



OHIO AUDITOR OF STATE  
**KEITH FABER**





**SHADYSIDE LOCAL SCHOOL DISTRICT  
BELMONT COUNTY  
JUNE 30, 2024**

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SHADYSIDE LOCAL SCHOOL DISTRICT  
BELMONT COUNTY  
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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Shadyside Local School District  
Belmont County  
3890 Lincoln Avenue  
Shadyside, Ohio 43947

To the Board of Education:

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Shadyside Local School District, Belmont 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, the major fund, and the aggregate remaining fund information of the Shadyside Local School District, Belmont County, Ohio as of June 30, 2024, and the respective changes in financial position 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 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 18, 2025

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

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The Management's Discussion and Analysis of the Shadyside Local 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 fiscal year 2024 are as follows:

- In total, net position increased \$552,944.
- General revenues accounted for \$8,967,908 in revenue or approximately 83 percent of all revenues. Program specific revenues in the form of charges for services and sales, and operating grants and contributions accounted for \$1,887,917 or approximately 17 percent of total revenues of \$10,855,825.
- Total assets of governmental activities increased \$307,357, primarily due to increases in cash and cash equivalents. Total liabilities of governmental activities increased \$66,535, primarily due to increases in the net OPEB liability.
- The School District had \$10,302,881 in expenses related to governmental activities; only \$1,887,917 of these expenses were offset by program specific charges for services, and operating grants and contributions. General revenues of \$8,967,908 were adequate to provide for these programs.
- Total governmental funds had \$10,800,323 in revenues and \$10,456,852 in expenditures. Overall, the net change in total governmental fund balances, including other financing sources and (uses), was an increase of \$411,481.

### **Using this Annual Financial Report**

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

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

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

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***Reporting the School District as a Whole***

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

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

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

In the Statement of Net Position and the Statement of Activities, all of the School District's activities are reported as Governmental Activities including: instruction, support services, food service operations, extracurricular activities, and debt service operations.

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

***Fund Financial Statements***

The analysis of the School District's 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 multiple of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's only major governmental fund is the General Fund.

***Governmental Funds*** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general governmental 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.

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

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**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2024 compared to 2023.

**Table 1**  
Net Position

	<b>2024</b>	<b>2023</b>	<b>Change</b>
<b>Assets</b>			
Current and Other Assets	\$15,376,607	\$14,901,620	\$474,987
Net OPEB Asset	513,614	675,580	(161,966)
Capital Assets	4,773,245	4,778,909	(5,664)
<i>Total Assets</i>	<u>20,663,466</u>	<u>20,356,109</u>	<u>307,357</u>
<b>Deferred Outflows of Resources</b>			
Pension	1,616,485	1,843,011	(226,526)
OPEB	350,640	221,598	129,042
<i>Total Deferred Outflows of Resources</i>	<u>1,967,125</u>	<u>2,064,609</u>	<u>(97,484)</u>
<b>Liabilities</b>			
Current and Other Liabilities	1,099,049	1,136,261	(37,212)
Long-Term Liabilities:			
Due Within One Year	52,624	50,091	2,533
Due in More Than One Year:			
Net Pension Liability	7,480,025	7,500,596	(20,571)
Net OPEB Liability	549,892	449,474	100,418
Other Amounts	493,661	472,294	21,367
<i>Total Liabilities</i>	<u>9,675,251</u>	<u>9,608,716</u>	<u>66,535</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	3,239,410	3,194,194	45,216
Pension	415,394	668,450	(253,056)
OPEB	860,609	1,062,375	(201,766)
<i>Total Deferred Inflows of Resources</i>	<u>4,515,413</u>	<u>4,925,019</u>	<u>(409,606)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	4,712,655	4,773,603	(60,948)
Restricted	2,206,009	1,751,108	454,901
Unrestricted	1,521,263	1,362,272	158,991
<i>Total Net Position</i>	<u>\$8,439,927</u>	<u>\$7,886,983</u>	<u>\$552,944</u>

**Shadyside Local School District**  
*Management's Discussion and Analysis*  
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*Unaudited*

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The net pension liability (NPL) is the largest 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.

Total assets of governmental activities increased \$307,357. Current and other assets increased \$474,987 primarily due to increases in equity in pooled cash and cash equivalents. The increase in cash and cash equivalents was partially offset by a decrease in property taxes receivable related to a combination of decreases in assessed valuation and decreases in delinquencies yet to be collected. The School District also reflects an OPEB asset in the amount of \$513,614, which represents a \$161,966 decrease from the prior year. Capital assets decreased in the amount of \$5,664, due in part to the disposal of two school buses.

Total liabilities increased \$66,535. Current and other liabilities decreased \$37,212, primarily due to decreases in unearned revenue as the Ohio K-12 School Safety Grant monies were spent during fiscal year 2024. This decrease was offset in part by increases in accrued wages and benefits as well as accounts payable. Long-term liabilities increased \$103,747, primarily due to increases in the net OPEB liability.

The School District's deferred inflows of resources decreased \$409,606, primarily due to decreases in pension and OPEB.

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

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

**Table 2**  
Changes in Net Position

	<u>2024</u>	<u>2023</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenues:			
Charges for Services and Sales	\$552,833	\$441,336	\$111,497
Operating Grants and Contributions	1,335,084	1,404,649	(69,565)
<i>Total Program Revenues</i>	<u>1,887,917</u>	<u>1,845,985</u>	<u>41,932</u>
General Revenues:			
Property Taxes	3,250,983	3,426,102	(175,119)
Grants and Entitlements not Restricted to Specific Programs	5,104,777	4,610,893	493,884
Others	612,148	1,391,804	(779,656)
<i>Total General Revenues</i>	<u>8,967,908</u>	<u>9,428,799</u>	<u>(460,891)</u>
<i>Total Revenues</i>	<u>10,855,825</u>	<u>11,274,784</u>	<u>(418,959)</u>
<b>Program Expenses</b>			
Instruction:			
Regular	4,700,788	4,252,051	448,737
Special	1,255,557	1,384,132	(128,575)
Vocational	1,132	1,181	(49)
Support Services:			
Pupils	361,717	302,687	59,030
Instructional Staff	133,046	115,445	17,601
Board of Education	20,096	76,628	(56,532)
Administration	1,259,854	1,046,609	213,245
Fiscal	398,995	367,420	31,575
Operation and Maintenance of Plant	1,039,210	996,815	42,395
Pupil Transportation	456,668	459,031	(2,363)
Food Service Operation	187,317	175,219	12,098
Extracurricular Activities	487,326	480,251	7,075
Interest and Fiscal Charges	1,175	236	939
<i>Total Expenses</i>	<u>10,302,881</u>	<u>9,657,705</u>	<u>645,176</u>
Change in Net Position	552,944	1,617,079	(1,064,135)
<i>Net Position Beginning of Year</i>	<u>7,886,983</u>	<u>6,269,904</u>	<u>1,617,079</u>
<i>Net Position End of Year</i>	<u><u>\$8,439,927</u></u>	<u><u>\$7,886,983</u></u>	<u><u>\$552,944</u></u>

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

In fiscal year 2024, approximately 30 percent of the School District's revenues were from property taxes, and approximately 47 percent were from unrestricted grants and entitlements. The amount of property taxes collected and available as an advance declined from the prior year, resulting in a decrease in property taxes. The increase in unrestricted grant revenues is due primarily to changes in the model for State Foundation Funding that took effect in fiscal year 2022. Charges for services and sales program revenue increased \$111,497, primarily due to increases in tuition and fees. Operating grants and contributions program revenue decreased \$69,565, due to the ending of the Elementary and Secondary School Emergency Relief (ESSER) funding.

