construction Commission grants	-	1,173,729
Investment earnings	1,307,545	1,138,808
Other	<u>269,529</u>	<u>686,969</u>
Total revenues	<u>23,884,246</u>	<u>25,901,443</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	8,262,796	7,066,938
Special	2,549,141	2,278,223
Vocational	100,155	103,539
Other	378,494	256,811
Support services:		
Pupil	691,870	597,643
Instructional staff	387,969	349,712
Board of education	46,384	42,703
Administration	1,387,754	1,426,091
Fiscal	494,897	502,908
Operations and maintenance	1,644,653	1,577,983
Pupil transportation	1,069,196	1,181,716
Central	402,990	298,710
Operation of non-instructional services:		
Food service operations	859,736	738,091
Other non-instructional services	38,077	62,359
Extracurricular activities	744,322	569,171
Interest and fiscal charges	<u>806,193</u>	<u>830,484</u>
Total expenses	<u>19,864,627</u>	<u>17,883,082</u>
Changes in net position	4,019,619	8,018,361
Net position at beginning of year	<u>45,741,012</u>	<u>37,722,651</u>
Net position at end of year	<u>\$ 49,760,631</u>	<u>\$ 45,741,012</u>

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**Governmental Activities**

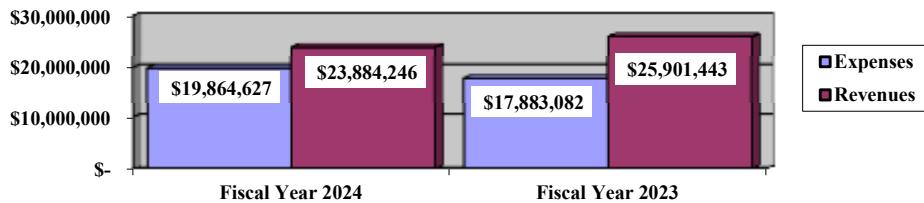
Net position of the District's governmental activities increased \$4,019,619. Total governmental expenses of \$19,864,627 were offset by program revenues of \$3,381,292, and general revenues of \$20,502,954. Program revenues supported 17.02% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These two revenue sources represent 79.24% of total governmental revenue. Real estate property is reappraised every six years. There were a few notable changes in revenues for fiscal year 2024. The increase in capital grants and contributions was due to contributions received for the new middle school/high school auditorium and stadium renovations in fiscal year 2024. The Stark County Auditor certified a large number of delinquent taxes as of June 30, 2023; delinquent taxes, net of estimated uncollectible amounts, are reported as revenue on the government-wide financial statements, and therefore property taxes revenue was higher in fiscal year 2023. Finally, the District recognized the last Ohio Facilities Construction Commission grant revenue in fiscal year 2023, which was used for the recently completed construction projects.

Overall, expenses of the governmental activities increased \$1,981,545 or 11.08%, which is primarily due to an increase in operating costs for the District as a whole. An increase in pension and OPEB expense also contributed to the overall increase in expenses. Most of the District's expenses are for its instruction programs, which accounted for 56.84% of total expenses in fiscal year 2024.

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

**Governmental Activities - Revenues and Expenses**



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**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2024 and 2023. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Governmental Activities**

	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
<b>Program expenses:</b>				
Instruction:				
Regular	\$ 8,262,796	\$ 7,722,242	\$ 7,066,938	\$ 6,360,374
Special	2,549,141	1,661,886	2,278,223	1,142,986
Vocational	100,155	94,872	103,539	94,910
Other	378,494	230,310	256,811	256,811
Support services:				
Pupil	691,870	553,246	597,643	438,404
Instructional staff	387,969	371,574	349,712	344,284
Board of education	46,384	46,384	42,703	42,653
Administration	1,387,754	1,329,257	1,426,091	1,371,016
Fiscal	494,897	487,672	502,908	502,908
Operations and maintenance	1,644,653	1,638,556	1,577,983	1,570,288
Pupil transportation	1,069,196	1,004,630	1,181,716	1,104,288
Central	402,990	383,455	298,710	291,357
Operation of non-instructional services:				
Food service operations	859,736	211,848	738,091	113,741
Other non-instructional services	38,077	38,077	62,359	62,359
Extracurricular activities	744,322	(96,867)	569,171	317,654
Interest and fiscal charges	806,193	806,193	830,484	830,484
<b>Total expenses</b>	<b><u>\$ 19,864,627</u></b>	<b><u>\$ 16,483,335</u></b>	<b><u>\$ 17,883,082</u></b>	<b><u>\$ 14,844,517</u></b>

The dependence upon tax revenues during fiscal year 2024 for governmental activities is apparent, as 85.99% of instruction activities are supported through taxes and other general revenues. The District's taxpayers and unrestricted grants are by far the primary support for District's students. For all governmental activities, general revenue support is 82.98%.

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

**Governmental Activities - General and Program Revenues**



**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**The District's Governmental Funds**

The District's governmental funds reported a combined fund balance of \$18,667,386, which represents a decrease from last year's balance of \$29,459,240. The following schedule indicates the fund balance and the total change in fund balance as of June 30, 2024 and 2023.

	Fund Balance <u>June 30, 2024</u>	Fund Balance <u>June 30, 2023</u>	<u>Change</u>
General	\$ 10,043,440	\$ 9,013,346	\$ 1,030,094
Permanent improvement	4,847,439	3,540,744	1,306,695
Classroom facilities	2,649,602	14,600,628	(11,951,026)
Other governmental	1,126,905	2,304,522	(1,177,617)
<b>Total</b>	<b><u>\$ 18,667,386</u></b>	<b><u>\$ 29,459,240</u></b>	<b><u>\$ (10,791,854)</u></b>

***General Fund***

The general fund's fund balance increased \$1,030,094 during fiscal year 2024. The following table assists in illustrating the revenues of the general fund.

<b><u>Revenues</u></b>	<b>2024</b>	<b>2023</b>	<b>Percentage Change</b>
	<u>Amount</u>	<u>Amount</u>	
Property taxes	\$ 9,711,052	\$ 9,804,623	(0.95) %
Tuition and fees	395,751	401,545	(1.44) %
Earnings on investments	718,991	559,405	28.53 %
Intergovernmental	6,963,325	6,894,573	1.00 %
Other revenues	839,909	711,652	18.02 %
<b>Total</b>	<b><u>\$ 18,629,028</u></b>	<b><u>\$ 18,371,798</u></b>	<b>1.40 %</b>

Overall, revenues for the general fund in fiscal year 2024 were comparable to the prior year. Earnings on investments increased as a result of higher interest rates during the year. The increase in other revenues is primarily due to contributions and donations received during fiscal year 2024.

The table that follows assists in illustrating the expenditures of the general fund.

<b><u>Expenditures</u></b>	<b>2024</b>	<b>2023</b>	<b>Percentage Change</b>
	<u>Amount</u>	<u>Amount</u>	
Instruction	\$ 9,529,377	\$ 8,745,421	8.96 %
Support services	6,015,782	6,210,243	(3.13) %
Operation of non-instructional services	69,294	69,121	0.25 %
Extracurricular activities	408,452	340,013	20.13 %
Facilities acquisition and construction	33,825	976	3,365.68 %
Debt service	42,204	82,310	(48.73) %
<b>Total</b>	<b><u>\$ 16,098,934</u></b>	<b><u>\$ 15,448,084</u></b>	<b>4.21 %</b>

Expenditures of the general fund increased \$650,850 or 4.21% during fiscal year 2024. This is primarily due to an increase in regular and special instructional costs, as well as an increase in expenditures for extracurricular activities.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

***Permanent Improvement Fund***

The permanent improvement fund had \$3,201,565 in revenues and other financing sources and \$1,894,870 in expenditures. Other financing sources in fiscal year 2024 consisted of transfers from the general fund in the amount of \$1,500,000 to finance various capital costs. The fund balance of the permanent improvement fund increased from \$3,540,744 to \$4,847,439.

***Classroom Facilities Fund***

The classroom facilities fund accounts for monies received and expended in connection with the District's contract with the Ohio Facilities Construction Commission for the building and equipping of classroom facilities. This fund had \$7,716,280 in revenues and \$19,667,306 in expenditures as the District continues to spend the rest of the available State and local revenue on the construction projects. The fund balance of the classroom facilities fund decreased from \$14,600,628 to \$2,649,602.

***General Fund Budgeting Highlights***

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

For the general fund, final budgeted revenues and other financing sources were \$19,294,814, which is \$1,794,814 higher than original budgeted total of \$17,500,000. Some of the more significant changes from the original to final budget include an increase in earnings on investments due to rising interest rates, an increase in contributions and donations related to the construction projects, and an increase in other miscellaneous revenues. Actual revenues and other financing sources for fiscal year 2024 were \$19,260,070. This represents a \$34,744 decrease from final budgeted revenues and other financing sources.

