

SOUTHEASTERN LOCAL SCHOOL DISTRICT

ROSS COUNTY

SINGLE AUDIT

For the Fiscal Year Ended June 30, 2024



CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS





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Board of Education Southeastern Local School District 2003 Lancaster Rd Chillicothe, OH 45601

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

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

Keith Faber Auditor of State Columbus, Ohio

May 02, 2025



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CERTIFIED PUBLIC ACCOUNTANT AND MANAGEMENT CONSULTANTS

Independent Auditor's Report

Board of Education Southeastern Local School District 2003 Lancaster Road Chillicothe, OH 45601

Report on Audit of the Financial Statements

Opinions

We have audited the financial statements of the Southeastern Local School District, Ross County, Ohio (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinion

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 Southeastern Local 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 opinion.

Emphasis of Matter

As discussed in Note 21 to the financial statements, the District implemented Governmental Accounting Standards Board Statement No. 100, which resulted in some modifications to the basic financial statements. We did not modify our opinion regarding this matter.

Board of Education Southeastern Local School District Independent Auditor's Report

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Board of Education Southeastern Local School District Independent Auditor's Report

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC. Chillicothe, Ohio

January 23, 2025

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

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

FINANCIAL HIGHLIGHTS

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

- Net position of governmental activities increased \$595,128.
- General revenues accounted for \$13,363,023 or 80% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions, accounted for \$3,386,229 or 20% of total revenues of \$16,746,252.
- The School District had \$16,154,124 in expenses related to governmental activities; only \$3,386,229 of these expenses were offset by program specific charges for services and sales, operating grants and contributions.

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 Southeastern 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.

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, liabilities and deferred inflows/outflows of resources 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 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 net position. These changes in net position are 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.

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

In the Statement of Net Position and the Statement of Activities, most of the School District's programs and services are reported as governmental activities including instruction, support services, operation of non-instructional services, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major fund begins on page 15. Fund financial statements provide detailed information about the School District's major fund. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental fund is the General Fund.

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.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating revenues over (under) operating expenses and changes in net position. Proprietary funds are classified as enterprise or internal service and the School District only has an internal service fund which is used to account for its self-insurance program for employee vision and dental claims. This fund is reported using the accrual basis of accounting.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. The School District's fiduciary funds are a custodial fund and a private purpose trust fund. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Custodial funds are used to maintain financial activity of the School District's fiduciary activities that are not required to be reported in a trust fund. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

The School District's custodial fund accounts for State athletic tournament games, for which the School District acts as fiscal agent, and its private purpose trust fund is used to maintain the financial activity of the School District's scholarship funds.

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

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 Governmental Activities

	2024	2023
Assets:		
Current and Other Assets	\$ 19,656,123	\$ 19,926,558
Capital Assets, Net	12,011,585	12,019,258
Total Assets	31,667,708	31,945,816
Deferred Outflows of Resources:		
Pensions and OPEB	3,406,565	3,555,782
Total Deferred Outflows of Resources	3,406,565	3,555,782
Liabilities:		
Current and Other Liabilities	1,429,999	1,425,817
Long-Term Liabilities:	-,, ,	-, :, :- ;
Due Within One Year	101,984	88,372
Due in More than One Year:		
Net Pension Liabilities	12,622,446	12,737,418
Net OPEB Liabilities	902,123	801,208
Other Amounts	1,168,227	1,360,116
Total Liabilities	16,224,779	16,412,931
Deferred Inflows of Resources		
Pensions and OPEB	2,618,678	3,405,306
Property Taxes not Levied to Finance the Current Year	2,485,896	2,533,569
Total Deferred Inflows of Resources	5,104,574	5,938,875
Net Position:		
Net Investment in Capital Assets	11,345,585	11,289,258
Restricted	1,370,854	1,882,866
Unrestricted	1,028,481	(22,332)
Total Net Position	\$ 13,744,920	\$ 13,149,792

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

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

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

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

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

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

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

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

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

Total net position of the School District as a whole increased \$595,128. The decrease to current and other assets is primarily due to a decrease in Net OPEB assets and cash which were partially offset by increases in accrued interest receivable and taxes receivable. Deferred outflows of resources decreased primarily due to pension activity. Long-term liabilities decreased due to decreases in net pension liabilities and debt principal payments which were partially offset by increases in Net OPEB liabilities. Deferred inflows of resources decreased due primarily to pension and OPEB activities.