Instructional programs comprise approximately 58 percent of total governmental program expenses. Of the instructional expenses, approximately 79 percent is for regular instruction and approximately 21 percent is for special instruction and vocational instruction. Overall program expenses increased \$645,176, most noticeably in regular instruction. The increase in program expenses is primarily due to an increase in certified staff wages.

The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services for fiscal year 2024 compared to fiscal year 2023. In other words, it identifies the cost of those services supported by tax revenue and unrestricted entitlements.

**Table 3**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Program Expenses</b>				
Instruction:				
Regular	\$4,700,788	\$4,252,051	\$4,141,475	\$3,638,875
Special	1,255,557	1,384,132	540,934	749,461
Vocational	1,132	1,181	(3,561)	(5,077)
Support Services:				
Pupils	361,717	302,687	361,717	302,687
Instructional Staff	133,046	115,445	127,620	109,715
Board of Education	20,096	76,628	20,080	76,628
Administration	1,259,854	1,046,609	1,259,705	1,046,509
Fiscal	398,995	367,420	398,239	367,095
Operation and Maintenance of Plant	1,039,210	996,815	848,234	842,488
Pupil Transportation	456,668	459,031	455,975	409,321
Food Service Operations	187,317	175,219	759	21,495
Extracurricular Activities	487,326	480,251	262,612	252,287
Interest and Fiscal Charges	1,175	236	1,175	236
<i>Total Expenses</i>	<u><u>\$10,302,881</u></u>	<u><u>\$9,657,705</u></u>	<u><u>\$8,414,964</u></u>	<u><u>\$7,811,720</u></u>

The dependence upon tax revenues and state subsidies for governmental activities is apparent as approximately 82 percent of expenses are supported through taxes and other general revenues.

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

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## **The School District Funds**

Information about the School District's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. The School District has one major fund, the General Fund. The General Fund had \$9,308,471 in revenues and \$8,935,535 in expenditures. Overall, including other financing sources and uses, the General Fund's balance increased \$340,947 primarily due to an increase in State Funding, investment earnings as interest returns have improved from the prior year.

### ***General Fund Budgeting Highlights***

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

During the course of fiscal year 2024, the School District amended its General Fund estimated revenues, and the budgetary statement reflects both the original and final budgeted amounts. The School District increased its estimates for revenue collections based on increased State Funding. More State Funding than anticipated and better than estimated investment conditions allowed for intergovernmental revenues and interest received to exceed final estimates. The School District has typically budgeted its appropriations in excess of expected spending to reduce the need for mid-year amendments, while monitoring actual spending levels. As a result of these practices, General Fund actual expenditures were \$712,504 less than appropriated.

## **Capital Assets and Debt Administration**

### ***Capital Assets***

At June 30, 2024, the School District had \$4,773,245 invested in land, construction in progress, development in progress (subscription assets not yet in the subscription term), land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, intangible right to use lease assets, and intangible right to use subscription assets. See Note 9 for more detailed information of the School District's capital assets.

### ***Debt***

At June 30, 2024, the School District had \$60,590 outstanding in leases, with \$13,025 due within one year. See Note 14 for more information regarding the School District's debt and other long-term obligations, including compensated absences, and the net pension/OPEB liabilities.

## **Economic Factors**

The Shadyside Local School District's current financial forecast reflects positive balances through fiscal year 2028. The Board of Education and Administration continues to closely monitor the School District's finances. The School District receives revenue from the State Foundation monies which includes Targeted Assistance. The Targeted Assistance portion of the State Foundation Payment consists of additional funding due to the School District's income being generated for one mill of property taxes being below the State median. By monitoring both tax collections and expenditures, the School District did not seek renewal of the Emergency Levy. The School District had a General Operating Renewal Levy approved by the voters in November 2024. The School District continues to receive a grant from Belmont County Board of Developmental Disabilities, through the East Central Ohio Educational Service Center in the amount of \$100,000 annually. The School District experienced a loss of enrollment and open enrollment also declined. The School District purchased Chromebooks for every student to increase learning and enable online learning. The School District completed a Lighting Project, and new visitor Bleachers as well as adding an attendance incentive and vision coverage as additional expenditures in prior years. Currently, the School District continues to make building improvements to maintain its facilities. Projects included are boiler replacements and light replacements and exterior building upgrades. All extra positions from ESSER

**Shadyside Local School District**  
*Management's Discussion and Analysis*  
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*Unaudited*

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funding have been maintained and moved to General Fund. Additional teacher and aide positions have been added as needed to teach regular and special education students. The School District has realized savings due to a turnover of staff and the hiring of new teachers at lower salaries. The School District has also realized cost savings through its continued participation in the Stark County Schools' Council of Government Health Benefits Program. By continuing to monitor both revenues and expenditures, the School District has returned to a stable financial environment.

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

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Melissa Visnic, Treasurer/CFO at Shadyside Local School District, 3890 Lincoln Avenue, Shadyside, Ohio 43947.



**Shadyside Local School District**  
*Statement of Net Position*  
June 30, 2024

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$11,509,910
Intergovernmental Receivable	213,608
Prepaid Items	71,175
Materials and Supplies Inventory	544
Property Taxes Receivable	3,581,370
Net OPEB Asset	513,614
Non-Depreciable Capital Assets	265,801
Depreciable Capital Assets, Net	4,507,444
<i>Total Assets</i>	<u>20,663,466</u>
<b>Deferred Outflows of Resources</b>	
Pension	1,616,485
OPEB	350,640
<i>Total Deferred Outflows of Resources</i>	<u>1,967,125</u>
<b>Liabilities</b>	
Accounts Payable	76,120
Accrued Wages and Benefits Payable	615,822
Intergovernmental Payable	301,363
Matured Lease Payable	2,107
Matured Severance Payable	103,637
Long-Term Liabilities:	
Due Within One Year	52,624
Due In More Than One Year:	
Net Pension Liability	7,480,025
Net OPEB Liability	549,892
Other Amounts	493,661
<i>Total Liabilities</i>	<u>9,675,251</u>
<b>Deferred Inflows of Resources</b>	
Property Taxes	3,239,410
Pension	415,394
OPEB	860,609
<i>Total Deferred Inflows of Resources</i>	<u>4,515,413</u>
<b>Net Position</b>	
Net Investment in Capital Assets	4,712,655
Restricted For:	
Capital Projects	1,596,498
Federal Programs	460
Food Service	27,754
State Programs	626
Student Activity Programs	55,600
OPEB Plans	513,614
Other Purposes	11,457
Unrestricted	1,521,263
<i>Total Net Position</i>	<u><u>\$8,439,927</u></u>

See accompanying notes to the basic financial statements

**Shadyside Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2024

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Change in Net Position
<b>Governmental Activities</b>				
Instruction:				
Regular	\$4,700,788	\$284,053	\$275,260	(\$4,141,475)
Special	1,255,557	0	714,623	(540,934)
Vocational	1,132	0	4,693	3,561
Support Services:				
Pupils	361,717	0	0	(361,717)
Instructional Staff	133,046	0	5,426	(127,620)
Board of Education	20,096	0	16	(20,080)
Administration	1,259,854	0	149	(1,259,705)
Fiscal	398,995	0	756	(398,239)
Operation and Maintenance of Plant	1,039,210	0	190,976	(848,234)
Pupil Transportation	456,668	0	693	(455,975)
Food Service Operations	187,317	44,066	142,492	(759)
Extracurricular Activities	487,326	224,714	0	(262,612)
Interest	1,175	0	0	(1,175)
<i>Total Governmental Activities</i>	<u>\$10,302,881</u>	<u>\$552,833</u>	<u>\$1,335,084</u>	<u>(8,414,964)</u>
<b>General Revenues</b>				
Property Taxes Levied for General Purposes				2,902,101
Property Taxes Levied for Capital Purposes				348,882
Grants and Entitlements not Restricted to				
Specific Programs				5,104,777
Investment Earnings				548,360
Contributions and Donations				6,781
Miscellaneous				57,007
<i>Total General Revenues</i>				<u>8,967,908</u>
<i>Change in Net Position</i>				552,944
<i>Net Position Beginning of Year</i>				<u>7,886,983</u>
<i>Net Position End of Year</i>				<u><u>\$8,439,927</u></u>