General fund original appropriations and other financing uses were \$21,001,337, which was increased slightly to \$21,711,232 in the final budget. Actual budget basis expenditures and other financing uses for fiscal year 2024 were \$18,780,246, or \$2,930,986 less than the final budget. This variance is primarily a result of the District's conservative approach to budgeting and appropriating a higher amount of funds in case unforeseen expenses arise.

***Capital Assets and Debt Administration***

***Capital Assets***

At the end of fiscal year 2024, the District had \$63,478,158 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets, net of accumulated depreciation/amortization.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

The following table shows June 30, 2024 balances compared to June 30, 2023.

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

	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>
Land	\$ 146,677	\$ 146,677
Construction in progress	20,833,577	36,252,397
Land improvements	3,583,504	279,381
Buildings and improvements	35,553,073	4,799,132
Furniture and equipment	1,967,874	392,747
Vehicles	1,198,806	1,258,810
Intangible right to use - leased equipment	55,912	97,846
Intangible right to use - software	<u>138,735</u>	<u>163,324</u>
 Total	 <u>\$ 63,478,158</u>	 <u>\$ 43,390,314</u>

The overall increase in capital assets of \$20,087,844 is due to additions of \$21,618,649 exceeding current year depreciation/amortization of \$1,070,995 and net disposals of \$459,810. As the table shows, most of the change in capital assets was for construction in progress and buildings and improvements as the District continues to spend the state and local share monies for its ongoing projects. During fiscal year 2024, the District finished the construction of the new combined middle/high school building and disposed of the old building and its contents. See Note 8 to the basic financial statements for detail on the District's capital assets.

***Debt Administration***

At June 30, 2024 the District had \$25,062,741 in certificates of participation and leases outstanding. Of this total, \$635,742 is due within one year and \$24,426,999 is due in greater than one year.

The following table summarizes the outstanding debt.

**Outstanding Debt, at Year End**

	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>
Certificates of participation	\$ 25,015,000	\$ 25,585,000
Leases payable	<u>47,741</u>	<u>86,500</u>
 Total	 <u>\$ 25,062,741</u>	 <u>\$ 25,671,500</u>

There was no new debt issued in fiscal year 2024 and principal retirement amounted to \$608,759. See Note 9 to the basic financial statements for detail on the District's debt administration.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**Current Financial Related Activities**

The District had an emergency levy that was renewed on November 7, 2023. The passage of this levy will ensure the students of the Tuscarawas Valley Local Schools continue to receive one of the best educations in the state of Ohio, and to remain current with the maintenance of district facilities and equipment. The District is now a state foundation “GUARANTEE” funded district. The District has experienced, and is projecting, a steady decline in student enrollment, therefore making it unlikely the District will return to being a “FORMULA” funded district anytime in the near future. The result is little or no revenue growth, which will eventually make it difficult to balance the budget. The District received a significant increase in public utility personal property tax in February 2019 as a result of the Rover Pipeline. The District is hopeful the addition of the pipeline value will result in a net increase in total annual revenues, i.e. as opposed to state foundation funding decreasing, resulting in no net increase in total annual revenues. The District is using the pipeline tax revenue along with permanent improvement monies created by moving inside millage to fund the local share of an Ohio Facilities Construction Commission project.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Mark Phillips, Treasurer, Tuscarawas Valley Local School District, 2637 Tuscarawas Valley Road NE, Zoarville, Ohio 44656.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 16,091,981
Restricted equity in pooled cash and investments	3,401,324
Cash with fiscal agent	3,119,475
Receivables:	
Property taxes	19,711,642
Accounts	24,438
Accrued interest	20,791
Intergovernmental	1,658,349
Prepayments	177,120
Net OPEB asset	946,183
Capital assets:	
Nondepreciable capital assets	20,980,254
Depreciable capital assets, net	<u>42,497,904</u>
Capital assets, net	63,478,158
Total assets	<u>108,629,461</u>
<b>Deferred outflows of resources:</b>	
Pension	2,836,929
OPEB	<u>654,655</u>
Total deferred outflows of resources	<u>3,491,584</u>
<b>Liabilities:</b>	
Accounts payable	102,520
Contracts payable	1,940,625
Retainage payable	403,903
Accrued wages and benefits payable	1,485,450
Intergovernmental payable	117,878
Pension and postemployment benefits payable	212,048
Accrued interest payable	69,064
Claims payable	304,430
Long-term liabilities:	
Due within one year	717,584
Due in more than one year:	
Net pension liability	13,299,565
Net OPEB liability	857,748
Other amounts due in more than one year	<u>27,170,639</u>
Total liabilities	<u>46,681,454</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	12,506,129
Pension	1,642,227
OPEB	<u>1,530,604</u>
Total deferred inflows of resources	<u>15,678,960</u>
<b>Net position:</b>	
Net investment in capital assets	36,070,889
Restricted for:	
Capital improvements	5,177,509
OPEB	946,183
Classroom facilities maintenance	561,576
Debt service	51,252
Extracurricular programs	154,607
Other purposes	89,585
Unrestricted	6,709,030
Total net position	<u>\$ 49,760,631</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>	
		<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>		
					<b>Governmental Activities</b>	
<b>Governmental activities:</b>						
Instruction:						
Regular	\$ 8,262,796	\$ 380,960	\$ 159,594	\$ -	\$ (7,722,242)	
Special	2,549,141	14,791	872,464	-	(1,661,886)	
Vocational	100,155	-	5,283	-	(94,872)	
Other	378,494	-	148,184	-	(230,310)	
Support services:						
Pupil	691,870	-	138,624	-	(553,246)	
Instructional staff	387,969	-	16,395	-	(371,574)	
Board of education	46,384	-	-	-	(46,384)	
Administration	1,387,754	-	58,497	-	(1,329,257)	
Fiscal	494,897	-	7,225	-	(487,672)	
Operations and maintenance	1,644,653	482	5,615	-	(1,638,556)	
Pupil transportation	1,069,196	-	64,566	-	(1,004,630)	
Central	402,990	-	19,535	-	(383,455)	
Operation of non-instructional services:						
Food service operations	859,736	253,874	394,014	-	(211,848)	
Other non-instructional services	38,077	-	-	-	(38,077)	
Extracurricular activities	744,322	243,700	87,489	510,000	96,867	
Interest and fiscal charges	806,193	-	-	-	(806,193)	
<b>Totals</b>	<b>\$ 19,864,627</b>	<b>\$ 893,807</b>	<b>\$ 1,977,485</b>	<b>\$ 510,000</b>	<b>(16,483,335)</b>	

**General revenues:**

Property taxes levied for:

General purposes	10,463,293
Capital outlay	1,641,394
Classroom facilities maintenance	140,394
Grants and entitlements not restricted to specific programs	6,680,799
Investment earnings	1,307,545
Miscellaneous	269,529

Total general revenues

20,502,954

Change in net position

4,019,619

**Net position at beginning of year**

45,741,012

**Net position at end of year**

\$ 49,760,631

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<b>General</b>	<b>Permanent Improvement</b>	<b>Classroom Facilities</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>					
Equity in pooled cash and investments	\$ 10,191,583	\$ 4,724,770	\$ -	\$ 1,175,628	\$ 16,091,981
Receivables:					
Property taxes	16,764,864	2,946,778	-	-	19,711,642
Accounts	18,734	-	-	5,704	24,438
Accrued interest	13,031	-	7,669	91	20,791
Interfund loans	91,249	-	-	-	91,249
Intergovernmental	32,332	-	1,541,760	84,257	1,658,349
Prepayments	176,771	-	-	349	177,120
Restricted assets:					
Equity in pooled cash and investments	-	-	3,328,828	72,496	3,401,324
Total assets	<u>\$ 27,288,564</u>	<u>\$ 7,671,548</u>	<u>\$ 4,878,257</u>	<u>\$ 1,338,525</u>	<u>\$ 41,176,894</u>
<b>Liabilities:</b>					
Accounts payable	\$ 87,271	\$ -	\$ -	\$ 15,249	\$ 102,520
Contracts payable	-	108,604	1,823,277	8,744	1,940,625
Retainage payable	-	-	403,903	-	403,903
Accrued wages and benefits payable	1,421,694	-	-	63,756	1,485,450
Compensated absences payable	29,835	-	-	-	29,835
Intergovernmental payable	109,340	-	-	8,538	117,878
Pension and postemployment benefit payable	193,376	-	-	18,672	212,048
Interfund loans payable	-	-	-	91,249	91,249
Total liabilities	<u>1,841,516</u>	<u>108,604</u>	<u>2,227,180</u>	<u>206,208</u>	<u>4,383,508</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year	10,593,659	1,912,470	-	-	12,506,129
Delinquent property tax revenue not available	4,806,996	803,035	-	-	5,610,031
Intergovernmental revenue not available	-	-	-	5,394	5,394
Accrued interest not available	2,953	-	1,475	18	4,446
Total deferred inflows of resources	<u>15,403,608</u>	<u>2,715,505</u>	<u>1,475</u>	<u>5,412</u>	<u>18,126,000</u>
<b>Fund balances:</b>					
Nonspendable:					
Prepays	176,771	-	-	349	177,120
Restricted:					
Debt service	-	-	-	51,252	51,252
Capital improvements	-	-	2,649,602	63,825	2,713,427
Classroom facilities maintenance	-	-	-	561,576	561,576
Extracurricular	-	-	-	154,607	154,607
Other purposes	-	-	-	89,585	89,585
Committed:					
Capital improvements	-	4,847,439	-	226,665	5,074,104
Assigned:					
Student instruction	188,019	-	-	-	188,019
Student and staff support	609,995	-	-	-	609,995
Facilities acquisition and construction	13,646	-	-	-	13,646
Subsequent year's appropriations	1,689,930	-	-	-	1,689,930
Public school support	13,515	-	-	-	13,515
Other purposes	56	-	-	-	56
Unassigned (deficit)	<u>7,351,508</u>	<u>-</u>	<u>-</u>	<u>(20,954)</u>	<u>7,330,554</u>
Total fund balances	<u>10,043,440</u>	<u>4,847,439</u>	<u>2,649,602</u>	<u>1,126,905</u>	<u>18,667,386</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 27,288,564</u>	<u>\$ 7,671,548</u>	<u>\$ 4,878,257</u>	<u>\$ 1,338,525</u>	<u>\$ 41,176,894</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

