



OHIO AUDITOR OF STATE
KEITH FABER



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

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Statement of Net Position – June 30, 2024	15
Statement of Activities – For the Fiscal Year Ended June 30, 2024	16
Balance Sheet - Governmental Funds – June 30, 2024.....	17
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities – June 30, 2024.....	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds – For the Fiscal Year Ended June 30, 2024	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities – For the Fiscal Year Ended June 30, 2024	20
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual - General Fund – For the Fiscal Year Ended June 30, 2024.....	21
Statement of Fund Net Position – Internal Service Funds – June 30, 2024.....	22
Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds – For the Fiscal Year Ended June 30, 2024	23
Statement of Cash Flows – Internal Service Funds – For the Fiscal Year Ended June 30, 2024.....	24
Statement of Fiduciary Net Position – Private Purpose Trust Fund – For the Fiscal Year Ended - June 30, 2024	25
Statement of Changes in Fiduciary Net Position – Private Purpose Trust Fund – For the Fiscal Year Ended - June 30, 2024	26
Notes to the Basic Financial Statements	27
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability – School Employees Retirement System of Ohio.....	72

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

TABLE OF CONTENTS

TITLE	PAGE
Schedule of the School District's Proportionate Share of the Net OPEB Liability – School Employees Retirement System of Ohio	74
Schedule of the School District's Proportionate Share of the Net Pension Liability – State Teachers Retirement System of Ohio	76
Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability – State Teachers Retirement System of Ohio	78
Schedule of the School District's Contributions - School Employees Retirement System of Ohio	80
Schedule of the School District's Contributions – State Teachers Retirement System of Ohio	82
Notes to Required Supplementary Information.....	84
Schedule of Expenditures of Federal Awards – For the Year Ended June 30, 2024	89
Notes to the Schedule of Expenditures of Federal Awards – June 30, 2024	90
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	91
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	93
Schedule of Findings – June 30, 2024.....	97



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INDEPENDENT AUDITOR'S REPORT

Youngstown City School District
Mahoning County
20 W. Wood Street
P.O. Box 550
Youngstown, Ohio 44503

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2025, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

April 24, 2025

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

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

Financial Highlights

Key financial highlights for the 2024 fiscal year are as follows:

- Net position increased in fiscal year 2024 due mainly to (1) an increase in cash and cash equivalents resulting from careful management of resources as well as from higher interest earned on investments, (2) an increase in intergovernmental receivables related to grants, (3) a reduction in long-term debt obligations attributable to the continued pay-down of debt and (4) changes in the net pension and net OPEB asset/liability and the associated deferred outflows and inflows.
- The School District had capital asset additions across every category of assets except for land, vehicles and intangible right to use - equipment. Some of the major additions included HVAC and energy conservation improvements, custodial and food service equipment, computers and technology equipment.
- Total program expenses decreased in fiscal year 2024 mainly due to reductions in purchased services related to pupil and instructional staff support service costs.

Using this Annual Financial Report

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

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

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

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

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major governmental funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the bond retirement debt service fund.

Governmental Funds

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

Proprietary Funds

Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District's internal service funds account for unanticipated run-off claims and workers' compensation. The proprietary funds use the accrual basis of accounting.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting. The School District's only fiduciary fund is a private purpose trust fund which accounts for the Choffin Trust fund. The money in the fund is used to purchase equipment and services for vocational instruction programs at Choffin Career and Technical Center.

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

The School District as a Whole

The Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a comparison of the School District's Net Position for 2024 compared to 2023:

Table 1
 Net Position
 Governmental Activities

	2024	2023	Change
Assets			
Current and Other Assets	\$80,372,244	\$76,911,294	\$3,460,950
Net OPEB Asset	6,104,904	8,204,724	(2,099,820)
Capital Assets, Net	<u>137,695,182</u>	<u>140,286,492</u>	<u>(2,591,310)</u>
<i>Total Assets</i>	<u>224,172,330</u>	<u>225,402,510</u>	<u>(1,230,180)</u>
Deferred Outflows of Resources			
Pension	18,997,678	22,280,815	(3,283,137)
OPEB	<u>4,347,053</u>	<u>2,534,628</u>	<u>1,812,425</u>
<i>Total Deferred Outflows of Resources</i>	<u>23,344,731</u>	<u>24,815,443</u>	<u>(1,470,712)</u>
Liabilities			
Current Liabilities	11,372,649	11,563,769	191,120
Long-Term Liabilities			
Due Within One Year	2,863,222	2,911,366	48,144
Due in More Than One Year			
Net Pension Liability	94,520,795	95,439,172	918,377
Net OPEB Liability	<u>8,017,235</u>	<u>6,624,944</u>	<u>(1,392,291)</u>
Other Amounts	<u>13,865,323</u>	<u>16,323,081</u>	<u>2,457,758</u>
<i>Total Liabilities</i>	<u>130,639,224</u>	<u>132,862,332</u>	<u>2,223,108</u>
Deferred Inflows of Resources			
Property Taxes	29,340,388	27,629,347	(1,711,041)
Lease	157,349	170,268	12,919
Pension	6,516,397	9,359,288	2,842,891
OPEB	<u>12,140,921</u>	<u>15,084,452</u>	<u>2,943,531</u>
<i>Total Deferred Inflows of Resources</i>	<u>48,155,055</u>	<u>52,243,355</u>	<u>4,088,300</u>
Net Position			
Net Investment in Capital Assets	126,869,037	128,550,987	(1,681,950)
Restricted for:			
Capital Projects	43,601	0	43,601
Debt Service	6,912,181	5,096,080	1,816,101
Other Purposes	7,560,890	7,857,140	(296,250)
OPEB Plans	6,104,904	1,867,652	4,237,252
Unrestricted (Deficit)	<u>(78,767,831)</u>	<u>(78,259,593)</u>	<u>(508,238)</u>
<i>Total Net Position</i>	<u>\$68,722,782</u>	<u>\$65,112,266</u>	<u>\$3,610,516</u>

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

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

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

Current assets went up due mainly to increases in cash and cash equivalents, property taxes receivable and intergovernmental receivable, specifically title I grants. The decrease in capital assets was due to current year deletions and annual depreciation/amortization outpacing current year additions.

Current liabilities decreased due to reductions in contracts payable and intergovernmental payable. Long-term liabilities decreased during fiscal year 2024 due to the paydown of long-term debt obligations and to a decrease in the net pension liability, partially offset by an increase in the net OPEB liability. As indicated previously, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension and net OPEB liabilities.

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

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

Table 2 shows the changes in net position from fiscal year 2024 to 2023.

Table 2
 Change in Net Position (continued)
 Governmental Activities

	2024	2023	Change
Revenues			
Program Revenues			
Charges for Services	\$1,754,864	\$1,234,672	\$520,192
Operating Grants and Contributions	28,603,019	42,782,138	(14,179,119)
Total Program Revenues	<u>30,357,883</u>	<u>44,016,810</u>	<u>(13,658,927)</u>
General Revenues			
Property Taxes	30,407,050	27,880,579	2,526,471
Grants and Entitlements	59,377,070	61,490,749	(2,113,679)
Unrestricted Contributions	13,414	5,799	7,615
Investment Earnings/Interest	1,211,033	396,108	814,925
Gain on Sale of Capital Assets	8,429	0	8,429
Miscellaneous	660,188	532,150	128,038
Total General Revenues	<u>91,677,184</u>	<u>90,305,385</u>	<u>1,371,799</u>
<i>Total Revenues</i>	<u>122,035,067</u>	<u>134,322,195</u>	<u>(12,287,128)</u>
Program Expenses			
Instruction:			
Regular	41,279,008	41,390,585	111,577
Special	11,239,682	11,902,919	663,237
Vocational	1,658,210	1,823,325	165,115
Adult/Continuing	797,413	1,090,641	293,228
Student Intervention Services	556,434	541,523	(14,911)
Support Services:			
Pupil	7,158,752	10,376,390	3,217,638
Instructional Staff	6,398,010	9,034,658	2,636,648
Board of Education	169,953	117,428	(52,525)
Administration	12,709,198	12,668,410	(40,788)
Fiscal	1,789,084	1,974,781	185,697
Business	765,442	466,739	(298,703)
Operation and Maintenance of Plant	13,834,482	12,445,210	(1,389,272)
Pupil Transportation	6,729,041	6,374,849	(354,192)
Central	1,440,014	2,290,616	850,602
Operation of Non-Instructional Services	5,202,273	5,365,469	163,196
Food Service Operation	4,046,280	4,003,126	(43,154)
Extracurricular Activities	2,244,527	2,230,146	(14,381)
Interest	406,748	248,495	(158,253)
<i>Total Program Expenses</i>	<u>118,424,551</u>	<u>124,345,310</u>	<u>5,920,759</u>
<i>Increase (Decrease) in Net Position</i>	<u>3,610,516</u>	<u>9,976,885</u>	<u>(6,366,369)</u>
Net Position Beginning of Year	<u>65,112,266</u>	<u>55,135,381</u>	<u>9,976,885</u>
Net Position End of Year	<u>\$68,722,782</u>	<u>\$65,112,266</u>	<u>\$3,610,516</u>

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

Governmental Activities

Program revenues decreased for governmental activities in fiscal year 2024 attributable to lower operating grants. The decrease in operating grants was due mainly to a drop in ESSER funding. The decrease in program revenues was partially offset by an increase in charges for services resulting from higher tuition and fees. General revenues increased in fiscal year 2024 resulting mainly from increases in property taxes and investment earnings/interest.

Program expenses decreased due mainly to reductions in purchased services related to pupil and instructional staff support service costs.

As can be seen from Table 2, the School District relies heavily upon property taxes and the State Foundation Program to support its operations. The School District also actively solicits and receives additional grant and entitlement funds to help offset operating costs.

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

The Statement of Activities shows the cost of program services and the charges for services and grants and contributions offsetting those services. The following table shows the total cost of services and the net cost of services. The table identifies the cost of services supported by tax revenue and unrestricted State grants and entitlements.