See accompanying notes to the basic financial statements

**Shadyside Local School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2024*

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$9,787,872	\$1,722,038	\$11,509,910
Receivables:			
Property Taxes	3,202,643	378,727	3,581,370
Intergovernmental	189,111	24,497	213,608
Interfund	26,088	0	26,088
Prepaid Items	71,175	0	71,175
Materials and Supplies Inventory	0	544	544
<i>Total Assets</i>	<u>\$13,276,889</u>	<u>\$2,125,806</u>	<u>\$15,402,695</u>
<b>Liabilities</b>			
Accounts Payable	\$27,273	\$48,847	\$76,120
Accrued Wages and Benefits Payable	593,876	21,946	615,822
Interfund Payable	0	26,088	26,088
Intergovernmental Payable	298,369	2,994	301,363
Matured Lease Payable	0	2,107	2,107
Matured Severance Payable	103,637	0	103,637
<i>Total Liabilities</i>	<u>1,023,155</u>	<u>101,982</u>	<u>1,125,137</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	2,894,524	344,886	3,239,410
Unavailable Revenue	305,999	12,971	318,970
<i>Total Deferred Inflows of Resources</i>	<u>3,200,523</u>	<u>357,857</u>	<u>3,558,380</u>
<b>Fund Balances</b>			
Nonspendable:			
Materials and Supplies Inventory	0	544	544
Prepaid Items	71,175	0	71,175
Restricted for:			
Food Service	0	27,210	27,210
Capital Projects	0	1,583,520	1,583,520
Federal Programs	0	460	460
State Programs	0	626	626
Local Programs	0	11,457	11,457
Student Activity Programs	0	55,600	55,600
Committed to Capital Projects	91,150	0	91,150
Assigned to:			
Purchases on Order	75,263	0	75,263
Future Appropriations	854,828	0	854,828
Unassigned (Deficit)	7,960,795	(13,450)	7,947,345
<i>Total Fund Balances</i>	<u>9,053,211</u>	<u>1,665,967</u>	<u>10,719,178</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$13,276,889</u>	<u>\$2,125,806</u>	<u>\$15,402,695</u>

See accompanying notes to the basic financial statements

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

<b>Total Governmental Fund Balances</b>	<b>\$10,719,178</b>
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*Amounts reported for governmental activities on 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.	4,773,245
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Other long-term assets are not available to pay for current period expenditures and are therefore reported as deferred inflows of resources in the funds:

Delinquent Property Taxes	130,197	
Tuition and Fees Revenues	188,773	
Total		318,970

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Leases	60,590	
Compensated Absences	485,695	
Total		(546,285)

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

Net OPEB Asset	513,614	
Deferred Outflows - Pension	1,616,485	
Deferred Outflows - OPEB	350,640	
Net Pension Liability	(7,480,025)	
Net OPEB Liability	(549,892)	
Deferred Inflows - Pension	(415,394)	
Deferred Inflows - OPEB	(860,609)	
Total		(6,825,181)

<i>Net Position of Governmental Activities</i>	<u><u>\$8,439,927</u></u>
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See accompanying notes to the basic financial statements

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

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$2,902,178	\$349,268	\$3,251,446
Intergovernmental	5,529,521	910,340	6,439,861
Investment Earnings	534,872	13,488	548,360
Tuition and Fees	225,732	0	225,732
Extracurricular Activities	50,024	174,690	224,714
Contributions and Donations	6,781	0	6,781
Charges for Services	2,356	44,066	46,422
Miscellaneous	57,007	0	57,007
<i>Total Revenues</i>	<u>9,308,471</u>	<u>1,491,852</u>	<u>10,800,323</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Regular	4,291,381	428,527	4,719,908
Special	992,138	295,051	1,287,189
Support Services:			
Pupils	365,971	0	365,971
Instructional Staff	124,375	5,993	130,368
Board of Education	19,948	148	20,096
Administration	1,248,942	1,387	1,250,329
Fiscal	392,722	7,057	399,779
Operation and Maintenance of Plant	920,491	279,375	1,199,866
Pupil Transportation	337,977	4,952	342,929
Food Service Operations	0	180,513	180,513
Extracurricular Activities	241,590	240,664	482,254
Capital Outlay	0	68,010	68,010
Debt Service:			
Principal Retirement	0	8,465	8,465
Interest	0	1,175	1,175
<i>Total Expenditures</i>	<u>8,935,535</u>	<u>1,521,317</u>	<u>10,456,852</u>
<i>Excess of Revenues Over Expenditures</i>	<u>372,936</u>	<u>(29,465)</u>	<u>343,471</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	31,989	31,989
Inception of Lease	0	68,010	68,010
Transfers Out	(31,989)	0	(31,989)
<i>Total Other Financing Sources (Uses)</i>	<u>(31,989)</u>	<u>99,999</u>	<u>68,010</u>
<i>Net Change in Fund Balances</i>	340,947	70,534	411,481
<i>Fund Balances Beginning of Year</i>	<u>8,712,264</u>	<u>1,595,433</u>	<u>10,307,697</u>
<i>Fund Balances End of Year</i>	<u><u>\$9,053,211</u></u>	<u><u>\$1,665,967</u></u>	<u><u>\$10,719,178</u></u>

See accompanying notes to the basic financial statements

**Shadyside Local School District**  
*Reconciliation of the 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**

\$411,481

***Amounts reported for governmental activities on the Statement of Activities are different because:***

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

Capital Asset Additions	505,024	
Net Disposal on Capital Assets	(83,355)	
Current Year Depreciation	(427,333)	
Total	<u>(5,664)</u>	(5,664)

Revenues on the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Delinquent Property Taxes	(463)	
Tuition and Fees Revenues	55,965	
Total	<u>55,502</u>	55,502

Issuance of Debt is reported as other financing sources in the governmental funds, but the issuance increases long-term liabilities on the Statement of Net Position.

Inception of Lease		(68,010)
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Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the Statement of Net Position.