<b>Total governmental fund balances</b>	\$ 18,667,386
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	63,478,158
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.	
Property taxes receivable	\$ 5,610,031
Accrued interest receivable	4,446
Intergovernmental receivable	<u>5,394</u>
Total	5,619,871
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.	2,815,045
Unamortized premiums on bonds issued are not recognized in the funds.	(1,630,850)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(69,064)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.	
Deferred outflows - pension	2,836,929
Deferred inflows - pension	(1,642,227)
Net pension liability	<u>(13,299,565)</u>
Deferred outflows - OPEB	654,655
Deferred inflows - OPEB	(1,530,604)
Net OPEB asset	946,183
Net OPEB liability	<u>(857,748)</u>
Total	(12,892,377)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(1,164,797)
Leases payable	(47,741)
General obligation bonds	<u>(25,015,000)</u>
Total	<u>(26,227,538)</u>
<b>Net position of governmental activities</b>	<u>\$ 49,760,631</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

	<b>General</b>	<b>Permanent Improvement</b>	<b>Classroom Facilities</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Property taxes	\$ 9,711,052	\$ 1,516,308	\$ -	\$ 140,394	\$ 11,367,754
Intergovernmental	6,963,325	185,257	7,228,886	1,356,273	15,733,741
Investment earnings	718,991	-	487,394	7,109	1,213,494
Tuition and fees	395,751	-	-	-	395,751
Extracurricular	52,656	-	-	191,044	243,700
Rental income	482	-	-	-	482
Charges for services	-	-	-	253,874	253,874
Contributions and donations	517,242	-	-	141,048	658,290
Miscellaneous	269,529	-	-	794	270,323
Total revenues	<u>18,629,028</u>	<u>1,701,565</u>	<u>7,716,280</u>	<u>2,090,536</u>	<u>30,137,409</u>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	7,191,158	-	-	150,586	7,341,744
Special	2,001,579	-	-	591,809	2,593,388
Vocational	103,718	-	-	-	103,718
Other	232,922	-	-	148,174	381,096
Support services:					
Pupil	701,113	-	-	-	701,113
Instructional staff	342,052	-	-	15,040	357,092
Board of education	46,916	-	-	-	46,916
Administration	1,309,700	-	-	58,497	1,368,197
Fiscal	463,622	32,257	-	7,225	503,104
Operations and maintenance	1,754,533	-	-	12,376	1,766,909
Pupil transportation	1,003,244	-	-	20,361	1,023,605
Central	394,602	-	-	19,535	414,137
Operation of non-instructional services:					
Food service operations	-	-	-	771,738	771,738
Other non-instructional services	69,294	-	-	-	69,294
Extracurricular activities	408,452	120,560	-	267,780	796,792
Facilities acquisition and construction	33,825	303,303	19,667,306	1,205,032	21,209,466
Debt service:					
Principal retirement	38,759	570,000	-	-	608,759
Interest and fiscal charges	3,445	868,750	-	-	872,195
Total expenditures	<u>16,098,934</u>	<u>1,894,870</u>	<u>19,667,306</u>	<u>3,268,153</u>	<u>40,929,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,530,094</u>	<u>(193,305)</u>	<u>(11,951,026)</u>	<u>(1,177,617)</u>	<u>(10,791,854)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	1,500,000	-	-	1,500,000
Transfers (out)	(1,500,000)	-	-	-	(1,500,000)
Total other financing sources (uses)	<u>(1,500,000)</u>	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,030,094	1,306,695	(11,951,026)	(1,177,617)	(10,791,854)
<b>Fund balances at beginning of year</b>	<b>9,013,346</b>	<b>3,540,744</b>	<b>14,600,628</b>	<b>2,304,522</b>	<b>29,459,240</b>
<b>Fund balances at end of year</b>	<b><u>\$ 10,043,440</u></b>	<b><u>\$ 4,847,439</u></b>	<b><u>\$ 2,649,602</u></b>	<b><u>\$ 1,126,905</u></b>	<b><u>\$ 18,667,386</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

<b>Net change in fund balances - total governmental funds</b>	\$ (10,791,854)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.	
Capital asset additions	\$ 21,618,649
Current year depreciation/amortization	<u>(1,070,995)</u>
Total	20,547,654
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.	
	(459,810)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	\$ 877,327
Earnings on investments	<u>(2,318)</u>
Intergovernmental	<u>(7,224,541)</u>
Total	(6,349,532)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.	
	608,759
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported in the statement of activities:	
Change in accrued interest payable	\$ 1,837
Amortization of bond premiums	<u>64,165</u>
Total	66,002
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.	
Pension	\$ 1,205,918
OPEB	<u>31,226</u>
Total	1,237,144
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	\$ (923,235)
OPEB	<u>146,037</u>
Total	(777,198)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
	(67,408)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	
	5,862
<b>Change in net position of governmental activities</b>	<u>\$ 4,019,619</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

**STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2024**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Current assets:</b>	
Cash with fiscal agent	\$ 3,119,475
Total current assets	<u>3,119,475</u>
<b>Current liabilities:</b>	
Claims payable	<u>304,430</u>
Total current liabilities	<u>304,430</u>
<b>Net position:</b>	
Unrestricted	<u>2,815,045</u>
Total net position	<u>\$ 2,815,045</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Charges for services	\$ 2,792,698
Other	68,266
Total operating revenues	<u>2,860,964</u>
<b>Operating expenses:</b>	
Personal services	544,733
Claims	<u>2,406,738</u>
Total operating expenses	<u>2,951,471</u>
Operating loss	<u>(90,507)</u>
<b>Nonoperating revenues:</b>	
Interest revenue	<u>96,369</u>
Total nonoperating revenues	<u>96,369</u>
Change in net position	5,862
<b>Net position at beginning of year</b>	<u>2,809,183</u>
<b>Net position at end of year</b>	<u>\$ 2,815,045</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from interfund services	\$ 2,792,698
Cash received from other operating revenues	68,266
Cash payments for personal services	(544,733)
Cash payments for claims	<u>(2,395,446)</u>
Net cash used in operating activities	<u>(79,215)</u>
<b>Cash flows from investing activities:</b>	
Interest received	<u>96,369</u>
Net cash provided by investing activities	<u>96,369</u>
Net change in cash with fiscal agent	17,154
<b>Cash with fiscal agent at beginning of year</b>	3,102,321
<b>Cash with fiscal agent at end of year</b>	<u>\$ 3,119,475</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (90,507)
Adjustments:	
Increase in claims payable	<u>11,292</u>
Net cash used in operating activities	<u>\$ (79,215)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

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

It operates under a locally-elected, five-member Board and provides educational services as authorized and mandated by State and federal agencies. The District’s average daily membership for fiscal year 2024 was 1,230.

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

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

**A. Reporting Entity**

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

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

***JOINTLY GOVERNED ORGANIZATIONS***

**Buckeye Joint Vocational School**

The Buckeye Joint Vocational School (the “JVS”) is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of the students. The JVS Board of Education is comprised of representatives from the Board of each participating school district. The JVS Board is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. The District’s students may attend the vocational school. Each school district’s control is limited to its representation on the JVS Board. During fiscal year 2024, \$230 was paid to the JVS by the District.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

**Ohio Mid-Eastern Regional Education Service Agency Information Technology Center Regional Council of Governments (OME-RESA)**

OME-RESA is a not-for-profit computer service organization whose primary function is to provide information technology services to its member school districts with the major emphasis being placed on accounting, payroll and inventory control services. Other areas of service provided by the OME-RESA include pupil scheduling, attendance and grade reporting, career guidance services, special education records and test scoring.