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

Table 3
 Total and Net Cost of Program Services
 Governmental Activities

	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
Program Expenses				
Instruction	\$55,530,747	(\$45,525,334)	\$56,748,993	(\$45,126,910)
Support Services:				
Pupil and Instructional Staff	13,556,762	(7,749,314)	19,411,048	(7,928,413)
Board of Education and Administration	12,879,151	(11,040,292)	12,785,838	(11,062,191)
Fiscal and Business	2,554,526	(2,554,526)	2,441,520	(2,441,520)
Operation and Maintenance of Plant	13,834,482	(11,329,416)	12,445,210	(4,793,057)
Pupil Transportation	6,729,041	(5,273,110)	6,374,849	(5,012,664)
Central	1,440,014	(1,325,115)	2,290,616	(2,127,632)
Operation of Non-Instructional Services	5,202,273	(997,116)	5,365,469	(71,746)
Food Service Operation	4,046,280	248,499	4,003,126	530,797
Extracurricular Activities	2,244,527	(2,114,196)	2,230,146	(2,046,669)
Interest	406,748	(406,748)	248,495	(248,495)
<i>Total</i>	<u>\$118,424,551</u>	<u>(\$88,066,668)</u>	<u>\$124,345,310</u>	<u>(\$80,328,500)</u>

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

The School District's Funds

Information about the School District's major funds begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The general fund balance went up due mainly to an increase in property taxes attributable to higher assessed values and to an increase in investment earnings/interest due to more favorable rates of return as well as to a reduction in support services, most notably pupil and instructional staff. The bond retirement fund had an increase in fund balance due to higher property taxes and homestead and rollback revenues resulting from an increase in assessed values.

General Fund Budgeting Highlights

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

For the general fund, the final budget basis revenue was higher than the original budget estimate due largely to increases in estimate for property taxes, intergovernmental monies and interest revenue.

The final budget appropriations were lower than the original budget appropriations of the general fund. The change was attributed to decreases in both instruction and support service costs as the School District's current year requirements became more apparent.

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

Capital Assets

Capital assets decreased during fiscal year 2024 due to current year deletions and annual depreciation/amortization exceeding current year additions. Current year additions included construction in progress, building improvements and the purchase of various equipment. For more information about the School District's capital assets, see Note 11 to the basic financial statements.

Debt Obligations

Debt obligations outstanding as of June 30, 2024 included general obligation bonds, financed purchases payable and leases payable. On March 2, 2005, the School District issued \$35,625,000 in classroom facilities bonds for the construction of new schools. On February 20, 2013, the School District issued \$8,779,988 in general obligation bonds to refund a portion of the 2005 classroom facilities bonds. The School District has a financed purchase agreement for energy conservation building improvements. The School District has a lease agreement for district-wide copiers. The School District's overall debt margin was \$66,567,060 with an unvoted debt margin of \$747,753 at June 30, 2024. For more information about the School District's debt obligations, see Note 16 to the basic financial statements.

Challenges and Opportunities

The goal of the Youngstown City School District continues to be to maintain the highest standards of service to our students, parents and community. The mission of the Youngstown City School District, a School District determined to be a beacon of hope and encouragement, is to develop caring, life-long learners with a vision, who are well prepared and productive citizens, by respecting individuality and utilizing all resources available.

To meet our goals it is imperative that the School District's management and staff continue to carefully and prudently plan in order to provide the resources and education required to meet student needs over the next several years.

Contacting the School District's Financial Management Personnel

This financial report is designed to provide our citizen's, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Bryan Schiraldi, Treasurer, Youngstown City School District, 20 W. Wood Street, Youngstown, OH 44503.

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Basic Financial Statements

Youngstown City School District

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$42,980,211
Cash and Cash Equivalents With Fiscal Agents	43,601
Accounts Receivable	37,131
Accrued Interest Receivable	92,733
Intergovernmental Receivable	3,800,847
Prepaid Items	298,170
Inventory Held for Resale	89,042
Materials and Supplies Inventory	15,918
Property Taxes Receivable	32,857,242
Lease Receivable	157,349
Net OPEB Asset (See Note 14)	6,104,904
Nondepreciable Capital Assets	8,722,475
Depreciable Capital Assets, net	<u>128,972,707</u>
<i>Total Assets</i>	<u>224,172,330</u>
Deferred Outflows of Resources	
Pension	18,997,678
OPEB	<u>4,347,053</u>
<i>Total Deferred Outflows of Resources</i>	<u>23,344,731</u>
Liabilities	
Accounts Payable	1,163,712
Contracts Payable	113,117
Accrued Wages and Benefits	8,320,964
Intergovernmental Payable	1,449,116
Matured Compensated Absences Payable	284,535
Accrued Interest Payable	41,205
Long-Term Liabilities:	
Due Within One Year	2,863,222
Due In More Than One Year	
Net Pension Liability (See Note 13)	94,520,795
Net OPEB Liability (See Note 14)	8,017,235
Other Amounts	<u>13,865,323</u>
<i>Total Liabilities</i>	<u>130,639,224</u>
Deferred Inflows of Resources	
Property Taxes	29,340,388
Lease	157,349
Pension	6,516,397
OPEB	<u>12,140,921</u>
<i>Total Deferred Inflows of Resources</i>	<u>48,155,055</u>
Net Position	
Net Investment in Capital Assets	126,869,037
Restricted for:	
Capital Projects	43,601
Debt Service	6,912,181
Other Purposes	7,560,890
OPEB Plans	6,104,904
Unrestricted (Deficit)	<u>(78,767,831)</u>
<i>Total Net Position</i>	<u>\$68,722,782</u>

See accompanying notes to the basic financial statements

Youngstown City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2024

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$41,279,008	\$341,926	\$654,580	(\$40,282,502)
Special	11,239,682	77,237	6,800,265	(4,362,180)
Vocational	1,658,210	14,262	729,527	(914,421)
Adult/Continuing	797,413	811,240	572,029	585,856
Student Intervention Services	556,434	4,347	0	(552,087)
Support Services:				
Pupil	7,158,752	7,155	2,013,071	(5,138,526)
Instructional Staff	6,398,010	0	3,787,222	(2,610,788)
Board of Education	169,953	0	0	(169,953)
Administration	12,709,198	0	1,838,859	(10,870,339)
Fiscal	1,789,084	0	0	(1,789,084)
Business	765,442	0	0	(765,442)
Operation and Maintenance of Plant	13,834,482	85,445	2,419,621	(11,329,416)
Pupil Transportation	6,729,041	0	1,455,931	(5,273,110)
Central	1,440,014	0	114,899	(1,325,115)
Operation of Non-Instructional Services	5,202,273	0	4,205,157	(997,116)
Food Service Operation	4,046,280	290,218	4,004,561	248,499
Extracurricular Activities	2,244,527	123,034	7,297	(2,114,196)
Interest	406,748	0	0	(406,748)
<i>Total Governmental Activities</i>	<i>\$118,424,551</i>	<i>\$1,754,864</i>	<i>\$28,603,019</i>	<i>(88,066,668)</i>
 General Revenues				
Property Taxes Levied for:				
General Purposes				26,565,701
Debt Service				3,770,801
Other Purposes				70,548
Grants and Entitlements not				
Restricted to Specific Programs				59,377,070
Unrestricted Contributions				13,414
Investment Earnings/Interest				1,211,033
Gain on Sale of Capital Assets				8,429
Miscellaneous				660,188
<i>Total General Revenues</i>				<i>91,677,184</i>
Change in Net Position				3,610,516
<i>Net Position Beginning of Year</i>				<i>65,112,266</i>
<i>Net Position End of Year</i>				<i>\$68,722,782</i>

See accompanying notes to the basic financial statements

Youngstown City School District

*Balance Sheet
Governmental Funds
June 30, 2024*

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$24,467,060	\$6,413,612	\$7,382,945	\$38,263,617
Cash and Cash Equivalents With Fiscal Agents	0	0	43,601	43,601
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	572,768	0	0	572,768
Accounts Receivable	35,709	0	1,422	37,131
Accrued Interest Receivable	92,733	0	0	92,733
Intergovernmental Receivable	401,667	0	3,349,455	3,751,122
Interfund Receivable	3,436,456	0	0	3,436,456
Prepaid Items	75,271	0	0	75,271
Materials and Supplies Inventory	0	0	15,918	15,918
Inventory Held for Resale	0	0	89,042	89,042
Property Taxes Receivable	27,658,561	5,198,681	0	32,857,242
Lease Receivable	0	0	157,349	157,349
<i>Total Assets</i>	<u>\$56,740,225</u>	<u>\$11,612,293</u>	<u>\$11,039,732</u>	<u>\$79,392,250</u>
Liabilities				
Accounts Payable	\$498,326	\$0	\$665,386	\$1,163,712
Contracts Payable	0	0	113,117	113,117
Accrued Wages and Benefits	7,375,970	0	944,994	8,320,964
Interfund Payable	0	0	3,436,456	3,436,456
Intergovernmental Payable	1,347,183	0	101,933	1,449,116
Matured Compensated Absences Payable	283,619	0	916	284,535
<i>Total Liabilities</i>	<u>9,505,098</u>	<u>0</u>	<u>5,262,802</u>	<u>14,767,900</u>
Deferred Inflows of Resources				
Property Taxes	24,698,145	4,642,243	0	29,340,388
Lease	0	0	157,349	157,349
Unavailable Revenue	2,238,288	405,812	1,232,475	3,876,575
<i>Total Deferred Inflows of Resources</i>	<u>26,936,433</u>	<u>5,048,055</u>	<u>1,389,824</u>	<u>33,374,312</u>
Fund Balances				
Nonspendable	648,039	0	15,918	663,957
Restricted	0	6,564,238	6,981,346	13,545,584
Committed	47,412	0	154,408	201,820
Assigned	143,206	0	0	143,206
Unassigned (Deficit)	19,460,037	0	(2,764,566)	16,695,471
<i>Total Fund Balances</i>	<u>20,298,694</u>	<u>6,564,238</u>	<u>4,387,106</u>	<u>31,250,038</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$56,740,225</u></u>	<u><u>\$11,612,293</u></u>	<u><u>\$11,039,732</u></u>	<u><u>\$79,392,250</u></u>

See accompanying notes to the basic financial statements

Youngstown City School District
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2024*

Total Governmental Fund Balances \$31,250,038

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

Capital assets used in governmental activities are not financial
 resources and therefore are not reported in the funds. 137,695,182

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

Delinquent Property Taxes	2,564,854
Grants	1,235,125
Tuition and Fees	<u>76,596</u>

Total 3,876,575

Internal service funds are used by management to charge the
 costs of insurance and workers' compensation to individual funds.
 The assets and liabilities of the internal service funds are included
 in governmental activities in the statement of net position. 4,416,450

In the statement of activities, interest is accrued on outstanding
 bonds, whereas in governmental funds, an interest expenditure
 is reported when due. (41,205)

The net pension liability and net OPEB liability (asset) are not due and payable
 in the current period; therefore, the liability (asset) and related deferred
 inflows/outflows are not reported in governmental funds.