Leases		12,726
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Some expenses reported on the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in the funds:

Compensated Absences Payable		31,384
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Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows:

Pension	735,548	
OPEB	22,677	
Total	<u>758,225</u>	758,225

Except for amounts reported as deferred inflows/outflows, changes in net pension/OPEB (asset)/liability are reported as pension/OPEB expense on the Statement of Activities:

Pension	(688,447)	
OPEB	45,747	
Total	<u>(642,700)</u>	(642,700)

***Change in Net Position of Governmental Activities***

\$552,944

See accompanying notes to the basic financial statements

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Property Taxes	\$3,164,359	\$3,008,697	\$3,012,281	\$3,584
Intergovernmental	4,225,554	5,391,432	5,530,339	138,907
Interest	505,801	505,801	534,872	29,071
Tuition and Fees	237,359	237,359	225,732	(11,627)
Contributions and Donations	5,000	5,000	6,781	1,781
Charges for Services	3,000	3,000	2,356	(644)
Miscellaneous	27,000	56,526	57,007	481
<i>Total Revenues</i>	<u>8,168,073</u>	<u>9,207,815</u>	<u>9,369,368</u>	<u>161,553</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	4,313,765	4,464,002	4,244,699	219,303
Special	933,938	1,091,802	1,030,538	61,264
Support Services:				
Pupil	328,866	420,066	362,941	57,125
Instructional Staff	122,584	130,584	121,404	9,180
Board of Education	141,953	105,077	23,146	81,931
Administration	988,481	1,193,194	1,124,281	68,913
Fiscal	367,456	412,256	400,885	11,371
Operation and Maintenance of Plant	1,601,723	1,198,861	1,061,730	137,131
Pupil Transportation	414,529	432,403	333,542	98,861
Extracurricular Activities	205,909	209,469	253,055	(43,586)
<i>Total Expenditures</i>	<u>9,419,204</u>	<u>9,657,714</u>	<u>8,956,221</u>	<u>701,493</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,251,131)</u>	<u>(449,899)</u>	<u>413,147</u>	<u>863,046</u>
<b>Other Financing Uses</b>				
Transfers Out	<u>(43,000)</u>	<u>(43,000)</u>	<u>(31,989)</u>	<u>11,011</u>
<i>Net Change in Fund Balance</i>	<u>(1,294,131)</u>	<u>(492,899)</u>	<u>381,158</u>	<u>874,057</u>
<i>Fund Balance Beginning of Year</i>	<u>9,176,161</u>	<u>9,176,161</u>	<u>9,176,161</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>69,839</u>	<u>69,839</u>	<u>69,839</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$7,951,869</u></u>	<u><u>\$8,753,101</u></u>	<u><u>\$9,627,158</u></u>	<u><u>\$874,057</u></u>

See accompanying notes to the basic financial statements

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**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Shadyside Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State Statute and federal guidelines.

The first official body designated as the Shadyside Local Board of Education was formed on January 2, 1905. At that meeting, the clerk's salary was set at \$25.00 per year. The clerk was instructed to purchase a clerk's record. At the second meeting, the Librarian's salary was set at \$10.00 per year. A new building had been constructed prior to this time. Insurance was purchased to cover this structure in the amount of \$3,500 on the building and \$500 on the contents.

The School District is located in Belmont County. The Board controls the School District's four instructional/support facilities staffed by 23 non-certificated employees, 52 certificated teaching personnel, and 11 administrators who provide services to 704 students and other community members.

***Reporting Entity***

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements 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 the Shadyside Local School District, this includes general operations, food service, and student related activities of the School District.

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

The School District is involved with the Belmont-Harrison Vocational School District, the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council), and the Coalition of Rural and Appalachian Schools (CORAS), which are defined as jointly governed organizations; the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP) and the Ohio School Plan (OSP), which are defined as insurance purchasing pools; and the Stark County Schools' Council of Government Health Benefits Program (COG), which is defined as a shared risk insurance purchasing pool. These organizations are presented in Notes 17 and 18 to the general purpose financial statements.

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

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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***Basis of Presentation***

The School District's general purpose 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 stand-alone government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District has no business type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. 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 fiscal 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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type. The School District has no fiduciary funds.

***Fund Accounting***

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

***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 is reported as fund balance. The School District's only major governmental fund is the General Fund.

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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

***Measurement Focus***

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

***Fund Financial Statements*** All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows and current liabilities and deferred inflows 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 a reconciliation 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 fiduciary funds are accounted for on a flow of economic resource 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 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. Fiduciary funds present a Statement of Changes in Fiduciary Net Position which reports additions to and deductions from custodial funds.

***Basis of Accounting***

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

***Revenues - Exchange and Non-Exchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current 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 60 days of fiscal year-end.

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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The School District recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

***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 11 and 12.

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, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the Governmental Fund Financial Statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Net deferred inflows of resources related to pension and OPEB are reported on the government-wide Statement of Net Position. See Notes 11 and 12 for more information.

***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 the governmental funds.

***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 School District records. Interest in the pool is presented as “equity in pooled cash and cash equivalents.”

During fiscal year 2024, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Investment earnings credited to the General Fund during fiscal year 2024 amounted to \$534,872, which includes \$68,655 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 to be cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments. The School District had no investments meeting the above criteria.

#### ***Restricted Assets***

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

#### ***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 fiscal year in which services are consumed.

#### ***Inventory***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption and purchased and donated food held for resale.

#### ***Capital Assets***

The School District's only capital assets are general capital assets. General capital assets are those assets not specifically related to activities reported in proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets (except for intangible right-to-use lease assets and subscription assets which are discussed later) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal 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 assets 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 five hundred 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 capitalized.

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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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Description	Estimated Lives
Land	N/A
Construction in Progress	N/A
Land Improvements	5-50 Years
Buildings and Improvements	5-50 Years
Furniture, Fixtures, and Equipment	5-50 Years
Vehicles	5-25 Years

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

***Interfund Balances***

On fund financial statements, receivables and payables resulting from short-term and long-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables." These amounts are eliminated on the Statement of Net Position.

***Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for vacation eligible employees with more than one year of service. The liability for vacation benefits is recorded as long-term liabilities, as the balances for most employees can be carried for up to at least three years.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

The entire compensated absence liability is reported on the government-wide financial statements. On the government fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon occurrence of employee resignations and retirements. These amounts are recorded in the account "matured severance payable" in the fund from which the employees who have accumulated leave are paid.

***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.

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

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

***Leases Payable***

The School District serves as lessee in a noncancellable lease which is 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 in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

***Internal Activity***

Transfers within government activities on the government-wide financial statements are reported in the same manner as general revenue.

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

***Fund Balance***

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in 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" includes items that are not expected to be converted to cash.

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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**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 or enabling legislation (School District resolutions).

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Education. Those committed amounts cannot be used for any other purpose unless the 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 the use in satisfying those contractual requirements.

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution or by State Statute. The amount assigned in the General Fund represents encumbered amounts for outstanding obligations, and the amount of fund balance needed to cover budgetary shortfall in the subsequent year.

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

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

***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. The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Net position restricted for other purposes include local resources to be used for student programs. Restricted net position for OPEB plans represent the corresponding restricted asset amounts held in trust by the pension and 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 is available.



**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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***Extraordinary and Special Items***

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

***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.

***Budgetary Process***

All funds, except custodial 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 for all funds of the School District. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The treasurer is given the authority to further allocate fund appropriations within all funds. Advances in/out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

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

The appropriation resolution is subject to amendment by the Board throughout the fiscal 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 fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year.

Some of the School District's funds are separate for budgetary purposes, and then combined on the GAAP basis. The Parker Memorial, Public School Support, Adult Ed, and E-Rate Special Revenue Funds are budgeted individually on a cash basis but are combined with the General Fund on a GAAP basis.

**NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES**

***Changes in Accounting Principles***

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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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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 this GASB Statement No. 100 and the Implementation Guides did not have an effect on beginning balances.

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

**NOTE 4 – FUND DEFICIT**

At June 30, 2024, the Education Stabilization Special Revenue Fund had a deficit fund balance of \$ 13,142. The deficit is the result of short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

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

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or unassigned fund balance (GAAP basis).
4. The perspective difference represents the net change in fund balance (budget basis) for funds that are maintained as special revenue funds for accounting purposes, but do not otherwise meet the criteria for separate reporting in external financial statements and included with the General Fund on a GAAP basis.