The OME-RESA is one of 18 regional service organizations serving over 600 public school districts in the State of Ohio that make up the Ohio Education Computer Network (OECN). These service organizations are known as Data Acquisition Sites. The OECN is a collective group of Data Acquisition Sites, authorized pursuant to Section 3301.075 of the Ohio Revised Code and their member school districts. Such sites, in conjunction with the Ohio Department of Education (ODE), comprise a statewide delivery system to provide comprehensive, cost-efficient accounting and other administrative and instructional computer services for participating Ohio school districts.

Major funding for this network is derived from the State of Ohio. In addition, a majority of the software utilized by the OME-RESA is developed by the ODE. During fiscal year 2024, \$71,887 was paid to OME-RESA by the District for various services.

The OME-RESA is located at 2230 Sunset Blvd., Steubenville, Ohio 43952. The Jefferson County Educational Service Center is one of OME-RESA's member districts and acts in the capacity of fiscal agent for OME-RESA.

**Tuscarawas County Tax Incentive Review Council (TCTIRC)**

The TCTIRC is a jointly governed organization, created as a regional council of governments pursuant to Ohio Revised Code Section 5705.62. TCTIRC has 56 members consisting of 3 members appointed by the County Commissioners, 22 members appointed by municipal corporations, 12 members appointed by township trustees, 2 members from the County Auditor's office, 16 members appointed by Boards of Education located within the County, and 1 member representing the Economic Development and Finance Alliance. TCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. The body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the TCTIRC can make written recommendations to the legislative authority that approved the agreement. There is no cost associated with being a member of the TCTIRC. The continued existence of the TCTIRC is not dependent on the District's continued participation and no measurable equity interest exists. During fiscal year 2024, no monies were paid to the TCTIRC by the District.

The District does not retain an ongoing financial interest or an ongoing financial responsibility with any of these organizations.

***PUBLIC ENTITY RISK POOLS***

**Workers' Compensation**

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (the "Plan") was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool.

The intent of the pool is to achieve a reduced rate for the District and the other group members. The injury claim history of all participating members is used to calculate a common rate for the group. An annual fee is paid to Comp Management, Inc. to administer the group and to manage any injury claims. Premium savings created by the group are prorated to each member entity annually based on its payroll percent of the group.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

**The Jefferson Health Plan**

The District participates in The Jefferson Health Plan (the “Plan”), a council of governments of school districts and other political subdivisions organized and existing as a joint self-insurance program pursuant to Section 9.833 of the Ohio Revised Code to provide healthcare and related insurance benefits to over ninety member organizations. The Plan’s business affairs are conducted by a Board of Directors elected from member organizations and composed of one representative from each county served and a career center representative. Each member organization pays a monthly premium based on its claims history and a monthly administration fee.

**Ohio School Plan**

The District participates in the Ohio School Plan (the “Plan”), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan’s business and affairs are conducted by a fifteen member board consisting of superintendents, treasurers, the president of Harcum-Schuett Insurance Agency, Inc., and a member of Hylant Group, Inc. Hylant Group, Inc. is the Plan’s administrator and is responsible for processing claims. Harcum-Schuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from Hylant Administrative Services, 811 Madison Avenue, P.O Box 2083, Toledo, Ohio 43603.

**B. Fund Accounting**

The District uses funds to report its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category is divided into separate fund types.

***GOVERNMENTAL FUNDS***

Governmental funds focus 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, deferred outflow of resources, liabilities and deferred inflows of resources is reported as fund balance. The following are the District’s major governmental funds:

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

***Permanent improvement fund*** - This fund is used to account for the construction and acquiring of permanent improvements.

***Classroom facilities fund*** - This fund is used to account for monies received and expended in connection with contracts entered into by the District and the Ohio Facilities Construction Commission for the building and equipping of classroom facilities.

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

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

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

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

***PROPRIETARY FUNDS***

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The following is the District's proprietary fund:

Internal service fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's internal service fund reports on a self-insurance program for employee medical benefits.

***FIDUCIARY FUNDS***

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District had no fiduciary funds.

**C. Basis of Presentation**

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

*Fund Financial Statements* - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenue of the District's internal service fund is charges for services. Operating expenses for the internal service fund include personal services and claims expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting on the fund financial statements. Proprietary and fiduciary funds also use the accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 11 and 12 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively.

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

See Notes 11 and 12 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

**E. Budgets**

The District is required by State statute to adopt an annual appropriated cash basis budget for all funds. The specific timetable for fiscal year 2024 is as follows:

1. On July 25, 2002, the Tuscarawas County Budget Commission voted to waive the requirement that school districts adopt a tax budget as required by Section 5705.28 of the Ohio Revised Code, by January 15 and the filing by January 20. In order to complete other necessary documents, the Budget Commission now requires certain information to be filed by May 1. Information required includes the general fund five-year forecast submitted to the Department of Education, projected revenues and expenditures line items for all levy funds, projected revenues and debt requirements (principal and interest) and amortization schedules for the bond retirement fund and balances and total anticipated activity for all other funds.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

2. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the final budgeted amount in the budgetary statement reflect the amounts set forth in the final Certificate of Estimated Resources issued for fiscal year 2024.
3. By July 1, the Annual Appropriation Resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present budgetary statement comparisons at the fund and function level of expenditures. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
4. Any revisions that alter the total of any fund appropriation must be approved by the Board of Education.
5. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.
6. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either re-allocated, increased or decreased the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2024.
7. Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the fund level.

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

**F. Cash and Investments**

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

At year end, the District had proprietary fund cash held by the fiscal agent in an interest-bearing account which cannot be identified as an investment or deposit, since it is held in a pool made up of numerous participants. This account is presented as "cash with fiscal agent" since monies are not required to be deposited into the District's treasury.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

During fiscal year 2024, investments were limited to U.S. Government money market accounts, commercial paper, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, U.S. Treasury notes, U.S. Treasury bills, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for STAR Ohio, investments are reported at fair value which is based on quoted market prices.

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 an NAV per share that approximates fair value.

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. By policy of the Board of Education, investment earnings are assigned to the general fund. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$718,991, which includes \$273,778 assigned from other District funds.

For purposes of the statement of cash flows and for presentation on the statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year end is provided in Note 4.

**G. Inventory**

On government-wide financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the purchase method. On fund financial statements, inventories of governmental funds are stated at cost.

At June 30, 2024, the District had no significant expendable supplies held for resale, donated food, or purchased food balances outstanding.

**H. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary fund. 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.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

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

All reported capital assets except land and construction in progress are depreciated/amortized. Improvements are depreciated/amortized over the remaining useful lives of the related capital assets. The District is reporting intangible right to use assets for leased equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/subscription term or the useful life of the underlying asset. Depreciation/amortization is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	50 - 70 years
Buildings/improvements	70 - 100 years
Furniture/equipment	7 - 25 years
Vehicles	10 - 15 years
Intangible right to use assets	3 - 10 years

**I. Interfund Balances**

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

**J. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

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

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

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

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. 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 year. Bonds and capital lease obligations are recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**L. Fund Balance**

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

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

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

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

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

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

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

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

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

**M. Net Position**

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

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

**N. Prepayments**

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepayments using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year which services are consumed.

**O. Estimates**

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

**P. Interfund Activity**

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

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

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

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

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

**R. Extraordinary and Special Items**

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

**S. Fair Value**

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

**T. Unamortized Premium**

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

On the governmental fund financial statements, issuance costs and premiums are recognized in the current period. A reconciliation between the COPs face value and the amount reported on the statement of net position is presented in Note 9.C.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

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

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

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

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the District.

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

**B. Deficit Fund Balances**

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

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Food service	\$ 15,211
Public school preschool	4,637
IDEA, Part B	757

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

Interim deposits must be evidenced by time certificates of deposit or by savings or deposit accounts including passbook accounts.

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

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in items (1) and (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time.

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

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

**A. Cash with Fiscal Agent**

At fiscal year end, the District had \$3,119,475 in cash held by the fiscal agent which cannot be identified as an investment or deposit, since it is held in a pool made up of numerous participants.

**B. Deposits with Financial Institutions**

At June 30, 2024, the carrying amount of all District deposits was \$1,150,029 and the bank balance of all District deposits was \$1,466,690. Of the bank balance, \$250,000 was covered by the FDIC, \$730,014 was covered by the OPCS, and \$486,676 was potentially exposed to custodial credit risk discussed below because the deposits were insured and could be uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District's and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For fiscal year 2024, the District's financial institutions were approved for a reduced collateral rate of 60 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

**C. Investments**

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

Measurement/ Investment type	Measurement Amount	Investment Maturities		
		6 months or less	7 to 12 month	13 to 18 months
<i>Fair Value:</i>				
Commercial paper	\$ 1,304,652	\$ 1,081,345	\$ 223,307	\$ -
FFCB	499,199	-	-	499,199
FHLB	990,008	499,458	490,550	-
U.S. Treasury notes	993,932	993,932	-	-
U.S. Treasury bills	429,502	429,502	-	-
U.S. Government money market	92,036	92,036	-	-
<i>Amortized Cost:</i>				
STAR Ohio	14,033,947	14,033,947	-	-
Total	<u>\$ 18,343,276</u>	<u>\$ 17,130,220</u>	<u>\$ 713,857</u>	<u>\$ 499,199</u>

The weighted average of maturity of investments is 0.09 years.