Net OPEB Asset	6,104,904
Deferred Outflows - Pension	18,997,678
Deferred Outflows - OPEB	4,347,053
Net Pension Liability	(94,520,795)
Net OPEB Liability	(8,017,235)
Deferred Inflows - Pension	(6,516,397)
Deferred Inflows - OPEB	<u>(12,140,921)</u>

Total (91,745,713)

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

Classroom Facilities Bonds	(8,311,734)
Financed Purchases	(2,503,466)
Lease Payable	(697,007)
Compensated Absences	<u>(5,216,338)</u>

Total (16,728,545)

Net Position of Governmental Activities \$68,722,782

See accompanying notes to the basic financial statements

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

	General	Bond Retirement	(Formerly Major) Elementary and Secondary School Emergency Relief	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$26,886,440	\$3,568,916		\$93,026	\$30,548,382
Intergovernmental	65,742,118	413,500		21,806,345	87,961,963
Investment Earnings/Interest	1,169,941	0		41,092	1,211,033
Tuition and Fees	439,501	0		811,240	1,250,741
Extracurricular Activities	7,259	0		122,930	130,189
Contributions and Donations	13,414	0		355,137	368,551
Charges for Services	0	0		290,218	290,218
Lease	0	0		12,919	12,919
Rentals	26,690	0		45,836	72,526
Miscellaneous	435,087	0		110,087	545,174
<i>Total Revenues</i>	<i>94,720,450</i>	<i>3,982,416</i>		<i>23,688,830</i>	<i>122,391,696</i>
Expenditures					
Current:					
Instruction:					
Regular	38,555,624	0		521,453	39,077,077
Special	8,684,468	0		2,141,794	10,826,262
Vocational	1,614,067	0		1,757	1,615,824
Adult/Continuing	0	0		963,275	963,275
Student Intervention Services	486,032	0		78,192	564,224
Support Services:					
Pupil	4,725,783	0		2,075,454	6,801,237
Instructional Staff	2,488,582	0		3,926,292	6,414,874
Board of Education	170,318	0		0	170,318
Administration	10,158,329	0		2,116,293	12,274,622
Fiscal	1,706,047	95,088		2,295	1,803,430
Business	834,377	0		2,925	837,302
Operation and Maintenance of Plant	12,555,701	0		950,701	13,506,402
Pupil Transportation	5,969,422	0		92,471	6,061,893
Central	1,189,911	0		102,313	1,292,224
Operation of Non-Instructional Services	830,437	0		4,232,426	5,062,863
Food Service Operation	0	0		4,013,856	4,013,856
Extracurricular Activities	943,887	0		531,213	1,475,100
Capital Outlay	3,750	0		4,028,757	4,032,507
Debt Service:					
Principal Retirement	627,190	2,030,000		0	2,657,190
Interest	184,794	263,469		0	448,263
<i>Total Expenditures</i>	<i>91,728,719</i>	<i>2,388,557</i>		<i>25,781,467</i>	<i>119,898,743</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>2,991,731</i>	<i>1,593,859</i>		<i>(2,092,637)</i>	<i>2,492,953</i>
Other Financing Sources (Uses)					
Sale of Capital Assets	25,915	0		0	25,915
Transfers In	0	0		365,915	365,915
Transfers Out	(365,915)	0		0	(365,915)
<i>Total Other Financing Sources (Uses)</i>	<i>(340,000)</i>	<i>0</i>		<i>365,915</i>	<i>25,915</i>
Net Change in Fund Balances	2,651,731	1,593,859		(1,726,722)	2,518,868
<i>Fund Balances (Deficit) Beginning of Year as Previously Reported</i>	<i>17,646,963</i>	<i>-</i>	<i>(159,109)</i>	<i>11,243,316</i>	<i>28,731,170</i>
Changes Within Reporting Entity - See Note 22					
Major Fund to Nonmajor Fund Adjustment					
Elementary and Secondary School Relief	0	0	159,109	(159,109)	0
Nonmajor Fund to Major Fund Adjustment					
Bond Retirement	0	4,970,379	0	(4,970,379)	0
<i>Adjusted Fund Balances Beginning of Year</i>	<i>17,646,963</i>	<i>4,970,379</i>	<i>-</i>	<i>6,113,828</i>	<i>28,731,170</i>
<i>Fund Balances End of Year</i>	<i>\$20,298,694</i>	<i>\$6,564,238</i>		<i>\$4,387,106</i>	<i>\$31,250,038</i>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds \$2,518,868

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

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

Capital Asset Additions	5,042,874
Current Year Depreciation/Amortization	<u>(7,614,646)</u>
Total	(2,571,772)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (19,538)

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

Delinquent Property Taxes	(141,332)
Grants	<u>(337,011)</u>
Tuition and Fees	<u>(1,729)</u>
Total	(480,072)

Repayment of bond, financed purchases and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 2,657,190

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. (178,518)

The internal service funds used by management to charge the costs of insurance and workers' compensation to individual funds are not reported in the district wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. The net revenue (expense) of the internal service funds are allocated among the governmental activities. (99,133)

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

Pension	8,198,518
OPEB	<u>316,548</u>
Total	8,515,066

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

Pension	(7,720,387)
OPEB	<u>947,297</u>
Total	(6,773,090)

In the statement of activities, interest is accrued on outstanding bonds, bond accretion and bond premiums are amortized over the term of the bonds, whereas in the governmental funds an interest expenditure is reported when due and premiums are reported when the bonds are issued.

Accrued Interest	16,191
Bond Accretion	<u>(105,059)</u>
Bond Premium Amortization	<u>130,383</u>
Total	41,515

Change in Net Position of Governmental Activities

See accompanying notes to the basic financial statements

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

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
Revenues				
Property Taxes	\$25,861,464	\$26,584,470	\$26,584,470	\$0
Intergovernmental	65,047,936	65,869,678	65,869,678	0
Interest	317,332	639,126	748,583	109,457
Tuition and Fees	330,442	435,086	445,707	10,621
Extracurricular Activities	0	0	104	104
Contributions and Donations	534	300	300	0
Rentals	34,421	32,342	32,342	0
Miscellaneous	189,690	257,663	331,828	74,165
<i>Total Revenues</i>	<u>91,781,819</u>	<u>93,818,665</u>	<u>94,013,012</u>	<u>194,347</u>
Expenditures				
Current:				
Instruction:				
Regular	41,351,762	38,570,259	38,570,259	0
Special	9,398,668	8,766,472	8,766,472	0
Vocational	1,721,136	1,605,365	1,605,365	0
Student Intervention Services	523,155	487,965	487,965	0
Support Services:				
Pupil	5,157,289	4,810,387	4,810,387	0
Instructional Staff	2,779,064	2,582,883	2,582,883	0
Board of Education	181,068	168,888	168,888	0
Administration	10,780,172	10,055,050	10,055,050	0
Fiscal	1,855,648	1,730,829	1,730,829	0
Business	900,358	839,796	839,796	0
Operation and Maintenance of Plant	13,564,922	12,628,374	12,148,658	479,716
Pupil Transportation	6,493,153	6,035,137	6,035,137	0
Central	1,264,259	1,179,219	1,179,219	0
Operation of Non-Instructional Services	890,385	830,494	830,494	0
Extracurricular Activities	989,740	923,165	923,165	0
Capital Outlay	10,721	10,000	3,750	6,250
Debt Service:				
Principal	627,190	627,190	627,190	0
Interest	184,794	184,794	184,794	0
<i>Total Expenditures</i>	<u>98,673,484</u>	<u>92,036,267</u>	<u>91,550,301</u>	<u>485,966</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,891,665)</u>	<u>1,782,398</u>	<u>2,462,711</u>	<u>680,313</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	25,915	25,915	0
Advances Out	0	0	(175,739)	(175,739)
Transfers Out	0	0	(365,915)	(365,915)
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>25,915</u>	<u>(515,739)</u>	<u>(541,654)</u>
<i>Net Change in Fund Balance</i>	<u>(6,891,665)</u>	<u>1,808,313</u>	<u>1,946,972</u>	<u>138,659</u>
<i>Fund Balance Beginning of Year</i>	<u>23,746,501</u>	<u>23,746,501</u>	<u>23,746,501</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>578,677</u>	<u>578,677</u>	<u>578,677</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$17,433,513</u></u>	<u><u>\$26,133,491</u></u>	<u><u>\$26,272,150</u></u>	<u><u>\$138,659</u></u>

See accompanying notes to the basic financial statements

Youngstown City School District

Statement of Fund Net Position

Internal Service Funds

June 30, 2024

	Internal Service
Assets	
Equity in Pooled Cash and Cash Equivalents	\$4,143,826
Intergovernmental Receivable	49,725
Prepaid Items	<u>222,899</u>
<i>Total Assets</i>	<i>4,416,450</i>
Liabilities	<u>0</u>
Net Position	
Unrestricted	<u><u>\$4,416,450</u></u>

See accompanying notes to the basic financial statements

Youngstown City School District
*Statement of Revenues,
 Expenses and Changes in Fund Net Position
 Internal Service Funds
 For the Fiscal Year Ended June 30, 2024*