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

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The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund:

Net Change in Fund Balance	
	<u>General</u>
GAAP Basis	\$340,947
Revenue Accruals	110,921
Expenditure Accruals	83,658
Encumbrances	(171,821)
Perspective Difference	<u>17,453</u>
Budget Basis	<u><u>\$381,158</u></u>

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

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

Inactive deposits are public deposits that the Board 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;

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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***

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

### ***Investments***

As of June 30, 2024, the School District's only investment was in STAR Ohio. STAR Ohio is measured at net asset value per share. The value of the investments in STAR Ohio was \$158,833 and the investment has an average maturity of 46.5 days.

*Interest Rate Risk:* The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sale of negotiable instruments prior to maturity. State Statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

*Credit Risk:* STAR Ohio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization. The School District has no investment policy that addresses credit risk.

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 7 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State Statute permits alternate payment dates to be established. Public utility property tax revenue 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 December 31, 2022, were levied after April 1, 2023 and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Belmont 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 were 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 yearend. 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 \$190,893 in the General Fund and \$20,870 in the Permanent Improvement Fund. The amount available as an advance at June 30, 2023, was \$300,996 in the General Fund and \$31,576 in the Permanent Improvement Fund.

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

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

	2023 Second Half Collections		2024 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$108,608,890	79.0%	\$106,420,550	78.1%
Public Utility Personal	28,796,620	21.0%	29,852,370	21.9%
Total Assessed Values	<u>\$137,405,510</u>	<u>100.0%</u>	<u>\$136,272,920</u>	<u>100.0%</u>
Tax Rate per \$1,000 of assessed valuation	\$35.50		\$35.50	

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 8 – RECEIVABLES**

Receivables at June 30, 2024, consisted of property taxes and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. Delinquent property taxes deemed collectible by the County Auditor and recorded as receivable in the amount of \$130,197 may not be collected within one year. All other receivables are expected to be collected within one year. A summary of intergovernmental receivables at June 30, 2024 is as follows.

	<u>Governmental Activities</u>
Excess Cost from Other School Districts	\$188,773
Medicaid	338
Early Childhood Education Grant	3,203
IDEA Early Childhood Special Education Grant	455
Title I-A Improving Basic Programs Grant	15,715
Title II-A Supporting Effective Instruction Grant	3,475
Title IV-A Student Support and Academic Enrichment Grant	<u>1,649</u>
Total Intergovernmental Receivable	<u><u>\$213,608</u></u>

**NOTE9 – CAPITAL ASSETS**

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

**Shadyside Local School District**  
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For the Fiscal Year Ended June 30, 2024

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024
<b>Governmental Activities</b>				
<b><i>Nondepreciable Capital Assets</i></b>				
Land	\$138,289	\$0	\$0	\$138,289
Construction in Progress	0	95,750	0	95,750
Development in Progress	30,258	31,762	(30,258)	31,762
<b><i>Total Nondepreciable Capital Assets</i></b>	<b>168,547</b>	<b>127,512</b>	<b>(30,258)</b>	<b>265,801</b>
<b><i>Depreciable Capital Assets</i></b>				
<b><i>Tangible Assets</i></b>				
Land Improvements	3,199,842	13,368	0	3,213,210
Buildings and Improvements	5,226,443	189,047	0	5,415,490
Furniture, Fixtures, and Equipment	2,279,934	107,087	0	2,387,021
Vehicles	903,644	0	(139,779)	763,865
<b><i>Total Tangible Assets</i></b>	<b>11,609,863</b>	<b>309,502</b>	<b>(139,779)</b>	<b>11,779,586</b>
<b><i>Intangible Assets</i></b>				
<b><i>Intangible Right to Use</i></b>				
<b><i>Lease Assets</i></b>				
Intangible Right to Use - Equipment	20,085	68,010	(20,085)	68,010
<b><i>Subscription Assets</i></b>				
Intangible Right to Use - Software	34,702	30,258	0	64,960
<b><i>Total Intangible Assets</i></b>	<b>54,787</b>	<b>98,268</b>	<b>(20,085)</b>	<b>132,970</b>
<b><i>Total Depreciable Capital Assets</i></b>	<b>11,664,650</b>	<b>407,770</b>	<b>(159,864)</b>	<b>11,912,556</b>
<b><i>Less Accumulated Depreciation/Amortization</i></b>				
<b><i>Depreciation</i></b>				
Land Improvements	(1,319,873)	(145,988)	0	(1,465,861)
Buildings and Improvements	(3,613,889)	(111,155)	0	(3,725,044)
Furniture, Fixtures, and Equipment	(1,657,631)	(85,910)	0	(1,743,541)
Vehicles	(442,386)	(60,763)	60,106	(443,043)
<b><i>Total Depreciation</i></b>	<b>(7,033,779)</b>	<b>(403,816)</b>	<b>60,106</b>	<b>(7,377,489)</b>
<b><i>Amortization</i></b>				
<b><i>Intangible Right to Use</i></b>				
<b><i>Lease Assets</i></b>				
Intangible Right to Use - Equipment	(14,725)	(9,613)	16,403	(7,935)
<b><i>Subscription Assets</i></b>				
Intangible Right to Use - Software	(5,784)	(13,904)	0	(19,688)
<b><i>Total Amortization</i></b>	<b>(20,509)</b>	<b>(23,517)</b>	<b>16,403</b>	<b>(27,623)</b>
<b><i>Total Accumulated Depreciation/Amortization</i></b>	<b>(7,054,288)</b>	<b>(427,333)</b>	<b>76,509</b>	<b>(7,405,112)</b>
<b><i>Total Depreciable Capital Assets, Net</i></b>	<b>4,610,362</b>	<b>(19,563)</b>	<b>(83,355)</b>	<b>4,507,444</b>
<b><i>Governmental Activities Capital Assets, Net</i></b>	<b>\$4,778,909</b>	<b>\$107,949</b>	<b>(\$113,613)</b>	<b>\$4,773,245</b>

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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Depreciation/Amortization expense was charged to governmental activities as follows:

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction:			
Regular	\$101,812	\$23,517	\$125,329
Special	16,406	0	16,406
Vocational	1,132	0	1,132
Support Services:			
Administration	21,977	0	21,977
Fiscal	483	0	483
Operation of Maintenance and Plant	184,490	0	184,490
Pupil Transportation	44,324	0	44,324
Food Service Operations	7,378	0	7,378
Extracurricular Activities	25,814	0	25,814
Total Depreciation/Amortization Expense	<u>\$403,816</u>	<u>\$23,517</u>	<u>\$427,333</u>

**NOTE 10 - RISK MANAGEMENT**

***Property and Liability Insurance***

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. The School District joins together with other school districts in Ohio to participate in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP (See Note 17). The Shadyside Local School District contracted with the Ohio School Plan for liability, property, and fleet insurance.

Building and Contents-replacement cost (\$1,000 deductible)	\$48,086,335
Automotive Liability (\$1,000 deductible)	3,000,000
Uninsured Motorist	1,000,000
<i>General Liability:</i>	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Personal and Advertising Injury Limit - Each Occurrence	3,000,000
<i>Sexual Misconduct Liability:</i>	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
School Leaders Errors and Omissions Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Employee Benefits Liability:	
Each Occurrence	3,000,000
Aggregated Limit	5,000,000
Employer's Liability:	
Each Occurrence	3,000,000



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

***Workers' Compensation***

For fiscal year 2024, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. Minute Men provides administrative, cost control, and actuarial services to the GRP.