The District's investments in U.S. Government money market funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in commercial paper, federal agency securities (FHLB, FFCB), U.S. Treasury notes, U.S. Treasury bills, municipal bonds, and negotiable CDs are valued using pricing sources provided by the investment manager (Level 2 inputs).

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

*Credit Risk:* Standard & Poor's has assigned STAR Ohio and the U.S. Government money market an AAAm money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investments in commercial paper were rated P-1 by Moody's Investor Services. The District's investments in federal agency securities and U.S. Treasury notes were rated Aaa by Moody's Investor Services. The U.S. Treasury bills were rated A-1+ by Moody's Investor Services. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code. The negotiable CD's are not rated.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent, but not in the District's name. The 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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TUSCARAWAS COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

Measurement/ <u>Investment type</u>	Measurement <u>Amount</u>	<u>% of Total</u>
<i>Fair Value:</i>		
Commercial paper	\$ 1,304,652	7.11
FFCB	499,199	2.72
FHLB	990,008	5.40
U.S. Treasury notes	993,932	5.42
U.S. Treasury bills	429,502	2.34
U.S. Government money market	92,036	0.50
<i>Amortized Cost:</i>		
STAR Ohio	<u>14,033,947</u>	<u>76.51</u>
Total	<u>\$ 18,343,276</u>	<u>100.00</u>

**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 note above to cash and investments as reported on the statement of net position as of June 30, 2024:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 1,150,029
Investments	18,343,276
Cash with fiscal agent	<u>3,119,475</u>
Total	<u>\$ 22,612,780</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 22,612,780</u>
Total	<u>\$ 22,612,780</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

**A. Interfund transfers for the year ended June 30, 2024, consisted of the following, as reported on the fund financial statements:**

<u>Transfers from general fund to:</u>	<u>Amount</u>
Permanent improvement	\$ 1,500,000

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers between governmental funds are eliminated on the government-wide Statement of Activities.

**B. Interfund loans receivable/payable consisted of the following at June 30, 2024, as reported on the fund statement:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 91,249

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide Statement of Net Position.

**NOTE 6 - PROPERTY TAXES**

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

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

The District receives property taxes from Tuscarawas and Stark Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available as an advance at June 30, 2024 and 2023 were:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Major governmental funds:		
General fund	\$ 1,364,209	\$ 1,904,807
Permanent improvement fund	231,273	323,883

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

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

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

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

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

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

	2023 Second Half Collections		2024 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 295,397,590	61.77	\$ 297,208,340	62.52
Public utility personal	<u>182,803,390</u>	<u>38.23</u>	<u>178,207,850</u>	<u>37.48</u>
Total	<u>\$ 478,200,980</u>	<u>100.00</u>	<u>\$ 475,416,190</u>	<u>100.00</u>

Tax rate per \$1,000 of  
assessed valuation for:

General	\$30.00	\$30.00
Permanent Improvement	5.00	5.00

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2024 consisted of property taxes, accounts (fees and reimbursements), accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**NOTE 8 - CAPITAL ASSETS**

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

	<u>Balance</u>			<u>Balance</u>
	<u>06/30/23</u>	<u>Additions</u>	<u>Deductions</u>	<u>06/30/24</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 146,677	\$ -	\$ -	\$ 146,677
Construction in progress	<u>36,252,397</u>	<u>21,232,571</u>	<u>(36,651,391)</u>	<u>20,833,577</u>
Total capital assets, not being depreciated/amortized	<u>36,399,074</u>	<u>21,232,571</u>	<u>(36,651,391)</u>	<u>20,980,254</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	881,534	3,509,602	(186,002)	4,205,134
Buildings and improvements	10,306,977	31,611,129	(598,707)	41,319,399
Furniture and equipment	1,610,452	1,851,738	(695,581)	2,766,609
Vehicles	1,821,331	65,000	-	1,886,331
Intangible right to use - leased equipment	186,375	-	-	186,375
Intangible right to use - software	<u>172,048</u>	<u>-</u>	<u>(3,520)</u>	<u>168,528</u>
Total capital assets, being depreciated/amortized	<u>14,978,717</u>	<u>37,037,469</u>	<u>(1,483,810)</u>	<u>50,532,376</u>
<i>Less: accumulated depreciation/amortization</i>				
Land improvements	(602,153)	(149,985)	130,508	(621,630)
Buildings and improvements	(5,507,845)	(551,097)	292,616	(5,766,326)
Furniture and equipment	(1,217,705)	(178,386)	597,356	(798,735)
Vehicles	(562,521)	(125,004)	-	(687,525)
Intangible right to use - leased equipment	(88,529)	(41,934)	-	(130,463)
Intangible right to use - software	<u>(8,724)</u>	<u>(24,589)</u>	<u>3,520</u>	<u>(29,793)</u>
Total accumulated depreciation/amortization	<u>(7,987,477)</u>	<u>(1,070,995)</u>	<u>1,024,000</u>	<u>(8,034,472)</u>
Governmental activities capital assets, net	<u>\$ 43,390,314</u>	<u>\$ 57,199,045</u>	<u>\$ (37,111,201)</u>	<u>\$ 63,478,158</u>

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

Instruction:	
Regular	\$ 699,322
Special	13,724
Other	789
 Support services:	
Pupil	2,079
Instructional staff	34,457
Administration	45,742
Operations and maintenance	69,831
Pupil transportation	119,615
Extracurricular activities	19,733
Food service operations	<u>65,703</u>
Total	<u>\$1,070,995</u>

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**NOTE 9 - LONG-TERM OBLIGATIONS**

**A.** On June 5, 2020, the District issued \$27,500,000 in certificates of participation (“COPs”) to finance the acquisition, construction and overall improvement of District facilities. The COPs bear an interest rate ranging from 3.00% to 4.00%. Principal on the COPs is due each December 1, beginning December 1, 2020, through and including December 1, 2049. Huntington National Bank, (the “Trustee”), is serving as the trustee for the COPs. Payments of principal and interest relating to this bond are recorded as expenditures in the permanent improvement fund.

The COPs are not a general obligation of the District and are payable only from appropriations by the District for annual lease payments. The following is a summary of the future debt service requirements to maturity for the COPs:

Fiscal Year Ended	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 595,000	\$ 845,450	\$ 1,440,450
2026	615,000	821,250	1,436,250
2027	640,000	796,150	1,436,150
2028	665,000	770,050	1,435,050
2029	695,000	742,850	1,437,850
2030-2034	3,905,000	3,266,650	7,171,650
2035-2039	4,665,000	2,522,125	7,187,125
2040-2044	5,410,000	1,761,975	7,171,975
2045-2049	6,415,000	730,375	7,145,375
2050	<u>1,410,000</u>	<u>21,150</u>	<u>1,431,150</u>
<b>Total</b>	<b><u>\$ 25,015,000</u></b>	<b><u>\$ 12,278,025</u></b>	<b><u>\$ 37,293,025</u></b>

**B.** The changes in the District’s long-term obligations during the fiscal year consist of the following.

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>	<u>Due in One year</u>
<b>Governmental activities:</b>					
Certificates of participation	\$ 25,585,000	\$ -	\$ (570,000)	\$ 25,015,000	\$ 595,000
Leases payable	86,500	-	(38,759)	47,741	40,742
Net pension liability	14,156,225	352,375	(1,209,035)	13,299,565	-
Net OPEB liability	654,697	203,051	-	857,748	-
Compensated absences:					
Sick leave	1,084,227	75,805	-	1,160,032	47,242
Vacation leave	48,062	34,600	(48,062)	34,600	34,600
Total compensated absences	<u>1,132,289</u>	<u>110,405</u>	<u>(48,062)</u>	<u>1,194,632</u>	<u>81,842</u>
Total governmental activities					
long-term liabilities	<u>\$ 41,614,711</u>	<u>\$ 665,831</u>	<u>\$ (1,865,856)</u>	<u>\$ 40,414,686</u>	<u>\$ 717,584</u>
Add: unamortized premium				1,630,850	
Total on statement of net position				<u>\$ 42,045,536</u>	

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

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

**C. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2024, are a voted debt margin of \$42,838,709 (including available funds of \$51,252) and an unvoted debt margin of \$475,416.