	Internal Service
Operating Revenues	
Charges for Services	\$320,185
Miscellaneous	<u>115,014</u>
<i>Total Operating Revenues</i>	<u>435,199</u>
Operating Expenses	
Fringe Benefits	497,216
Purchased Services	39,022
Change in Workers' Compensation Estimate	<u>(1,906)</u>
<i>Total Operating Expenses</i>	<u>534,332</u>
<i>Change in Net Position</i>	(99,133)
<i>Net Position Beginning of Year</i>	<u>4,515,583</u>
<i>Net Position End of Year</i>	<u><u>\$4,416,450</u></u>

See accompanying notes to the basic financial statements

Youngstown City School District
Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2024

Internal
Service

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities

Cash Received from Interfund Services Provided	\$320,185
Other Cash Receipts	65,289
Cash Payments to Employees for Services and Benefits	(493,872)
Cash Payments for Goods and Services	<u>(39,022)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<i>(147,420)</i>
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>4,291,246</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$4,143,826</u></u>

**Reconciliation of Operating Income (Loss) to Net Cash
Provided by (Used for) Operating Activities**

Operating Income (Loss)	<u><u><u>(\$99,133)</u></u></u>
Adjustments:	
(Increase) Decrease in Assets:	
Intergovernmental Receivable	(49,725)
Prepaid Items	4,494
Increase (Decrease) in Liabilities:	
Accounts Payable	(1,150)
Claims Payable	<u>(1,906)</u>
Total Adjustments	<u>(48,287)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u><u>(\$147,420)</u></u></u>

See accompanying notes to the basic financial statements

Youngstown City School District
Statement of Fiduciary Net Position
Private Purpose Trust Fund
For the Fiscal Year Ended June 30, 2024

	Choffin Vocational Programs
Assets	
Equity in Pooled Cash and Cash Equivalents	\$31,043
Liabilities	0
Net Position	
Restricted for Vocational Instruction Programs	\$31,043

See accompanying notes to the basic financial statements

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

	<u>Choffin Vocational Programs</u>
Additions	
Contributions and Donations	\$63,587
Deductions	
Vocational Instruction Programs	<u>82,030</u>
<i>Change in Net Position</i>	(18,443)
<i>Net Position Beginning of Year</i>	<u>49,486</u>
<i>Net Position End of Year</i>	<u><u>\$31,043</u></u>

See accompanying notes to the basic financial statements

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

Note 1 - Description of the School District

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

The School District operates under a locally-elected seven-member Board form of government and provides educational services as authorized by State and Federal agencies. The School District's instructional and support facilities are staffed by 519 non-certified employees, 578 certified full-time teaching personnel and 88 administrative employees, who provide services to students and other community members.

The School District is located in Youngstown, Ohio, Mahoning County, including an area extending roughly five miles around the City. The enrollment for the School District during the 2024 fiscal year was 4,490. The School District operates six elementary schools, two middle schools, one early college middle school, two high schools, one vocational school, one early college high school and one alternative school.

Reporting Entity

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

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

The following activities are included within the reporting entity:

Non-Public Schools - Within the School District boundaries, there are various non-public schools. Current State legislation provides funding to these parochial schools. These monies are received and disbursed by the School District on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

The School District participates in two jointly governed organizations and one shared risk pool. These organizations are the Area Cooperative Computerized Educational Service System (ACCESS) Council of Governments, the Tech Prep Consortium and the Stark County Schools Council of Governments Health Benefits Program. These organizations are discussed in Notes 17 and 18 to the basic financial statements.

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

Note 2 - Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses.

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

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

Fund Accounting

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

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

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

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

Bond Retirement Fund The bond retirement fund is used to account for and report property tax revenues restricted for payment of principal and interest and fiscal charges on general obligation debt. In the prior year, this fund was a nonmajor fund; therefore, the fund balance beginning of year as previously reported includes a “-“ to indicate this amount is included with nonmajor governmental funds.

The other governmental funds of the School District account for grants and other resources whose uses are restricted, committed or assigned to a particular purpose. The elementary and secondary school emergency relief special revenue fund is presented on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds as a formerly major fund as it no longer meets the quantitative threshold to be a major fund. Other than the beginning fund balance, no amounts are presented in the column as this fund's 2024 activity is presented in the other governmental funds column. Information for the beginning balance is presented to reflect the movement from major to nonmajor. The adjusted balance beginning of year includes a “-“ to indicate this amount is included with the nonmajor fund.

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

Internal Service Funds Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District utilizes internal service funds to account for any unanticipated run-off health insurance claims and to account for workers' compensation.

Fiduciary Fund Type Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics. The School District's only trust fund is a private purpose trust fund which accounts for the Choffin Trust fund. The money in the fund is used to purchase equipment and services for vocational instruction programs at Choffin Career and Technical Center. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District did not have any custodial funds at June 30, 2024.

Measurement Focus

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

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

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

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For proprietary funds, the statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from the private purpose trust fund.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements for the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows of resources and in the presentation of expenses versus expenditures.

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

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

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

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension and OPEB plans, leases and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants and tuition and fees. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 18. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

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

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

Budgetary Data

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

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

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

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

Cash and Cash Equivalents

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

During fiscal year 2024, investments were limited to STAR Ohio, first American treasury obligations fund, federal home loan mortgage corporation notes, federal national mortgage association notes, federal home loan bank notes, federal farm credit bank notes, US Treasury notes, commercial paper and negotiable certificates of deposit. Except for STAR Ohio, investments are reported at fair value.

The School District also has a bank account for monies held from the School District's central bank account related to the unreleased debt proceeds for the financed purchase of energy conservation building improvements. The balance in this account is presented on the financial statements as "cash and cash equivalents with fiscal agents".

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

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

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost. The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the general fund during 2024 amounted to \$1,169,941, which includes \$485,561 assigned from other School District funds.

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

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

Prepaid Items

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

Inventory

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

Restricted Assets

Assets are reported as restricted when limitations on their use change in nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the general fund include resources restricted for unclaimed monies.

Capital Assets

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

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

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

Description	Estimated Lives
Buildings and Improvements	20 - 40 years
Furniture and Equipment	5 - 20 years
Vehicles	8 years
Intangible Right to Use - Equipment	5 years

The School District is reporting intangible right to use assets related to leased equipment. The lease assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

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

Leases

The School District serves as both lessee and lessor in various noncancelable leases which are accounted for as follows:

Lessee At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor At the commencement of a lease, the School District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Interfund Balances

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

Compensated Absences

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

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

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

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

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, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds, financed purchases and leases are recognized as a liability on 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.

Bond Premium

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

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws, or regulations of other governments adopted by the School District. Net position restricted for other purposes include resources restricted for instruction, support services, operation of non-instructional services, food service operations and extracurricular activities. Restricted net position for OPEB plans represents the corresponding restricted asset amounts held in trust by the OPEB plans for future benefits.

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

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

Fund Balance

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

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

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education, or a School District official delegated that authority by State statute. State statute authorizes the Treasurer to assign fund balance purchases on order provided such amounts have been lawfully appropriated. The Board of Education assigned fund balance for pupil support services.

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

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for self-insurance and workers' compensation programs. Operating expenses are necessary costs that are incurred to provide the good or service that is the primary activity of the fund. Any revenue or expense not meeting the definition of operating is reported as non-operating.

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

Interfund Activity

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

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 non-operating revenues/expenses in the internal service funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Estimates

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

Note 3 – Accountability

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

<i>Other Governmental Funds:</i>	
Adult Education	\$1,165,373
Athletics and Music	920
Public Preschool	150,997
Adult Basic Education	143,163
Race to the Top	89,305
Elementary and Secondary School Emergency Relief	113,117
Title IV, Part B 21st Century	11,904
Title VI-B	318,302
Vocational Education	23,657
Limited English Proficiency	10,043
Title I	564,635
Title IV-A	39,867
Preschool for Handicapped	3,176
Reducing Class Size	121,181
Miscellaneous Federal Grants	8,926

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

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

Note 4 - Fund Balances

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

Fund Balances	General	Bond Retirement	Other Governmental Funds	Total
<i>Nonspendable</i>				
Prepays	\$75,271	\$0	\$0	\$75,271
Materials and Supplies Inventory	0	0	15,918	15,918
Unclaimed Monies	572,768	0	0	572,768
<i>Total Nonspendable</i>	<i>648,039</i>	<i>0</i>	<i>15,918</i>	<i>663,957</i>
<i>Restricted for</i>				
Food Service Operations	0	0	3,053,715	3,053,715
Scholarship	0	0	20,533	20,533
Student Enrichment	0	0	680,334	680,334
Classroom Facilities Maintenance	0	0	2,047,311	2,047,311
Student/Extracurricular Activities	0	0	305,105	305,105
Non-Public Schools	0	0	772,768	772,768
Data Communications	0	0	57,779	57,779
Entry Year Programs	0	0	200	200
Debt Service Payments	0	6,564,238	0	6,564,238
Capital Improvements	0	0	43,601	43,601
<i>Total Restricted</i>	<i>0</i>	<i>6,564,238</i>	<i>6,981,346</i>	<i>13,545,584</i>
<i>Committed to</i>				
Educational Service Center Services	1,795	0	0	1,795
Teaching/Student Services	34,751	0	0	34,751
Consulting and Audit Services	10,741	0	0	10,741
Other Purposes	125	0	0	125
Capital Improvements	0	0	154,408	154,408
<i>Total Committed</i>	<i>47,412</i>	<i>0</i>	<i>154,408</i>	<i>201,820</i>
<i>Assigned to</i>				
Purchases on Order	61,216	0	0	61,216
Pupil Support Services	81,990	0	0	81,990
<i>Total Assigned</i>	<i>143,206</i>	<i>0</i>	<i>0</i>	<i>143,206</i>
<i>Unassigned (Deficit)</i>				
	19,460,037	0	(2,764,566)	16,695,471
<i>Total Fund Balances</i>	<i>\$20,298,694</i>	<i>\$6,564,238</i>	<i>\$4,387,106</i>	<i>\$31,250,038</i>

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

Note 5 - Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
4. Unrecorded cash represents amounts received but not reported by the School District on the budgetary statements, but which is reported on the GAAP basis operating statements.
5. Investments are reported at cost (budget) rather than fair value (GAAP).
6. Encumbrances are treated as expenditures (budget) rather than as restricted, committed or assigned fund balance (GAAP).
7. Budgetary revenues and expenditures of the public school support fund are classified to general fund for GAAP Reporting.