***Employee Benefits***

The School District contracted with the Stark County Schools' Council of Government Health Benefits Program (COG), to provide employee medical/surgical, dental, and vision benefits. The COG's health benefits program is a shared risk insurance purchasing pool comprised of 164 member school districts, educational service centers, and related agencies. See Note 18 for further information about the COG. Rates are set through an annual calculation process. The School District pays a monthly contribution which is paid in a common fund from which claim payments are made for all participants regardless of claims flow. The board of directors has the right to return monies to an existing school district subsequent to the settlements of all expenses and claims. Premiums for this coverage are \$1,119.40 for individual coverage per month, and \$2,719.40 for family coverage per month; the Board pays 90 percent of the premium. The premium is paid from the fund that pays the salary of the covered employee. Dental premiums are \$113.38 for individual coverage per month, and \$279.78 for family coverage per month; the Board pays 90 percent of the premium. The premium is paid from the fund that pays the salary of the covered employee.

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability (Asset)***

The net pension liability and the net OPEB liability (asset) reported on the statement of net position 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.

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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, healthcare plan enrollees pay a portion of the healthcare 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 fiscal 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 12 for the required OPEB disclosures.

***Plan Description - 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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Age 65 with 5 years of service credit; or 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.

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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 \$193,533 for fiscal year 2024. Of this amount, \$29,619 is reported as an intergovernmental payable.

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

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

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

The DB plan offers an annual retirement allowance based on the 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 the 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 and at any age.

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

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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 \$542,015 for fiscal year 2024. Of this amount, \$92,332 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:

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	SERS	STRS	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.03244820%	0.026408700%	
Prior Measurement Date	0.03144060%	0.026090910%	
Change in Proportionate Share	<u>0.00100760%</u>	<u>0.000317790%</u>	
			<u>Total</u>
Proportionate Share of the Net:			
Pension Liability	\$1,792,930	\$5,687,095	\$7,480,025
Pension Expense	\$218,271	\$470,176	\$688,447

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
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$77,064	\$207,339	\$284,403
Changes of assumptions	12,700	468,363	481,063
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	50,904	64,567	115,471
School District contributions subsequent to the measurement date	<u>193,533</u>	<u>542,015</u>	<u>735,548</u>
Total Deferred Outflows of Resources	<u>\$334,201</u>	<u>\$1,282,284</u>	<u>\$1,616,485</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$12,620	\$12,620
Changes of assumptions	0	352,543	352,543
Net difference between projected and actual earnings on pension plan investments	25,201	17,044	42,245
Changes in proportionate share and Difference between School District contributions and proportionate share of contributions	<u>0</u>	<u>7,986</u>	<u>7,986</u>
Total Deferred Inflows of Resources	<u>\$25,201</u>	<u>\$390,193</u>	<u>\$415,394</u>

\$735,548 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	\$40,524	(\$16,783)	\$23,741
2026	(52,831)	(183,053)	(235,884)
2027	126,438	572,648	699,086
2028	<u>1,336</u>	<u>(22,736)</u>	<u>(21,400)</u>
Total	<u>\$115,467</u>	<u>\$350,076</u>	<u>\$465,543</u>

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***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 below:

	<u>June 30, 2023</u>
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 investment 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 was 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.

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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:

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

**Discount Rate** The 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	\$2,646,273	\$1,792,930	\$1,074,151

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***Actuarial Assumptions – STRS***

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

	<u>June 30, 2023</u>
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:

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



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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$8,745,497	\$5,687,095	\$3,100,528

***Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2024, two Board Members have elected Social Security. The contribution rate is 6.2 percent of wages.

**NOTE 12 - DEFINED BENEFIT OPEB PLANS**

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

***Plan Description - 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](http://www.ohsers.org) under Employers/Audit Resources.

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$22,677.

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 \$22,677 for fiscal year 2024. Of this amount, \$22,677 is reported as an intergovernmental payable.

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

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan 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](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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.

**Shadyside Local School District**  
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***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:

	SERS	STRS	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.03337850%	0.026408700%	
Prior Measurement Date	0.03201350%	0.026090910%	
Change in Proportionate Share	<u>0.00136500%</u>	<u>0.000317790%</u>	
			Total
Proportionate Share of the:			
Net OPEB Liability	\$549,892	\$0	\$549,892
Net OPEB (Asset)	\$0	(\$513,614)	(\$513,614)
OPEB Expense	(\$14,378)	(\$31,369)	(\$45,747)

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
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$1,146	\$801	\$1,947
Changes of assumptions	185,935	75,663	261,598
Net difference between projected and actual earnings on OPEB plan investments	4,262	916	5,178
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	55,713	3,527	59,240
School District contributions subsequent to the measurement date	<u>22,677</u>	<u>0</u>	<u>22,677</u>
Total Deferred Outflows of Resources	<u>\$269,733</u>	<u>\$80,907</u>	<u>\$350,640</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$283,600	\$78,339	\$361,939
Changes of assumptions	156,175	338,874	495,049
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>0</u>	<u>3,621</u>	<u>3,621</u>
Total Deferred Inflows of Resources	<u>\$439,775</u>	<u>\$420,834</u>	<u>\$860,609</u>

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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\$22,677 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 addition to the net OPEB asset, in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$64,833)	(\$148,535)	(\$213,368)
2026	(59,551)	(70,257)	(129,808)
2027	(36,312)	(26,475)	(62,787)
2028	(22,943)	(36,054)	(58,997)
2029	(16,319)	(33,037)	(49,356)
Thereafter	7,239	(25,569)	(18,330)
Total	<u>(\$192,719)</u>	<u>(\$339,927)</u>	<u>(\$532,646)</u>

***Actuarial Assumptions - SERS***

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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:

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

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was 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 11.

**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

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2024

30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

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

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$702,920	\$549,892	\$429,224
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$403,987	\$549,892	\$743,237

***Actuarial Assumptions – STRS***

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

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age 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.

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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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.

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 11.

**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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$434,706)	(\$513,614)	(\$582,332)

  

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$585,521)	(\$513,614)	(\$427,000)

### **NOTE 13 - OTHER 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 who work more than 260 days earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less than 260 days do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 270 days for certified employees hired prior to August 1, 2012, all certified employees hired after August 1, 2012 may accumulate a maximum of 240 days. Classified employees may accumulate a maximum sick leave balance of 250.

**Shadyside Local School District**  
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For certified employees hired prior to August 1, 2012, upon retirement, payment is made for 30 percent of accumulated sick leave at 30 years; 29 percent of accumulated sick leave at 31 years; 28 percent of accumulated unused sick leave at 32 years; 27 percent of accumulated sick leave at 33 years; 26 percent of accumulated sick leave at 34 years; and 25 percent of accumulated sick leave at 35 years. If an employee is eligible to retire at less than 30 years of credited service, severance will be calculated in the following manner:

Number of years credited service divided by 30 equaling the prorated factor. The prorated factor will then be multiplied by the 30 percent/30 years, (formula as stated above).

For certified employees hired after August 1, 2012, upon retirement, payment is made for 27.5 percent of accumulated sick leave at 30 years; 26.5 percent of accumulated sick leave at 31 years; 25.5 percent of accumulated unused sick leave at 32 years; 24.5 percent of accumulated sick leave at 33 years; 23.5 percent of accumulated sick leave at 34 years; and 22.5 percent of accumulated sick leave at 35 years. If an employee is eligible to retire at less than 30 years of credited service, severance will be calculated in the following manner:

Number of years credited service divided by 30 equaling the prorated factor. The prorated factor will then be multiplied by the 30 percent/30 years, (formula as stated above).