**D. Leases payable:** The District has entered into a lease agreement for the right to use copier equipment. The District entered into the lease with ComDoc for a term of 61 months on August 11, 2020. Payments are due monthly with the final payment due on August 11, 2025. Lease payments have been reclassified and are reflected as debt service expenditures for the general fund in the basic financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 40,742	\$ 1,462	\$ 42,204
2026	6,999	35	7,034
Total	\$ 47,741	\$ 1,497	\$ 49,238

**E. Net pension liability:** The District's net pension liability is described in Note 11. The District pays obligations related to employee compensation from the fund benefitting from their service.

**F. Net OPEB liability:** The District's net OPEB liability is described in Note 12. The District pays obligations related to employee compensation from the fund benefitting from their service.

**G. Compensated absences:** Compensated absences will be paid from the fund which the employee's salaries are paid which, for the District, is primarily the general fund, the food service fund, preschool fund, Title VI-B fund and Title I fund.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**NOTE 10 - RISK MANAGEMENT**

**A. Property and Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the District contracted with Ohio School Plan for property and fleet insurance. Coverages provided by Ohio School Plan are as follows:

Building and Contents - replacement cost (\$1,000 deductible)	
Boiler and Machinery (\$1,000 deductible)	\$67,371,688
Additional Coverage for portable items	Included
Automobile Liability – collision	\$2,000,000
(\$1,000 deductible comprehensive/collision Buses; all other \$250/\$500)	
Uninsured Motorists	\$1,000,000
General liability	Excess limits included with primary - Total \$2,000,000

Professional liability is protected by The Ohio School Plan with a \$2,000,000 single occurrence limit, a \$4,000,000 aggregate limit, with a \$2,500 deductible. The limits are excess (not umbrella) deductible applies per Educational Legal Liability claim. In lieu of a bond, the Treasurer is covered by employee dishonesty coverage with a \$1,000,000 limit.

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

**B. Workers' Compensation Rating Program**

For calendar year 2024, the District participated in the Worker's Compensation Group Retrospective Rating Plan, a voluntary performance-based incentive program offered jointly by the Ohio Schools Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO) (Note 2.A.). The intent of the program is to reward participants that are able to keep their claims costs low. Districts continue to pay their individual premium directly to the Ohio Bureau of Workers Compensation (BWC). Districts will then have future premium adjustments (refunds or assessments) at the end of each of the three evaluation periods. For the 2021 program, the evaluation periods will be December 31, 2023, December 31, 2024 and December 31, 2025. Refunds or assessments will be calculated by the Ohio BWC, based on the pro-rata share of the districts individual premium compared to the overall program premium.

Participation in the Group Retrospective Rating Plan is limited to school districts that can meet the programs selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the program.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**NOTE 10 - RISK MANAGEMENT - (Continued)**

**C. Employee Medical Benefits**

The District provides employee medical/surgical benefits through a self-insured plan and maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The plan provides medical/surgical coverage, which is 100% paid of reasonable and customary charges. Major medical expense coverage includes a \$200 individual and \$400 family deductible followed by a 10% employee co-payment. The District is a member organization of The Jefferson Health Plan, a public entity group purchasing trust organized under the Ohio Revised Code (ORC) section 9.833 as a Council of Governments. The District purchases specific stop loss protection through the consortium, presently at a \$100,000 deductible. The deductible applies to cumulative medical and drug claim payments made on behalf of plan participants covered under an approved benefit program during the current period June 1 through June 30. Cumulative claim payments, which are found to be in excess of the applicable deductible, made on behalf of a covered plan participant during a policy year are covered through The Jefferson Health Plan's Internal Pool, up to a maximum reimbursement of \$1,465,000, in the case of the \$100,000 deductible. Cumulative claim payments made on behalf of a covered plan participant during a policy year, which are found to exceed \$1,500,000, are eligible for reimbursement from The Jefferson Health Plan's umbrella stop loss insurance policy, currently placed through Sun Life. A third-party administrator, CareFactor, reviews all claims, which are then paid by Jefferson Health Plan. The District purchases stop-loss coverage of \$500,000 per individual from Sun Life through Jefferson Health Plan. There is an internal pool from \$100,000 to \$499,999 for stop loss coverage.

The District also provides dental and vision coverage on this self-insured basis. The premiums are paid by the District at a rate of 85% for all employees. The premium is paid by the fund that paid the salary for the employee and is based on historical cost information.

Total required monthly premiums for coverage are as follows:

	<u>Family</u>	<u>Individual</u>
Medical/Surgical	\$ 2,113	\$ 921
Dental	118	118
Vision	26	8

The liability for unpaid claims of \$304,430 reported in the internal service fund at June 30, 2024, is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred, but not reported claims, be accrued at the estimated ultimate cost of settling the claims.

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year-End</u>
2024	\$ 293,138	\$ 2,406,738	\$ (2,395,446)	\$ 304,430
2023	242,413	2,073,812	(2,023,087)	293,138

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

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

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

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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

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

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Age and service requirements for retirement are as follows:

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

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

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

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

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

The District's contractually required contribution to SERS was \$269,805 for fiscal year 2024. Of this amount, \$21,662 is reported as a liability.

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

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

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

A DB or Combined Plan member with five or more years of credited service, who is determined to be disabled, may qualify for a disability benefit. New members, on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

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

The District's contractually required contribution to STRS was \$936,113 for fiscal year 2024. Of this amount, \$159,160 is reported as a liability.

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

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.045673100%	0.052567720%	
Proportion of the net pension liability current measurement date	<u>0.051085400%</u>	<u>0.048650400%</u>	
Change in proportionate share	<u>0.005412300%</u>	<u>-0.003917320%</u>	
Proportionate share of the net pension liability	\$ 2,822,731	\$ 10,476,834	\$ 13,299,565
Pension expense	\$ 356,684	\$ 566,551	\$ 923,235

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
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 121,327	\$ 381,964	\$ 503,291
Changes of assumptions	19,996	862,824	882,820
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	206,202	38,698	244,900
Contributions subsequent to the measurement date	<u>269,805</u>	<u>936,113</u>	<u>1,205,918</u>
Total deferred outflows of resources	<u>\$ 617,330</u>	<u>\$ 2,219,599</u>	<u>\$ 2,836,929</u>
	SERS	STRS	Total
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 23,250	\$ 23,250
Net difference between projected and actual earnings on pension plan investments	39,673	31,398	71,071
Changes of assumptions	-	649,459	649,459
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>22,455</u>	<u>875,992</u>	<u>898,447</u>
Total deferred inflows of resources	<u>\$ 62,128</u>	<u>\$ 1,580,099</u>	<u>\$ 1,642,227</u>

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

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

\$1,205,918 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

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

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2025	\$ 76,357	\$ (331,403)	\$ (255,046)
2026	(29,614)	(611,764)	(641,378)
2027	236,550	871,689	1,108,239
2028	<u>2,104</u>	<u>(225,135)</u>	<u>(223,031)</u>
<b>Total</b>	<b><u>\$ 285,397</u></b>	<b><u>\$ (296,613)</u></b>	<b><u>\$ (11,216)</u></b>

***Actuarial Assumptions - SERS***

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

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

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023 and June 30, 2022, are presented below:

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%

COLA or ad hoc COLA:

Current measurement date	2.00%
Prior measurement date	2.00%

Investment rate of return:

Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses

Discount rate:

Current measurement date	7.00%
Prior measurement date	7.00%

Actuarial cost method

Entry age normal (level percent of payroll)

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

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. Ohio Revised Code Section 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 4,166,207	\$ 2,822,731	\$ 1,691,109

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 and June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

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

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

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

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

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

\* Final target weights reflected at October 1, 2022.

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

**NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 16,111,051	\$ 10,476,834	\$ 5,711,827

**Assumption and Benefit Changes Since the Prior Measurement Date** - The discount rate remained at 7.00% 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.

**NOTE 12 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

See Note 11 for a description of the net OPEB liability (asset).

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

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$31,226.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$31,226 for fiscal year 2024, which is reported as a liability.

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

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

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

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

The net OPEB liability/asset was measured as of June 30, 2023, and the total OPEB liability/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.

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

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.046630500%	0.052567720%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.052065400%</u>	<u>0.048650400%</u>	
Change in proportionate share	<u>0.005434900%</u>	<u>-0.003917320%</u>	
Proportionate share of the net OPEB liability	\$ 857,748	\$ -	\$ 857,748
Proportionate share of the net OPEB (asset)	\$ -	\$ (946,183)	\$ (946,183)
OPEB expense	\$ (95,869)	\$ (50,168)	\$ (146,037)

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
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 1,789	\$ 1,476	\$ 3,265
Net difference between projected and actual earnings on OPEB plan investments	6,652	1,691	8,343
Changes of assumptions	290,032	139,386	429,418
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	168,280	14,123	182,403
Contributions subsequent to the measurement date	<u>31,226</u>	<u>-</u>	<u>31,226</u>
Total deferred outflows of resources	<u>\$ 497,979</u>	<u>\$ 156,676</u>	<u>\$ 654,655</u>
 <b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 442,374	\$ 144,320	\$ 586,694
Changes of assumptions	243,610	624,277	867,887
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>71,722</u>	<u>4,301</u>	<u>76,023</u>
Total deferred inflows of resources	<u>\$ 757,706</u>	<u>\$ 772,898</u>	<u>\$ 1,530,604</u>

\$31,226 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2025.