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

Net Change in Fund Balance	
	General
GAAP Basis	\$2,651,731
Revenue Accruals	(238,900)
Beginning Unrecorded Cash	327,757
Beginning Fair Value Adjustment for Investments	(481,562)
Ending Fair Value Adjustment for Investments	105,810
Expenditure Accruals	108,884
Perspective Difference:	
Public School Support	10,721
Advances Out	(175,739)
Encumbrances	(361,730)
Budget Basis	<u><u>\$1,946,972</u></u>

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

Note 6 - Deposits and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

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

8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time, if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2024, \$5,133,189 of the School District's total bank balance of \$21,745,655 was exposed to custodial credit risk, because those deposits were uninsured and uncollateralized. One of the School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 60 percent resulting in the uninsured and uncollateralized balance.

The School District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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

Investments

Investments are reported at fair value. As of June 30, 2024, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percentage of Total Investments
Net Asset Value (NAV) per share				
STAR Ohio	<u>\$2,963,969</u>	Average 46.5 Days	AAAm	N/A
Amortized Cost				
Commercial Paper	<u>3,726,561</u>	Less than one year	A-1+ or A-1	16.48%
Fair Value - Level One Inputs				
First American Treasury Obligations Fund	<u>32,657</u>	Less than one year	AAAm	N/A
Fair Value - Level Two Inputs				
Federal Home Loan Mortgage Corporation Notes	499,526	Less than three years	AA+	N/A
Federal Home Loan Bank Notes	3,459,495	Less than five years	AA+	15.30%
Federal National Mortgage Association Notes	796,937	Less than two years	AA+	N/A
Federal Farm Credit Bank Notes	992,572	Less than five year	AA+	N/A
US Treasury Notes	1,458,726	Less than five year	AA+	6.45%
Negotiable Certificates of Deposit	8,686,301	Less than five years	N/A	38.41%
Total Fair Value - Level Two Inputs	<u>15,893,557</u>			
Total Investments	<u>\$22,616,744</u>			

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

Interest Rate Risk As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity. Repurchase agreements are limited to 30 days and the market value of the underlying securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

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

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

Concentration of Credit Risk. The School District places no limit on the amount it may invest in any one issuer.

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or 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 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien on December 31, 2022, were levied after April 1, 2023, and are collected in 2024 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

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

The amount available as an advance at June 30, 2024 was \$801,374 in the general fund and \$150,626 in the bond retirement fund. The amount available as an advance at June 30, 2023 was \$499,404 in the general fund, \$41,069 in the bond retirement fund and \$4,527 in the classroom facilities maintenance special revenue fund.

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

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

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

	2023 Second Half Collections		2024 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$453,991,250	81.58%	\$639,423,370	85.51%
Public Utility	102,500,650	18.42	108,330,070	14.49
Total Assessed Value	\$556,491,900	100.00%	\$747,753,440	100.00%
Tax rate per \$1,000 of assessed valuation	\$61.00		\$60.33	

Note 8 - Receivables

Receivables at June 30, 2024, consisted of taxes, accrued interest, accounts (tuition and fees and charges for services), leases and intergovernmental. Except for property taxes, receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current fiscal year guarantee of Federal funds. All receivables, except for property taxes and leases, are expected to be collected within one year. Property taxes include some portion of delinquencies that will not be collected within one year.

	Taxes Receivable	Estimated Uncollectible	Net Receivable
	<u> </u>	<u> </u>	<u> </u>
Property Taxes	<u>\$45,895,021</u>	<u>\$13,037,779</u>	<u>\$32,857,242</u>

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<i>Governmental Activities</i>	
Title I Grants	\$2,165,645
Title VI-B Grants	402,044
SERS Employer Refund	210,996
Reducing Class Size Grants	202,525
Preschool Grants	184,195
Foundation Adjustments	123,768
Elementary and Secondary School Emergency Relief Grant	113,117
Miscellaneous Federal Grants	81,315
Title IV Part A Grants	77,471
Medicaid Reimbursement	41,254
Title IV, Part B 21st Century Grants	37,049
Federal Breakfast and Lunch Reimbursements	37,004
Vocational Education Grants	35,867
JJC Reimbursements	13,771
Limited English Proficiency Grants	10,043
JROTC Reimbursement	6,177
E-Rate Reimbursement	5,701
Miscellaneous State Grants	3,180
<i>Total Governmental Activities</i>	<u><u>\$3,751,122</u></u>
<i>Internal Service Fund</i>	
BWC Premium Refund	<u><u>\$49,725</u></u>

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

Lease Receivable

The School District is reporting a lease receivable of \$157,349 in the permanent improvement capital projects fund at June 30, 2024. These amounts represent the discounted future lease payments. This discount is being amortized using the interest method. For fiscal year 2024, the School District recognized lease revenue of \$12,919 and interest revenue of \$2,784 in the permanent improvement capital projects fund.

A description of the School District's leasing arrangement is as follows:

Cell Tower Lease – The School District has entered into a lease agreement for a cell tower with Crown Castle. The lease commenced on August 29, 2005, for a period of thirty years ending August 28, 2035. Payments are received on a monthly basis.

A summary of future lease revenue is as follows:

Fiscal Year	Permanent Improvement	
	Principal	Interest
2025	\$11,103	\$2,184
2026	12,296	2,200
2027	12,647	2,006
2028	13,638	1,800
2029	13,853	1,585
2030-2034	74,817	4,546
2035-2036	18,995	186
	<u>\$157,349</u>	<u>\$14,507</u>

Note 9 – Tax Abatements

For fiscal year 2024, the School District's property taxes were reduced by \$1,085,706 and \$218,980, respectively, under commercial community reinvestment areas and enterprise zone agreements entered into by Mahoning County.

Note 10 – Contingencies

Grants

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

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. DEW has finalized the impact of enrollment adjustments to the June 30, 2024 foundation funding for the School District.

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

Litigation

The Youngstown City School District is currently a party to legal proceedings seeking damages or injunctive relief generally incidental to its operations and pending projects. The School District management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

Note 11 – Capital Assets

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

	Balance 6/30/2023	Additions	Deductions	Balance 6/30/2024
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$1,002,781	\$0	\$0	\$1,002,781
Construction in Progress	6,325,248	4,028,757	(2,634,311)	7,719,694
<i>Total Nondepreciable Capital Assets</i>	<u>7,328,029</u>	<u>4,028,757</u>	<u>(2,634,311)</u>	<u>8,722,475</u>
<i>Depreciable/Amortizable Capital Assets</i>				
<i>Tangible Assets</i>				
Buildings and Improvements	213,442,971	2,697,536	0	216,140,507
Furniture and Equipment	24,927,011	950,892	(152,171)	25,725,732
Vehicles	11,483,102	0	0	11,483,102
<i>Total Tangible Assets</i>	<u>249,853,084</u>	<u>3,648,428</u>	<u>(152,171)</u>	<u>253,349,341</u>
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Equipment	804,694	0	0	804,694
<i>Total Depreciable/Amortizable Capital Assets</i>	<u>250,657,778</u>	<u>3,648,428</u>	<u>(152,171)</u>	<u>254,154,035</u>
<i>Less: Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Buildings and Improvements	(94,541,775)	(5,472,725)	0	(100,014,500)
Furniture and Equipment	(19,302,723)	(782,560)	132,633	(19,952,650)
Vehicles	(3,774,348)	(1,198,422)	0	(4,972,770)
<i>Total Depreciation</i>	<u>(117,618,846)</u>	<u>(7,453,707)</u>	<u>132,633</u>	<u>(124,939,920)</u>
<i>Amortization</i>				
Intangible Right to Use - Equipment	(80,469)	(160,939)	0	(241,408)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(117,699,315)</u>	<u>(7,614,646) *</u>	<u>132,633</u>	<u>(125,181,328)</u>
<i>Total Depreciable/Amortizable Capital Assets, Net</i>	<u>132,958,463</u>	<u>(3,966,218)</u>	<u>(19,538)</u>	<u>128,972,707</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$140,286,492</u>	<u>\$62,539</u>	<u>(\$2,653,849)</u>	<u>\$137,695,182</u>

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

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

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction:			
Regular	\$2,884,027	\$0	\$2,884,027
Special	664,027	0	664,027
Vocational	81,761	0	81,761
Adult/Continuing	5,117	0	5,117
Support Services:			
Pupil	496,351	0	496,351
Instructional Staff	358,215	0	358,215
Administration	475,245	0	475,245
Business	2,184	0	2,184
Operation and Maintenance of Plant	683,167	0	683,167
Pupil Transportation	773,429	0	773,429
Central	0	160,939	160,939
Operation of Non-Instructional Services	154,598	0	154,598
Food Service Operation	101,976	0	101,976
Extracurricular Activities	773,610	0	773,610
Total	\$7,453,707	\$160,939	\$7,614,646

Note 12 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2024, the School District contracted with Liberty Mutual Insurance for property and liability insurance. The comprehensive commercial insurance coverage limits are \$473,292,425 with a \$50,000 deductible. The business auto coverage limits are \$1,000,000 for liability and \$1,000,000 for uninsured motorists with deductibles of \$1,000 for private passenger and \$3,000 for buses. The School District has umbrella liability insurance coverage limits of \$5,000,000 per claim and general aggregate.

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

A \$50,000 public official bond is maintained for the Chief of Staff/Operations Manager; a \$500,000 surety bond for the Treasurer; and a \$250,000 public official bond for the Superintendent. These bonds are maintained for the Chief of Staff/Operations Manager and Treasurer by Liberty Surety.