For classified employees, payment is made for the first 75 days of accumulated leave at the regular rate of pay with the remaining balance of days to be paid \$10 per day.

***Other Insurance Benefits***

Life insurance is provided in the amount of \$40,000 for all certified teachers and administrators. Classified employees whose salary is at least \$15,000; \$15,000 for classified employees whose salary is less than \$15,000; and \$20,000 for classified employees whose salary is more than \$15,000. The monthly premium for life insurance is \$0.125 per \$1,000 of coverage. The Board pays 100 percent of the premiums.

**NOTE 14 - LONG - TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2024 were as follows:

	Principal Outstanding 6/30/23	Additions	Deductions	Principal Outstanding 6/30/24	Amounts Due In One Year
<b>Governmental Activities:</b>					
Leases	\$5,306	\$68,010	\$12,726	\$60,590	\$13,025
Compensated Absences	517,079	103,579	134,963	485,695	39,599
Net Pension Liability					
SERS	1,700,553	92,377	0	1,792,930	0
STRS	5,800,043	0	112,948	5,687,095	0
Total Net Pension Liability	7,500,596	92,377	112,948	7,480,025	0
SERS Net OPEB Liability	449,474	100,418	0	549,892	0
Total Governmental Activities	<u>\$8,472,455</u>	<u>\$364,384</u>	<u>\$260,637</u>	<u>\$8,576,202</u>	<u>\$52,624</u>



**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***Leases***

During fiscal year 2024, and in prior years, the School District has entered into non-cancelable leases for copiers. The future lease payments were discounted based on the interest rate implicit in the lease. These discounts are being amortized using the interest method over the life of the lease. The prior copier lease was originally entered into for a 60-month period and include both a minimum cost for the equipment and a variable per use charges. The lease term was scheduled to expire in September of 2024. The School District modified the terms of the lease with the inception of the new lease, and the term was shortened to coincide with the acquisition of new lease assets. The new 60-month copier lease agreement began in December 2023 with minimum monthly fees paid to the lessor. A separate vendor services the copiers and collects variable per use charges, which are not included in the determination of the lease payable.

Lease payments will be made from the Permanent Improvement Fund. A summary of the principal and interest amounts for the remaining leases is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$13,025	\$1,640
2026	13,421	1,243
2027	13,829	835
2028	14,250	415
2029	6,065	46
Totals	<u>\$60,590</u>	<u>\$4,179</u>

The School District's overall legal debt margin was \$12,264,563, with an unvoted debt margin of \$136,273, at June 30, 2024.

The School District pays compensated absences from the General Fund. There is no repayment schedule for the net pension/OPEB liability. However, employer pension contributions are made from the General Fund, and the Miscellaneous Federal Grant and the Food Service Special Revenue Funds. For additional information related to the net pension/OPEB liability, see Notes 11 and 12.

**NOTE 15 - COMMITMENTS**

***Encumbrances***

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

General Fund	\$171,821
Other Non-major Governmental Funds	<u>980,920</u>
Total	<u><u>\$1,152,741</u></u>

***Construction Commitments***

The School District has entered into contractual commitments for a roof replacement project. A summary of the commitment is presented below.

**Shadyside Local School District**  
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*For the Fiscal Year Ended June 30, 2024*

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Project	Contract Amount	Completed as of 6/30/2024	Amount Remaining on Contract
High School Labs and Locker Room Roof Replacement	\$373,800	\$95,750	\$278,050

The project is budgeted to be paid in equal amounts from the General Fund and the Permanent Improvement Fund.

**NOTE 16 - INTERNAL ACTIVITY**

***Transfers***

The General Fund transferred \$30,989 to the Miscellaneous Local Fund to provide funding for athletic extracurricular activities and \$1,000 to the Student Activities Fund for additional funding for other extracurricular activities.

***Interfund Balances***

The General Fund made loans to the other governmental funds, in the amount of \$26,088 to cover actual cash deficits in the Miscellaneous State Grants Fund of \$2,885, the Miscellaneous Federal Grants Fund of \$10,061, and the American Rescue Plan Elementary and Secondary School Emergency Relief Fund of \$13,142 until grant monies are received. The cash deficits were covered by cash and cash equivalents from the General Fund.

**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS**

***Belmont-Harrison Vocational School District***

The Belmont-Harrison Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school district's elected boards, which possesses its own budgeting and taxing authority. During fiscal year 2024, the School District made no contributions to the Belmont-Harrison Vocational School District. To obtain financial information write to the Belmont-Harrison Vocational School District, Mark Lucas, who serves as Treasurer, at 68090 Hammond Road, St. Clairsville, Ohio 43950.

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (Council). The Council was created as a separate regional council of governments pursuant to State Statutes. The Council operates under the direction of a Board comprised of a representative from each participating school district. The Board exercised total control over the operations of the Council including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the Board. The Council provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2024, the total amount paid to the Council from the School District was \$66,769 for technology services, and financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***Coalition of Rural and Appalachian Schools (CORAS)***

The Coalition of Rural and Appalachian Schools (CORAS) is a jointly governed organization composed of 120 school districts and other educational institutions in the 32-county region of Ohio designated as Appalachia. The CORAS is operated by a nineteen-member board composed of one elected and one appointed (one appointed seat is empty) from each of the eight regions into which the 32 Appalachian counties are divided, one dean appointment from the Ohio University College of Education, and three ex-officio members. The board exercises total control over the operations of the CORAS including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The CORAS provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The CORAS is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the CORAS. Financial information may be obtained from the Coalition of Rural and Appalachian Schools at 322 Patton Hall, Ohio University, Athens, Ohio 45701. The School District's membership fee was \$400 for fiscal year 2024.

**NOTE 18 - PUBLIC ENTITY POOLS**

***Insurance Purchasing Pools***

***Ohio School Boards Association Workers' Compensation Group Rating Program (GRP)***

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the Ohio School Boards Association, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The School District's enrollment fee of \$900 for policy year 2024 was paid to Minute Men.

***Ohio School Plan (OSP)***

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs, and other administrative services.

The OSP's business and affairs are conducted by a fifteen-member Board of Directors consisting of school district superintendents and treasurers, as well as the president of Hylant Administrative Services and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Hylant Administrative Service is the sales and marketing representative, which establishes agreements between OSP and member schools.

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
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***Shared Risk Insurance Purchasing Pool***

***The Stark County Schools' Council of Government Health Benefits Program (COG)***

The Stark County Schools' Council of Governments Health Benefits Program (COG) is a shared risk pool created pursuant to State Statute for the purposes of administering health care benefits. The COG is governed by an assembly which consists of one representative from each participating school district, (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 COG. Only the representatives from the original 19 Stark County school district members at the time of foundation have a vote in the assembly. All COG revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. Each school district reserves the right to terminate the plan in whole or in part, at any time. If it is terminated, no further contributions will be made, but the benefits under the insurance contract shall be paid in accordance with the terms of the contract.

**NOTE 19 - SET-ASIDE CALCULATIONS AND FUND RESTRICTIONS**

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

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

	<u>Capital Improvements</u>
Set-aside Restricted Balance as of June 30, 2023	\$0
Current Year Set-aside Requirement	224,857
Current Year Offsets	<u>(359,974)</u>
Totals	<u>(\$135,117)</u>
Balance Carried Forward to Fiscal Year 2025	<u>\$0</u>
Set-aside Restricted Balance as of June 30, 2024	<u><u>\$0</u></u>

The School District had qualifying offsets and disbursements during the fiscal year that reduced the set-aside amount below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future fiscal years.