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

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

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$ (126,197)	\$ (277,903)	\$ (404,100)
2026	(106,750)	(126,978)	(233,728)
2027	(57,453)	(46,449)	(103,902)
2028	(29,347)	(63,958)	(93,305)
2029	(21,124)	(58,436)	(79,560)
Thereafter	<u>49,918</u>	<u>(42,498)</u>	<u>7,420</u>
<b>Total</b>	<b><u>\$ (290,953)</u></b>	<b><u>\$ (616,222)</u></b>	<b><u>\$ (907,175)</u></b>

***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.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023 and June 30, 2022 are presented below:

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%

Investment rate of return:

Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation

Municipal bond index rate:

Current measurement date	3.86%
Prior measurement date	3.69%

Single equivalent interest rate, net of plan investment expense, including price inflation:

Current measurement date	4.27%
Prior measurement date	4.08%

Medical trend assumption:

Current measurement date	6.75 to 4.40%
Prior measurement date	7.00 to 4.40%

In 2023, the following mortality assumptions were used:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,096,448	\$ 857,748	\$ 669,525
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 630,158	\$ 857,748	\$ 1,159,337

***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, compared with June 30, 2022 actuarial valuation, are presented below:

	June 30, 2023		June 30, 2022		
Inflation	2.50%		2.50%		
Projected salary increases	Varies by service from 2.50% to 8.50%		Varies by service from 2.50% to 8.50%		
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation		
Payroll increases	3.00%		3.00%		
Cost-of-living adjustments (COLA)	0.00%		0.00%		
Discount rate of return	7.00%		7.00%		
Blended discount rate of return	N/A		N/A		
Health care cost trends		Initial	Ultimate	Initial	Ultimate
Medical					
Pre-Medicare	7.50%	4.14%	7.50%	3.94%	
Medicare	-10.94%	4.14%	-68.78%	3.94%	
Prescription Drug					
Pre-Medicare	-11.95%	4.14%	9.00%	3.94%	
Medicare	1.33%	4.14%	-5.47%	3.94%	

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

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

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

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

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

**Assumption Changes Since the Prior Measurement Date** - The discount rate remained unchanged at 7.00% for the June 30, 2023 valuation.

**Benefit Term Changes Since the Prior Measurement Date** - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

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

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

\* Final target weights reflected at October 1, 2022.

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

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 800,820	\$ 946,183	\$ 1,072,779
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,078,653	\$ 946,183	\$ 786,625

**NOTE 13 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

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

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODEW has finalized the impact of enrollment adjustments to the June 30, 2024 Foundation funding for the District; however, the final adjustment was immaterial and has not been included in the financial statements.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**NOTE 14 - SET-ASIDES**

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

During fiscal year 1999, the District issued \$6,949,981 in general obligation various purpose refunding bonds. These proceeds may be used to reduce the capital improvements set-aside amount to below zero for future years. The amount presented for prior year offset from bond proceeds is limited to an amount needed to reduce the capital improvement set-aside balance to \$0. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was \$6,257,679 at June 30, 2024.

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2023	\$ -
Current year set-aside requirement	272,778
Current year qualifying expenditures	<u>(712,283)</u>
Total	<u><u>\$ (439,505)</u></u>
Balance carried forward to fiscal year 2025	\$ -
Set-aside balance June 30, 2024	<u><u>\$ -</u></u>

**NOTE 15 - OTHER COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

	<u>Year-End Encumbrances</u>
Fund	
General	\$ 819,399
Permanent improvement	495,107
Classroom facilities	4,660,488
Nonmajor governmental funds	<u>318,155</u>
Total	<u><u>\$ 6,293,149</u></u>

The District has the following significant contractual commitments outstanding as of June 30, 2024:

Vendor	Contract Amount	Amount Paid as of 6/30/2024	Outstanding Balance
Lesko Associates	\$ 3,540,513	\$ 3,340,418	\$ 200,095
STAN and Associates	241,043	138,749	102,294
Hammond Construction	54,774,983	51,134,366	3,640,617

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## REQUIRED SUPPLEMENTARY INFORMATION

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
Budgetary revenues and other financing sources	\$ 17,500,000	\$ 19,294,814	\$ 19,260,070	\$ (34,744)
Budgetary expenditures and other financing uses	21,001,337	21,711,232	18,780,246	(2,930,986)
Net change in fund balance	(3,501,337)	(2,416,418)	479,824	2,896,242
<b>Budgetary fund balance at beginning of year</b>	8,268,167	8,268,167	8,268,167	-
<b>Prior year encumbrances appropriated</b>	501,337	501,337	501,337	-
<b>Budgetary fund balance at end of year</b>	<u>\$ 5,268,167</u>	<u>\$ 6,353,086</u>	<u>\$ 9,249,328</u>	<u>\$ 2,896,242</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

SCHEMES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.051085400%	\$ 2,822,731	\$ 1,977,243	142.76%	76.06%
2023	0.045673100%	2,470,356	1,707,050	144.71%	75.82%
2022	0.046890200%	1,730,112	1,621,771	106.68%	82.86%
2021	0.044301500%	2,930,195	1,552,936	188.69%	68.55%
2020	0.046911900%	2,806,821	1,615,815	173.71%	70.85%
2019	0.046772300%	2,678,736	1,590,807	168.39%	71.36%
2018	0.048045500%	2,870,612	1,611,471	178.14%	69.50%
2017	0.047637500%	3,486,625	1,490,179	233.97%	62.98%
2016	0.047070900%	2,685,911	1,417,079	189.54%	69.16%
2015	0.048831000%	2,471,309	1,418,932	174.17%	71.70%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 269,805	\$ (269,805)	\$ -	\$ 1,927,179	14.00%
2023	276,814	(276,814)	-	1,977,243	14.00%
2022	238,987	(238,987)	-	1,707,050	14.00%
2021	227,048	(227,048)	-	1,621,771	14.00%
2020	217,411	(217,411)	-	1,552,936	14.00%
2019	218,135	(218,135)	-	1,615,815	13.50%
2018	214,759	(214,759)	-	1,590,807	13.50%
2017	225,606	(225,606)	-	1,611,471	14.00%
2016	208,625	(208,625)	-	1,490,179	14.00%
2015	186,771	(186,771)	-	1,417,079	13.18%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

SCHEMES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.048650400%	\$ 10,476,834	\$ 6,610,907	158.48%	80.02%
2023	0.052567720%	11,685,869	6,712,279	174.10%	78.88%
2022	0.054193868%	6,929,173	6,856,100	101.07%	87.78%
2021	0.053904640%	13,043,005	6,534,000	199.62%	75.48%
2020	0.053278110%	11,782,134	6,224,000	189.30%	77.40%
2019	0.054976750%	12,088,153	6,267,929	192.86%	77.31%
2018	0.055151480%	13,101,352	6,077,343	215.58%	75.30%
2017	0.056219790%	18,818,458	6,017,229	312.74%	66.80%
2016	0.053950980%	14,910,473	5,711,786	261.05%	72.10%
2015	0.053004380%	12,892,500	5,415,585	238.06%	74.70%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 936,113	\$ (936,113)	\$ -	\$ 6,686,521	14.00%
2023	925,527	(925,527)	-	6,610,907	14.00%
2022	939,719	(939,719)	-	6,712,279	14.00%
2021	959,854	(959,854)	-	6,856,100	14.00%
2020	914,760	(914,760)	-	6,534,000	14.00%
2019	871,360	(871,360)	-	6,224,000	14.00%
2018	877,510	(877,510)	-	6,267,929	14.00%
2017	850,828	(850,828)	-	6,077,343	14.00%
2016	842,412	(842,412)	-	6,017,229	14.00%
2015	799,650	(799,650)	-	5,711,786	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

**SCHEMES OF THE REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST EIGHT AND TEN FISCAL YEARS**

<b>Fiscal Year (1) (2)</b>	<b>District's Proportion of the Net OPEB Liability</b>	<b>District's Proportionate Share of the Net OPEB Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
2024	0.052065400%	\$ 857,748	\$ 1,977,243	43.38%	30.02%
2023	0.046630500%	654,697	1,707,050	38.35%	30.34%
2022	0.048282700%	913,790	1,621,771	56.35%	24.08%
2021	0.046087200%	1,001,626	1,552,936	64.50%	18.17%
2020	0.048056600%	1,208,522	1,615,815	74.79%	15.57%
2019	0.047575400%	1,319,870	1,590,807	82.97%	13.57%
2018	0.048748600%	1,308,284	1,611,471	81.19%	12.46%
2017	0.048287130%	1,376,362	1,490,179	92.36%	11.49%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 31,226	\$ (31,226)	\$ -	\$ 1,927,179	2.00%
2023	35,354	(35,354)	-	1,977,243	1.79%
2022	30,091	(30,091)	-	1,707,050	1.76%
2021	30,706	(30,706)	-	1,621,771	1.89%
2020	30,154	(30,154)	-	1,552,936	1.94%
2019	37,323	(37,323)	-	1,615,815	2.31%
2018	34,211	(34,211)	-	1,590,807	2.15%
2017	26,539	(26,539)	-	1,611,471	1.65%
2016	24,965	(24,965)	-	1,490,179	1.68%
2015	36,651	(36,651)	-	1,417,079	2.59%

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

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

Additional years will be displayed as they become available.

**SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

**SCHEMES OF THE REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST EIGHT AND TEN FISCAL YEARS**

<b>Fiscal Year (1) (2)</b>	<b>District's Proportion of the Net OPEB Liability/(Asset)</b>	<b>District's Proportionate Share of the Net OPEB Liability/(Asset)</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)</b>
2024	0.048650400%	\$ (946,183)	\$ 6,610,907	14.31%	168.52%
2023	0.052567720%	(1,361,153)	6,712,279	20.28%	230.73%
2022	0.054193868%	(1,142,633)	6,856,100	16.67%	174.73%
2021	0.053904640%	(947,374)	6,534,000	14.50%	182.10%
2020	0.053278110%	(882,413)	6,224,000	14.18%	174.74%
2019	0.054976750%	(883,420)	6,267,929	14.09%	176.00%
2018	0.055151480%	2,151,807	6,077,343	35.41%	47.10%
2017	0.056219790%	3,006,649	6,017,229	49.97%	37.30%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ -	\$ -	\$ -	\$ 6,686,521	0.00%
2023	-	-	-	6,610,907	0.00%
2022	-	-	-	6,712,279	0.00%
2021	-	-	-	6,856,100	0.00%
2020	-	-	-	6,534,000	0.00%
2019	-	-	-	6,224,000	0.00%
2018	-	-	-	6,267,929	0.00%
2017	-	-	-	6,077,343	0.00%
2016	-	-	-	6,017,229	0.00%
2015	-	-	-	5,711,786	0.00%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

**NOTE 1 - BUDGETARY PROCESS**

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

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

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

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 479,824
Net adjustment for revenue and other financing sources accruals	(701,466)
Net adjustment for expenditure and other financing uses accruals	356,882
Funds budgeted elsewhere	(10,762)
Adjustments for encumbrances	<u>905,616</u>
GAAP Basis	<u><u>\$ 1,030,094</u></u>

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

**PENSION**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

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

*Change in assumptions:*

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

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

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Change in benefit terms:*

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

*Changes in assumptions:*

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.

*Change in assumptions:*

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

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

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

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

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2024.

**TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT  
TUSCARAWAS COUNTY, OHIO**

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

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

*Change in assumptions:*

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



To the Board of Education and Management  
Tuscarawas Valley Local School District  
Tuscarawas County, Ohio  
2637 Tusky Valley Rd.  
Zoarville, OH 44656

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

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*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tuscarawas Valley Local School District, Tuscarawas 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 December 14, 2024.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Tuscarawas Valley Local School District  
Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Page 2 of 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*.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
New Philadelphia, Ohio  
December 14, 2024

To the Board of Education and Management  
Tuscarawas Valley Local School District  
Tuscarawas County, Ohio  
2637 Tusky Valley Rd.  
Zoarville, OH 44656

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Tuscarawas Valley Local School District's, Tuscarawas County, Ohio (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

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

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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.

Tuscarawas Valley Local School District

Independent Auditor's Report on Compliance for Each Major Federal Program and

Report on Internal Control over Compliance Required by the Uniform Guidance

Page 2 of 3

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

***Report on Internal Control Over Compliance***

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

Tuscarawas Valley Local School District

Independent Auditor's Report on Compliance for Each Major Federal Program and

Report on Internal Control over Compliance Required by the Uniform Guidance

Page 3 of 3

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

*Rea & Associates, Inc.*

Rea & Associates, Inc.

New Philadelphia, Ohio

December 14, 2024

**Tuscarawas Valley local School District  
Tuscarawas County, Ohio**

*Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2024*

<b>Federal Grantor/ Sub Grantor/ Program Title</b>	<b>Grant Year</b>	<b>ALN</b>	<b>Expenditures</b>	<b>Amounts Paid to Subrecipients</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<i>Passed Through Ohio Department of Education and Workforce:</i>				
Title I Grants to Local Educational Agencies	2024	84.010A	244,508	-
Expanding Opportunities for Each Child Non-Competitive Grant	2023	84.010A	1,576	-
<i>Total Title I</i>			246,084	-
<i>Special Education Cluster:</i>				
Special Education Grants to States	2024	84.027A	280,956	-
COVID-19: Special Education Grants to States ARP	2023	84.027X	2,549	-
<i>Special Education Grants to States Subtotal</i>			283,505	-
Special Education Preschool Grants Consortium Allocation	2024	84.173A	6,555	-
<i>Total Special Education Cluster</i>			290,060	-
Twenty-First Century Community Learning Centers	2024	84.287A	200,000	-
Stronger Connections Grant	2024	84.424F	3,000	-
Student Support and Academic Enrichment Program	2023	84.424A	7,050	-
<i>Total Student Support and Academic Enrichment Program</i>			10,050	-
Title III Consortium Allocation	2024	84.365A	557	-
Supporting Effective Instruction State Grant	2024	84.367A	42,093	-
COVID-19: Education Stabilization Fund (ARP ESSER)	2024	84.425U	22,000	-
<b>Total U.S. Department of Education</b>			<b>810,844</b>	-
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<i>Passed Through Ohio Department of Education and Workforce:</i>				
<i>Child Nutrition Cluster:</i>				
Non-Cash Assistance:				
School Breakfast Program	2024	10.553	8,354	-
National School Lunch Program	2024	10.555	27,441	-
<i>Non-Cash Assistance Subtotal</i>			35,795	-
Cash Assistance:				
School Breakfast Program	2024	10.553	105,512	-
National School Lunch Program	2024	10.555	309,895	-
COVID-19 National School Lunch Program	2024	10.555	36,685	-
<i>Cash Assistance Subtotal</i>			452,092	-
<i>Total Child Nutrition Cluster</i>			487,887	-
COVID-19: State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	2024	10.649	628	-
<b>Total U.S. Department of Agriculture</b>			<b>488,515</b>	-
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$ 1,299,359</b>	<b>\$ -</b>

The accompanying notes are an integral part of this schedule.

**Tuscarawas Valley Local School District  
Tuscarawas County, Ohio**

*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 Tuscarawas Valley Local 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 or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F – CONSORTIUM GRANT EXPENDITURES**

During the fiscal year ended June 30, 2024, the District passed/transferred grant fund allocations to the Stark County Educational Service Center for Title III totaling \$557 and East Central Ohio ESC for Early Childhood Special Education totaling \$6,555.

**NOTE G – TRANSFERS BETWEEN PROGRAM YEARS**

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

<u>Program Title</u>	<u>ALN</u>	<u>Amount Transferred</u>
Title IV-A	84.424A	401
Title I-A	84.010A	522

**Tuscarawas Valley Local School District**  
**Tuscarawas County, Ohio**  
*Schedule of Findings and Questioned Costs*  
*2 CFR Section 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 control weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d) (1) (ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	None reported
(d) (1) (iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d) (1) (iv)	Were there any material control weaknesses in internal control reported for major federal programs?	No
(d) (1) (iv)	Were there any significant deficiencies in internal control reported for major federal programs?	None Noted
(d) (1) (v)	Type of Major Programs' Compliance Opinion	Unmodified
(d) (1) (vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d) (1) (vii)	Major Programs (list):  Special Education Cluster: Special Education Grants to States COVID-19: Special Education Grants to States ARP Special Education Preschool Grants Consortium Allocation	ALN:  84.027A 84.027X 84.173A
(d) (1) (viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: All others
(d) (1) (ix)	Low Risk Auditee?	Yes

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None



# Tuscarawas Valley Local Schools

Dr. Derek J. Varansky, Superintendent  
Mr. Mark A. Phillips, Treasurer

2637 Tuscarawas Valley Rd NE  
Zoarville, OH 44656-9692  
330-859-2213 Fax: 330-859-2706

**Tuscarawas Valley Local School District**  
**Tuscarawas County, Ohio**  
*Schedule of Prior Audit Findings*  
*2 CFR Section 200.511(b)*  
*June 30, 2024*

Finding Number	Finding Summary	Status	Additional Information
2023-001	Significant Deficiency – Internal Controls over Financial Reporting	Fully Corrected	N/A

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# OHIO AUDITOR OF STATE KEITH FABER



TUSCARAWAS VALLEY LOCAL SCHOOL DISTRICT

TUSCARAWAS COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/4/2025

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)