Worker's Compensation

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

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

The School District was retrospectively rated by the Bureau of Workers' Compensation for periods through December 31, 2014. As of June 30, 2024, all retrospective rating periods have been closed and therefore the balance of claims payable is zero.

Changes in claims activity for the past two fiscal years are as follows:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Change in Workers' Compensation Estimate	Balance at End of Year
2023	\$16,432	\$1,906	\$1,698	(\$14,734)	\$1,906
2024	1,906	0	0	(1,906)	0

Employee Health Benefits

Beginning in January 2016, the School District was a participant in the Stark County Schools Council of Governments Health Benefits program to provide medical, prescription drug, dental and vision insurance. The Council is a risk sharing pool created pursuant to State statute for the purpose of carrying out a cooperative program for the provision and administration of health care benefits. The Health Benefits program is administered through Medical Mutual.

Rates are set through an annual calculation process. The School District pays a monthly contribution which is placed in a common fund from which claims or payments are made for all participating districts and claims are paid for all participants regardless of claims flow.

During fiscal year 2024, the School District did not have any run-off health insurance claims or life insurance claim payouts.

Note 13 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

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

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

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

The School District’s contractually required contribution to SERS was \$2,511,697 for fiscal year 2024. Of this amount, \$0 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients’ base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board’s actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

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

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

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

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

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

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

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

The School District's contractually required contribution to STRS was \$5,686,821 for fiscal year 2024. Of this amount \$768,345 is reported as an intergovernmental payable.

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

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.48724520%	0.31389915%	
Prior Measurement Date	0.46220030%	0.31686633%	
Change in Proportionate Share	<u>0.02504490%</u>	<u>-0.00296718%</u>	
Proportionate Share of the Net			
Pension Liability	\$26,922,808	\$67,597,987	\$94,520,795
Pension Expense	\$2,939,480	\$4,780,907	\$7,720,387

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$1,157,203	\$2,464,480	\$3,621,683
Changes of assumptions	190,710	5,567,061	5,757,771
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	1,259,141	160,565	1,419,706
School District contributions subsequent to the measurement date	<u>2,511,697</u>	<u>5,686,821</u>	<u>8,198,518</u>
Total Deferred Outflows of Resources	<u><u>\$5,118,751</u></u>	<u><u>\$13,878,927</u></u>	<u><u>\$18,997,678</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$150,002	\$150,002
Changes of assumptions	0	4,190,396	4,190,396
Net difference between projected and actual earnings on pension plan investments	378,423	202,593	581,016
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	1,594,983	1,594,983
Total Deferred Inflows of Resources	<u><u>\$378,423</u></u>	<u><u>\$6,137,974</u></u>	<u><u>\$6,516,397</u></u>

\$8,198,518 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$851,211	(\$1,298,962)	(\$447,751)
2026	(645,024)	(2,557,599)	(3,202,623)
2027	2,002,387	6,493,767	8,496,154
2028	<u>20,057</u>	<u>(583,074)</u>	<u>(563,017)</u>
Total	<u><u>\$2,228,631</u></u>	<u><u>\$2,054,132</u></u>	<u><u>\$4,282,763</u></u>

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

Actuarial Assumptions – SERS

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

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

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

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

June 30, 2023	
Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after
	April 1, 2018, COLAs for future
	retirees will be delayed for three
	years following commencement
Investment Rate of Return	7.00 percent net of
	System expenses
Actuarial Cost Method	Entry Age Normal
	(Level Percent of Payroll)

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$39,736,687	\$26,922,808	\$16,129,553

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

Actuarial Assumptions – STRS

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

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

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

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

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

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

* Final target weights reflected at October 1, 2022.

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

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan

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

members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$103,950,742	\$67,597,987	\$36,853,503

Note 14 – Defined Benefit OPEB Plans

See Note 13 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

Health Care Plan Description – The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

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

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$316,548.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$316,548 for fiscal year 2024, which is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.48664650%	0.31389915%	
Prior Measurement Date	0.47185860%	0.31686633%	
Change in Proportionate Share	<u>0.01478790%</u>	<u>-0.00296718%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$8,017,235	\$0	\$8,017,235
Net OPEB (Asset)	\$0	(\$6,104,904)	(\$6,104,904)
OPEB Expense	(\$673,763)	(\$273,534)	(\$947,297)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$16,702	\$9,517	\$26,219
Changes of assumptions	2,710,863	899,343	3,610,206
Net difference between projected and actual earnings on OPEB plan investments	62,136	10,899	73,035
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	228,353	92,692	321,045
School District contributions subsequent to the measurement date	<u>316,548</u>	<u>0</u>	<u>316,548</u>
Total Deferred Outflows of Resources	<u>\$3,334,602</u>	<u>\$1,012,451</u>	<u>\$4,347,053</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$4,134,786	\$931,147	\$5,065,933
Changes of assumptions	2,276,972	4,027,925	6,304,897
Changes in Proportionate Share and difference between School District contributions and proportionate share of contributions	752,994	17,097	770,091
Total Deferred Inflows of Resources	<u>\$7,164,752</u>	<u>\$4,976,169</u>	<u>\$12,140,921</u>

\$316,548 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$1,426,802)	(\$1,715,836)	(\$3,142,638)
2026	(1,308,809)	(826,952)	(2,135,761)
2027	(794,127)	(314,198)	(1,108,325)
2028	(412,066)	(424,060)	(836,126)
2029	(244,437)	(388,031)	(632,468)
Thereafter	<u>39,543</u>	<u>(294,641)</u>	<u>(255,098)</u>
Total	<u><u>(\$4,146,698)</u></u>	<u><u>(\$3,963,718)</u></u>	<u><u>(\$8,110,416)</u></u>

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

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.

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

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

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

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

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

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

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

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

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

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

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$10,248,319	\$8,017,235	\$6,257,933
	1% Decrease (5.75% decreasing to 3.40%)	Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$5,889,985	\$8,017,235	\$10,836,128

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

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

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

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB (asset)	(\$5,167,003)	(\$6,104,904)	(\$6,921,718)
	Current		
	1% Decrease	Trend Rate	1% Increase
School District's proportionate share of the net OPEB (asset)	(\$6,959,621)	(\$6,104,904)	(\$5,075,413)

Note 15 - Employee Benefits

Compensated Absences

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

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated to a maximum of 285 days for administrators, 275 days for certified and 300 days for classified employees. Upon retirement, payment is made for one-fourth of the total sick leave accumulation for certified employees. Administrators are paid forty five percent of accrued unused sick leave upon retirement. Classified employees hired on or before February 1, 2010 receive payment for fifty-five percent of accumulated sick leave up to 170 days. Classified employees hired after February 1, 2010 receive twenty five percent of accumulated sick leave up to 75 days. An employee receiving such payment must meet the retirement provisions set by STRS or SERS and must also have ten years of service with the School District.

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

Life Insurance

The School District provides life insurance to its employees. Coverage is equal to the employee's basic annual earnings, rounded to the next higher \$1,000. The maximum amount of coverage is \$300,000 for any full-time permanent non-certified or certified employee. The School District does not currently have any employees whose salary is \$300,000. Life insurance coverage is provided through the Stark County Council of Governments.

Note 16 - Long-Term Obligations

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

	Principal Outstanding 6/30/23	Additions	Deductions	Principal Outstanding 6/30/24	Amounts Due in One Year
<i>General Obligation Bonds</i>					
2005 Classroom Facilities Bonds					
Serial Bonds	\$55,000	\$0	\$0	\$55,000	\$0
Unamortized Premium	20,830	0	4,166	16,664	0
Total 2005 Classroom Facilities Bonds	<u>75,830</u>	<u>0</u>	<u>4,166</u>	<u>71,664</u>	<u>0</u>
2012 Classroom Facilities Refunding Bonds					
Serial Bonds	1,880,000	0	1,880,000	0	0
Unamortized Premium	62,539	0	62,539	0	0
Total 2012 Classroom Facilities Refunding Bonds	<u>1,942,539</u>	<u>0</u>	<u>1,942,539</u>	<u>0</u>	<u>0</u>
2013 Classroom Facilities Refunding Bonds					
Serial Bonds	6,795,000	0	0	6,795,000	2,205,000
Capital Appreciation Bonds	444,988	0	0	444,988	0
Accretion on Bonds	677,456	105,059	0	782,515	0
Term Bonds	150,000	0	150,000	0	0
Unamortized Premium	281,245	0	63,678	217,567	0
Total 2013 Classroom Facilities Refunding Bonds	<u>8,348,689</u>	<u>105,059</u>	<u>213,678</u>	<u>8,240,070</u>	<u>2,205,000</u>
Total General Obligation Bonds	<u>10,367,058</u>	<u>105,059</u>	<u>2,160,383</u>	<u>8,311,734</u>	<u>2,205,000</u>
<i>Other Long-term Obligations</i>					
Net Pension Liability					
STRS	70,439,784	0	2,841,797	67,597,987	0
SERS	24,999,388	1,923,420	0	26,922,808	0
Total Net Pension Liability	<u>95,439,172</u>	<u>1,923,420</u>	<u>2,841,797</u>	<u>94,520,795</u>	<u>0</u>
Net OPEB Liability					
SERS	6,624,944	1,392,291	0	8,017,235	0
Financed Purchases from direct borrowing	3,022,969	0	519,503	2,503,466	223,363
Lease Payable	804,694	0	107,687	697,007	150,324
Claims Payable	1,906	0	1,906	0	0
Compensated Absences	5,037,820	407,708	229,190	5,216,338	284,535
Total Other Long-term Obligations	<u>110,931,505</u>	<u>3,723,419</u>	<u>3,700,083</u>	<u>110,954,841</u>	<u>658,222</u>
<i>Total Governmental Activities</i>	<u><i>\$121,298,563</i></u>	<u><i>\$3,828,478</i></u>	<u><i>\$5,860,466</i></u>	<u><i>\$119,266,575</i></u>	<u><i>\$2,863,222</i></u>

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

The classroom facilities bonds will be paid with property taxes from the debt service fund. The financed purchases payable and lease payable will be paid from the general fund. Compensated absences will be paid from the fund from which the employees' salaries are paid. These funds include the general fund, and the food service, adult education, public preschool, title VI-B, vocational education, limited English proficiency, title I, title IV-A, preschool for handicapped, reducing class size and miscellaneous federal grants special revenue funds. There are no repayment schedules for the net pension liability and net OPEB liability. However, employer pension and OPEB contributions are made from the following funds: the general fund, and the food service, adult education, public preschool, title VI-B, vocational education, title I, preschool for handicapped, title IV-A, reducing class size and miscellaneous federal grants special revenue funds. For additional information related to the net pension and net OPEB liabilities see Notes 13 and 14.