**NOTE 20 - 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2024.

**Shadyside Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2024*

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***Litigation***

The School District is currently not party to any legal proceedings.

**NOTE 21 - 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 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 22 - SUBSEQUENT EVENTS**

On November 5, 2024, the voters of the Shadyside Local School District approved the renewal of a tax for the purpose of providing for the current operating expenses of the School District. The County Auditor estimates will collect \$491,000 annually, at a rate not exceeding 5 mills for each \$1 of taxable value. The levy is for a period of 5 years, commencing in 2025, first due in calendar year 2026.

**Shadyside Local School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years\**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
School District's Proportion of the Net Pension Liability	0.03244820%	0.03144060%	0.03078960%	0.02977410%
School District's Proportionate Share of the Net Pension Liability	\$1,792,930	\$1,700,553	\$1,136,048	\$1,969,322
School District's Covered Payroll	\$1,343,050	\$1,170,114	\$1,049,050	\$1,006,171
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	133.50%	145.33%	108.29%	195.72%
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
0.02876060%	0.02764080%	0.02603340%	0.02639060%	0.02506990%	0.02365300%
\$1,720,798	\$1,583,040	\$1,555,440	\$1,931,548	\$1,430,511	\$1,197,064
\$1,043,437	\$906,644	\$855,736	\$819,586	\$754,730	\$687,323
164.92%	174.60%	181.77%	235.67%	189.54%	174.16%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
School District's Proportion of the Net Pension Liability	0.026408700%	0.026090910%	0.025854846%	0.025872780%
School District's Proportionate Share of the Net Pension Liability	\$5,687,095	\$5,800,043	\$3,305,774	\$6,260,292
School District's Covered Payroll	\$3,558,036	\$3,384,457	\$3,215,436	\$3,199,529
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.84%	171.37%	102.81%	195.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	87.80%	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
0.025240800%	0.026231800%	0.025712650%	0.026601260%	0.027020680%	0.028007810%
\$5,581,851	\$5,767,784	\$6,108,096	\$8,904,242	\$7,467,725	\$6,812,468
\$2,941,943	\$2,982,286	\$2,859,507	\$2,810,564	\$2,804,129	\$2,847,538
189.73%	193.40%	213.61%	316.81%	266.31%	239.24%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>
School District's Proportion of the Net OPEB Liability	0.03337850%	0.03201350%	0.03152510%
School District's Proportionate Share of the Net OPEB Liability	\$549,892	\$449,474	\$596,640
School District's Covered Payroll	\$1,343,050	\$1,170,114	\$1,049,050
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.94%	38.41%	56.87%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%

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

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

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017
0.03066260%	0.02933400%	0.02785720%	0.02623390%	0.02655510%
\$666,399	\$737,689	\$772,833	\$704,048	\$756,919
\$1,006,171	\$986,652	\$906,644	\$855,736	\$819,586
66.23%	74.77%	85.24%	82.27%	92.35%
18.17%	15.57%	13.57%	12.46%	11.49%

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

	2024	2023	2022
School District's Proportion of the Net OPEB (Asset) Liability	0.026408700%	0.026090910%	0.025854846%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$513,614)	(\$675,580)	(\$545,128)
School District's Covered Payroll	\$3,558,036	\$3,384,457	\$3,215,436
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-14.44%	-19.96%	-16.95%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.50%	230.70%	174.70%

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

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

See accompanying notes to the required supplementary information.

2021	2020	2019	2018	2017
0.025872780%	0.025240800%	0.026231800%	0.025712650%	0.026601260%
(\$454,713)	(\$481,048)	(\$421,519)	\$1,003,213	\$1,422,642
\$3,199,529	\$2,941,943	\$2,982,286	\$2,859,507	\$2,810,564
-14.21%	-16.35%	-14.13%	35.08%	50.62%
182.00%	174.70%	176.00%	47.10%	37.30%

**Shadyside Local School District**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

	2024	2023	2022	2021
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$193,533	\$188,027	\$163,816	\$146,867
Contributions in Relation to the Contractually Required Contribution	<u>(193,533)</u>	<u>(188,027)</u>	<u>(163,816)</u>	<u>(146,867)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$1,382,379	\$1,343,050	\$1,170,114	\$1,049,050
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability</b>				
Contractually Required Contribution (2)	\$22,677	\$24,342	\$20,217	\$19,222
Contributions in Relation to the Contractually Required Contribution	<u>(\$22,677)</u>	<u>(\$24,342)</u>	<u>(\$20,217)</u>	<u>(\$19,222)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.64%</u>	<u>1.81%</u>	<u>1.73%</u>	<u>1.83%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.64%</u>	<u>15.81%</u>	<u>15.73%</u>	<u>15.83%</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.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$140,864	\$133,198	\$122,397	\$119,803	\$114,742	\$99,474
<u>(140,864)</u>	<u>(133,198)</u>	<u>(122,397)</u>	<u>(119,803)</u>	<u>(114,742)</u>	<u>(99,474)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,006,171	\$986,652	\$906,644	\$855,736	\$819,586	\$754,730
<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>
\$18,592	\$22,182	\$18,764	\$13,447	\$12,627	\$18,384
<u>(\$18,592)</u>	<u>(\$22,182)</u>	<u>(\$18,764)</u>	<u>(\$13,447)</u>	<u>(\$12,627)</u>	<u>(\$18,384)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.85%</u>	<u>2.25%</u>	<u>2.07%</u>	<u>1.57%</u>	<u>1.54%</u>	<u>2.44%</u>
<u>15.85%</u>	<u>15.75%</u>	<u>15.57%</u>	<u>15.57%</u>	<u>15.54%</u>	<u>15.62%</u>

**Shadyside Local School District**  
*Required Supplementary Information*  
*Schedule of School District Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$542,015	\$498,125	\$473,824	\$450,161
Contributions in Relation to the Contractually Required Contribution	<u>(542,015)</u>	<u>(498,125)</u>	<u>(473,824)</u>	<u>(450,161)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$3,871,536	\$3,558,036	\$3,384,457	\$3,215,436
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Although the covered payroll for the net OPEB liability is the same as the net pension liability, there were no OPEB related contributions for 2015-2024 as STRS did not allocate any employer contributions to postemployment health care. 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.



<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$447,934	\$411,872	\$417,520	\$400,331	\$393,479	\$392,578
<u>(447,934)</u>	<u>(411,872)</u>	<u>(417,520)</u>	<u>(400,331)</u>	<u>(393,479)</u>	<u>(392,578)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,199,529	\$2,941,943	\$2,982,286	\$2,859,507	\$2,810,564	\$2,804,129
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

**Shadyside Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**Net Pension Liability**

**Changes in Benefit Terms/Assumptions – SERS**

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

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

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

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was 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 reported for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with a 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 years 2017 and prior are presented below:

**Shadyside Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Years 2017 and Prior</u>
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 Adjustments (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 years 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 ages 90 and above. Females younger than age 80 are set back four years, one year set-back from ages 80 through 89, and no set-back from ages 90 and above.

**Shadyside Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**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.

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

**Shadyside Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**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.

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.

**Shadyside Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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

Shadyside Local School District  
Belmont County  
3890 Lincoln Avenue  
Shadyside, Ohio 43947

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Shadyside Local School District, Belmont 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 and have issued our report thereon dated April 18, 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 purpose of expressing our opinion 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.

***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 18, 2025



# OHIO AUDITOR OF STATE KEITH FABER



**SHADYSIDE LOCAL SCHOOL DISTRICT**

**BELMONT COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 5/8/2025**

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

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