On March 2, 2005, the School District issued \$35,625,000 in classroom facilities bonds for the construction of new schools. The bonds will be paid using tax revenue from the debt service fund. The bonds were issued for a twenty-two year period with a final maturity of December 1, 2027. The bonds were issued at a premium of \$932,964. On December 20, 2012 and February 20, 2013, a portion of the serial bonds were retired by the School District through an advance refunding. Serial bonds of \$55,000 remained outstanding at June 30, 2024.

On December 20, 2012, the School District issued \$14,610,000 in general obligation serial bonds to refund a portion of the 2005 classroom facilities bonds. The bonds were issued for an eleven year period with a final maturity at December 1, 2023. These bonds were fully retired during fiscal year 2024.

On February 20, 2013, the School District issued \$8,779,988 in general obligation bonds to refund a portion of the 2005 classroom facilities bonds. The general obligation bonds included serial, term and capital appreciation (deep discount) bonds in the amount of \$7,615,000, \$720,000 and \$444,988, respectively. The bonds were issued for a fifteen year period with a final maturity at December 1, 2027. The bonds will be retired from the debt service fund.

The maturity amount of outstanding capital appreciation bonds at June 30, 2024 is \$1,665,000. The accretion recorded for fiscal year 2024 was \$105,059, for a total outstanding bond liability of \$1,227,503 at June 30, 2024.

The School District's overall debt margin was \$66,567,060 with an unvoted debt margin of \$747,753 at June 30, 2024. Principal and interest requirements to retire the classroom facilities bonds are as follows:

<u>General Obligation Bonds</u>				
	Serial		Capital Appreciation	
	Principal	Interest	Principal	Interest
2025	\$2,205,000	\$199,469	\$0	\$0
2026	2,255,000	135,201	0	0
2027	2,335,000	49,038	0	0
2028	55,000	1,169	444,988	1,220,012
Total	<u>\$6,850,000</u>	<u>\$384,877</u>	<u>\$444,988</u>	<u>\$1,220,012</u>

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

Financed Purchase – In fiscal year 2023, the School District entered into a financed purchase agreement for energy conservation building improvements in the amount of \$2,715,394 to be paid from the general fund.

Principal and interest requirements to retire financed purchases outstanding at June 30, 2024, are as follows:

Fiscal Year Ending June 30	<i>From Direct Borrowings</i>	
	Financed Purchases	
	Principal	Interest
2025	\$223,363	\$135,087
2026	235,416	123,034
2027	248,119	110,331
2028	261,508	96,943
2028	275,618	82,832
2029-2033	<u>1,259,442</u>	<u>174,360</u>
Total	<u><u>\$2,503,466</u></u>	<u><u>\$722,587</u></u>

The School District has an outstanding agreement to lease copiers. Statement 87, this lease meets the criteria of a lease thus requiring it to be recorded by the School District. The future lease payments were discounted based on the interest rate implicit in the lease. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining leases is as follows:

Fiscal Year Ending June 30	<i>Leases</i>	
	Principal	Interest
2024	\$150,324	\$33,010
2025	158,409	24,925
2026	166,928	16,406
2027	175,906	7,428
2028	<u>45,440</u>	<u>394</u>
Total	<u><u>\$697,007</u></u>	<u><u>\$82,163</u></u>

Note 17 - Jointly Governed Organizations

Area Cooperative Computerized Educational Service System Council of Governments

The Area Cooperative Computerized Educational Service System (ACCESS) Council of Governments is a computer network which provides data services to twenty-six school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The degree of control exercised by any participating school district is limited to its representation on the Board. Each of the governments of these schools supports ACCESS based upon a per pupil charge before any e-rate credits. Youngstown City School District paid \$293,096 to ACCESS during fiscal year 2024. ACCESS is governed by an assembly consisting of the superintendents or other designees of the member school districts. The assembly exercises total control over the operation of ACCESS including budgeting, appropriating, contracting and designating management. All of ACCESS revenues are generated from charges for services and State funding. Financial information can be obtained by contacting the Treasurer, Access Council of Governments, 493 Bev Road, Unit 1, Boardman, Ohio 44514.

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

Tech Prep Consortium

The Tech Prep Consortium is a cooperative effort between the School District, Youngstown State University and Mahoning County Career and Technical Center to support programs in business, engineering and health technology through business, industry, labor and educational personnel. All of the consortium revenues are from a federal grant. The consortium is governed by an executive committee consisting of the superintendents of the school districts, the President of Youngstown State University and a representative from business or industry. The committee exercises total control over the operation of the Consortium, including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Board. The School District did not contribute any amounts to the Tech Prep Consortium during fiscal year 2024.

Note 18 – Shared Risk Pool

Stark County Schools Council of Governments Health Benefits Program The School District participates in the Stark County Schools Council of Governments Health Benefits program. This is a shared risk pool created pursuant to State statute for the purpose of administering health care benefits. The Council is governed by an Assembly, which consists of one representative from each participating member (usually the Superintendent or designee). The Assembly elects officers for one-year terms to serve on the Board of Directors. The Assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services received from the participating members, based on the established premiums for the insurance plans.

Note 19 - Set-Aside Calculations

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

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

	<u>Capital Improvements</u>
Set-Aside Balance as of June 30, 2023	\$0
Current Year Set-Aside Requirement	980,554
Offsets	(2,293,469)
Qualifying Disbursements	(185,195)
Total	<u><u>(\$1,498,110)</u></u>
Set-Aside Balance as of June 30, 2024 and Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>

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

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

Note 20 - Interfund Transactions

Interfund Transfers

The general fund transferred \$365,915 to the other governmental funds to help provide funding for fiscal year 2024.

Interfund Balances

Interfund Payable	Interfund Receivable General
<i>Other Governmental Funds:</i>	
Adult Education	\$1,124,377
Auxiliary Services	32,231
Public Preschool	64,972
Adult Basic Education	232,560
Race to the Top	107,000
Title IV, Part B 21st Century	37,049
Title VI-B	99,215
Vocational Education	12,294
Limited English Proficiency	2,751
Title I	1,439,324
Title IV-A	40,153
Preschool for Handicapped	5,630
Reducing Class Size	181,130
Miscellaneous Federal Grants	57,770
<i>Total All Funds</i>	<u><u>\$3,436,456</u></u>

Interfund receivables/payables of \$3,436,456 between the general fund and various other special revenue funds are due to deficit cash balances and to the timing of the receipt of grant monies. The general fund provides temporary funding of the programs until the grant dollars are received.

Note 21 – Significant Commitments

Contractual Commitments

The School District had the following contractual commitments outstanding at June 30, 2024:

Vendor	Contract Amount	Amount Paid	Remaining on Contract
Gardiner Service Company	<u><u>\$1,863,605</u></u>	<u><u>\$1,244,077</u></u>	<u><u>\$619,528</u></u>

\$619,528 of the remaining commitments were encumbered at fiscal year-end. The amount of \$113,117 in contracts payable has been capitalized.

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

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General	\$361,730
Other Governmental Funds	<u>2,114,794</u>
Total	<u><u>\$2,476,524</u></u>
Internal Service Funds	<u><u>\$1,319</u></u>

Note 22 – Change in Accounting Principle and Changes within the Financial Reporting Entity

Change in Accounting Principle

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

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

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

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

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

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

Changes within the Financial Reporting Entity

For fiscal year 2024, the Bond Retirement debt service fund presentation was adjusted from nonmajor to major due to meeting the quantitative threshold for a major fund. Inversely, the Elementary and Secondary School Emergency special revenue fund presentation was adjusted from major to nonmajor due to no longer meeting the quantitative threshold for a major fund. These changes are separately displayed in the financial statements.

Note 23 – COVID-19

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

Note 24 – Related Party Transactions

The Department of Education issued regulations under Title 34, Code of Federal Regulations section 668.23(d)(1), effective for financial statements issued after July 1, 2024, regarding additional disclosures for related party transactions. For fiscal year 2024, the School District does not have any related party transactions or related party outstanding balances meeting these disclosure requirements.

Required Supplementary Information

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

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.48724520%	0.46220030%	0.44734700%	0.46554480%
School District's Proportionate Share of the Net Pension Liability	\$26,922,808	\$24,999,388	\$16,505,807	\$30,792,115
School District's Covered Payroll	\$19,453,243	\$17,295,300	\$15,579,893	\$16,387,214
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	138.40%	144.54%	105.94%	187.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.50206830%	0.50855900%	0.47715350%	0.45881240%	0.46925940%	0.47112400%
\$30,039,627	\$29,126,116	\$28,508,866	\$33,580,834	\$26,776,396	\$23,843,316
\$17,239,807	\$16,632,244	\$14,900,043	\$14,542,950	\$14,200,157	\$13,739,579
174.25%	175.12%	191.33%	230.91%	188.56%	173.54%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

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

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.48664650%	0.47185860%	0.46053430%	0.47791130%
School District's Proportionate Share of the Net OPEB Liability	\$8,017,235	\$6,624,944	\$8,715,989	\$10,386,577
School District's Covered Payroll	\$19,453,243	\$17,295,300	\$15,579,893	\$16,387,214
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.21%	38.30%	55.94%	63.38%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%

(1) Although this schedule is intended to reflect information for ten years, information prior fiscal year 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.51335730%	0.51403350%	0.48297070%	0.46349940%
\$12,909,855	\$14,260,678	\$12,961,665	\$13,211,447
\$17,239,807	\$16,632,244	\$14,900,043	\$14,542,950
74.88%	85.74%	86.99%	90.84%
15.57%	13.57%	12.46%	11.49%

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

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.31389915%	0.31686633%	0.31353960%	0.31607122%
School District's Proportionate Share of the Net Pension Liability	\$67,597,987	\$70,439,784	\$40,088,856	\$76,477,989
School District's Covered Payroll	\$40,885,379	\$41,290,857	\$39,079,079	\$38,346,771
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	165.34%	170.59%	102.58%	199.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.32554110%	0.32939440%	0.31622409%	0.32028947%	0.33056756%	0.31995006%
\$71,991,458	\$72,426,434	\$75,119,710	\$107,210,541	\$91,359,205	\$77,822,927
\$38,486,457	\$37,667,750	\$36,028,471	\$33,663,150	\$34,795,407	\$32,455,057
187.06%	192.28%	208.50%	318.48%	262.56%	239.79%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

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

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability/Asset	0.31389915%	0.31686633%	0.31353960%	0.31607122%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$6,104,904)	(\$8,204,724)	(\$6,610,724)	(\$5,554,944)
School District's Covered Payroll	\$40,885,379	\$41,290,857	\$39,079,079	\$38,346,771
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-14.93%	-19.87%	-16.92%	-14.49%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.50%	230.70%	174.70%	182.10%

(1) Although this schedule is intended to reflect information for ten years, information prior fiscal year 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.32554110%	0.32939440%	0.31622409%	0.32028947%
(\$5,391,741)	(\$5,293,031)	\$12,337,897	\$17,129,164
\$38,486,457	\$37,667,750	\$36,028,471	\$33,663,150
-14.01%	-14.05%	34.24%	50.88%
174.70%	176.00%	47.10%	37.30%

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

	2024	2023	2022	2021
Net Pension Liability				
Contractually Required Contribution	\$2,511,697	\$2,723,454	\$2,421,342	\$2,181,185
Contributions in Relation to the Contractually Required Contribution	<u>(2,511,697)</u>	<u>(2,723,454)</u>	<u>(2,421,342)</u>	<u>(2,181,185)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll (1)	\$17,940,693	\$19,453,243	\$17,295,300	\$15,579,893
Pension Contributions as a Percentage of Covered Payroll	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$316,548	\$276,279	\$304,338	\$292,440
Contributions in Relation to the Contractually Required Contribution	<u>(316,548)</u>	<u>(276,279)</u>	<u>(304,338)</u>	<u>(292,440)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
OPEB Contributions as a Percentage of Covered Payroll	<u><u>1.76%</u></u>	<u><u>1.42%</u></u>	<u><u>1.76%</u></u>	<u><u>1.88%</u></u>
Total Contributions as a Percentage of Covered Payroll (2)	<u><u>15.76%</u></u>	<u><u>15.42%</u></u>	<u><u>15.76%</u></u>	<u><u>15.88%</u></u>

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
\$2,294,210	\$2,327,374	\$2,245,353	\$2,086,006	\$2,036,013	\$1,871,581
(2,294,210)	(2,327,374)	(2,245,353)	(2,086,006)	(2,036,013)	(1,871,581)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$16,387,214	\$17,239,807	\$16,632,244	\$14,900,043	\$14,542,950	\$14,200,157
<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>
\$282,503	\$394,081	\$352,427	\$257,542	\$228,283	\$357,004
(282,503)	(394,081)	(352,427)	(257,542)	(228,283)	(357,004)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.72%</u>	<u>2.29%</u>	<u>2.12%</u>	<u>1.73%</u>	<u>1.57%</u>	<u>2.51%</u>
<u>15.72%</u>	<u>15.79%</u>	<u>15.62%</u>	<u>15.73%</u>	<u>15.57%</u>	<u>15.69%</u>

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

	2024	2023	2022	2021
Net Pension Liability				
Contractually Required Contribution	\$5,686,821	\$5,723,953	\$5,780,720	\$5,471,071
Contributions in Relation to the Contractually Required Contribution	<u>(5,686,821)</u>	<u>(5,723,953)</u>	<u>(5,780,720)</u>	<u>(5,471,071)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
School District Covered Payroll	\$40,620,150	\$40,885,379	\$41,290,857	\$39,079,079
Pension Contributions as a Percentage of Covered Payroll	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>

Net OPEB Liability (Asset) (1)

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
\$5,368,548	\$5,388,104	\$5,273,485	\$5,043,986	\$4,712,841	\$4,871,357
<u>(5,368,548)</u>	<u>(5,388,104)</u>	<u>(5,273,485)</u>	<u>(5,043,986)</u>	<u>(4,712,841)</u>	<u>(4,871,357)</u>
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$38,346,771	\$38,486,457	\$37,667,750	\$36,028,471	\$33,663,150	\$34,795,407
<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>	<u><u>14.00%</u></u>

Youngstown City School District, Ohio

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

Net Pension Liability

Changes in Benefit Terms/Assumptions – SERS

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

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

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

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

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

Changes in Assumptions - STRS

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

Youngstown City School District, Ohio

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

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

Investment rate of return:

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

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

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

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

Changes in Benefit Term – STRS Pension

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

Youngstown City School District, Ohio

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

Municipal Bond Index Rate:

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

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

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

Changes in Assumptions – STRS

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

Youngstown City School District, Ohio

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2024

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

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

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

Changes in Benefit Terms – STRS OPEB

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

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

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

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

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

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

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

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**YOUNGSTOWN CITY SCHOOL DISTRICT
MAHONING COUNTY**

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

Federal Grantor Pass Through Grantor Program / Cluster Title	Federal AL Number	Total Federal Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education and Workforce:</i>		
<i> Nutrition Cluster:</i>		
<i> Non-Cash Assistance (Food Distribution):</i>		
National School Lunch Program	10.555	\$247,978
<i> Cash Assistance:</i>		
School Breakfast Program	10.553	950,223
National School Lunch Program	10.555	2,485,870
Covid-19 School Lunch Program	10.555	122,485
Fresh Fruit and Vegetable Program	10.582	109,585
<i> Total Nutrition Cluster</i>		<u>3,916,141</u>
<i> Cash-in-Lieu</i>		
Child and Adult Care Food Program	10.558	8,715
<i> Total Cash-in-Lieu and Child and Adult Care Food Program</i>	10.558	<u>160,613</u>
<i> </i>		<u>169,328</u>
<i> Farm to School Grant</i>	10.575	<u>94,644</u>
Total U.S. Department of Agriculture		<u>4,180,113</u>
UNITED STATES DEPARTMENT OF DEFENSE		
<i>Direct Program:</i>		
Junior Reserve Officer Training Corp	12.357	<u>47,804</u>
Total U.S. Department of Defense - Junior ROTC		<u>47,804</u>
UNITED STATES DEPARTMENT OF TREASURY		
<i>Direct Program:</i>		
Covid-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>207,374</u>
Total U.S. Department of Treasury - Coronavirus State and Local Fiscal Recovery Funds		<u>207,374</u>
UNITED STATES DEPARTMENT OF EDUCATION		
<i>Direct Programs:</i>		
<i> Student Financial Aid Cluster:</i>		
Federal Pell Grant Program	84.063	333,559
Federal Direct Student Loans	84.268	406,751
<i> Total Student Financial Aid Cluster</i>		<u>740,310</u>
<i> Passed Through Ohio Department of Education and Workforce:</i>		
Covid-19 Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425 D	79,695
Covid-19 Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425 U	2,130,362
Covid-19 Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425 W	-997
<i> Total Elementary and Secondary School Emergency Relief Fund (ESSER)</i>		<u>2,209,060</u>
<i> Special Education Cluster:</i>		
Special Education-Grants to States (IDEA, Part B)	84.027	2,178,910
Covid-19 Special Education-Grants to States (IDEA, Part B)	84.027	154,631
Special Education-Preschool Grants	84.173	21,377
Covid-19 Special Education-Preschool Grants	84.173	23,201
<i> Total Special Education Cluster</i>		<u>2,378,119</u>
Title I Grants to Local Educational Agencies (Title I, Part A)	84.010	7,870,693
Career and Technical Education - Basic Grants to States	84.048	372,249
Twenty-First Century Community Learning Centers	84.287	126,468
English Language Acquisition Grants (Title III)	84.365	72,705
Improving Teacher Quality State Grants (Title II-A)	84.367	503,482
Student Support Academic Enrichment	84.424	502,714
Computer Literacy State Development	84.371	<u>477,686</u>
Total U.S. Department of Education		<u>15,253,486</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 19,688,777</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**YOUNGSTOWN CITY SCHOOL DISTRICT
MAHONING COUNTY**

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Youngstown City School District (the School 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 School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – NUTRITION CLUSTER

The amount reported on the School District's federal schedule in fiscal year's 2022 and 2023 for AL#10.555 for receipts was \$371,822 and \$66,652 respectively, greater than expenditures, this was because the School District received more money than was spent on the federal program. In fiscal year 2024 the carryover amount used for the current year was \$241,605 for AL#10.555. This leaves a remaining balance of \$196,869 to be used in future years.



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

Youngstown City School District
Mahoning County
20 W. Wood Street
P.O. Box 550
Youngstown, Ohio 44503

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Youngstown City School District, Mahoning County, (the School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated April 24, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

April 24, 2025



65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

Youngstown City School District
Mahoning County
20 W. Wood Street
P.O. Box 550
Youngstown, Ohio 44503

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Youngstown City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the 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 School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Youngstown CSD School District

Mahoning County

Independent Auditor's Report on Compliance with Requirements

Applicable to Each Major Federal Program and on Internal Control

Over Compliance Required by the Uniform Guidance

Page 3

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



Keith Faber
Auditor of State
Columbus, Ohio

April 24, 2025

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YOUNGSTOWN CITY SCHOOL DISTRICT
MAHONING COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Title I (AL# 84.010) Title II-A (AL# 84.367)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

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

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OHIO AUDITOR OF STATE KEITH FABER



YOUNGSTOWN CITY SCHOOL DISTRICT

MAHONING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 5/29/2025

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