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

Table 2 shows the changes in net position for the fiscal years ended June 30, 2024 and 2023.

Table 2 Changes in Net Position

	Governmental Activities	Governmental Activities		
	2024	2023		
Revenues				
Program Revenues				
Charges for Services and Sales	\$ 640,900	\$ 597,494		
Operating Grants and Contributions	2,745,329	2,850,535		
Total Program Revenues	3,386,229	3,448,029		
General Revenues				
Property Taxes	2,990,609	2,825,591		
Income Taxes	3,915	2,645		
Grants and Entitlements Not Restricted to Specific Programs	9,517,300	9,257,339		
Investment Earnings	603,734	298,831		
Miscellaneous	247,465	938,144		
Total General Revenues	13,363,023	13,322,550		
Total Revenues	16,749,252	16,770,579		
Program Expenses				
Instruction:				
Regular	7,621,632	8,122,131		
Special	2,505,319	2,677,300		
Other	1,535	1,603		
Support Services:	7	,		
Pupils	553,165	515,531		
Instructional Staff	114,942	144,547		
Board of Education	19,826	16,619		
Administration	1,118,986	1,044,427		
Fiscal	399,879	370,051		
Business	130,165	130,077		
Operation and Maintenance of Plant	1,246,615	1,344,065		
Pupil Transportation	1,065,508	1,131,785		
Central	298,034	94,591		
Operation of Non-Instructional Services	480,529	470,887		
Extracurricular Activities	561,089	572,239		
Interest and Fiscal Charges	36,900	11,256		
Total Expenses	16,154,124	16,647,109		
Change in Net Position	595,128	123,470		
Net Position, Beginning of Year	13,149,792	13,026,322		
Net Position, End of Year	\$ 13,744,920	\$ 13,149,792		

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

Charges for services and sales increased as a result of a increase in tuition and fees. General revenues increased primarily due to an increase in property taxes and an increase in grants and entitlements not restricted. The School District's income tax levy expired December 30, 2004 and the only income tax collections are for delinquencies. Interest earnings increased due to rising interest rates. Miscellaneous revenue decreased due to receiving reimbursements for flood damage in the prior year.

The decrease in expenses for the School District as a whole is primarily due to a decrease in regular instruction which was due to less expenses incurred in the regular instruction area for the ESSER program and less overall expenses for the Student Wellness and Success program. The most significant program expenses for the School District are regular instruction, operation and maintenance of plant, special instruction and pupil transportation. These programs account for 77 percent of the total governmental activities. Regular instruction, which accounts for 47 percent of the total, represents costs associated with providing general educational services. Operation and maintenance of plant, which represents 8 percent of the total, represents costs associated with operating and maintaining the School District's facilities. Special instruction, which represents 15 percent of the total, represents costs associated with providing educational services for handicapped, disadvantaged and other special needs students. Pupil transportation, which represents 7 percent of the total, represents costs associated with student transportation.

The majority of the funding for the most significant programs indicated above is from operating grants and contributions, property taxes, and grants and entitlements not restricted for specific programs. Operating grants and contributions, property taxes, and grants and entitlements not restricted for specific programs account for 91 percent of total revenues for governmental activities.

The Statement of Activities shows the cost of program services and the charges for services and sales, operating grants and contributions offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported primarily by tax revenue and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services	0	Net Cost of Services		Γotal Cost of Services		Net Cost of Services	
	20)24	:4		20		023	
Program Expenses								
Instruction:								
Regular	\$ 7,621,632	\$	6,782,850	\$	8,122,131	\$	7,475,442	
Special	2,505,319		933,525		2,677,300		1,184,816	
Other	1,535		(4,888)		1,603		(4,299)	
Support Services:								
Pupils	553,165		435,742		515,531		433,086	
Instructional Staff	114,942		108,853		144,547		137,398	
Board of Education	19,826		19,404		16,619		16,430	
Administration	1,118,986		998,508		1,044,427		934,333	
Fiscal	399,879		382,661		370,051		334,727	
Business	130,165		127,397		130,077		120,773	
Operation and Maintenance of Plant	1,246,615		1,170,428		1,344,065		1,097,412	
Pupil Transportation	1,065,508		1,045,619		1,131,785		1,117,407	
Central	298,034		291,697		94,591		93,267	
Operation of Non-Instructional Services	480,529		99,576		470,887		(38,399)	
Extracurricular Activities	561,089		339,623		572,239		285,431	
Interest and Fiscal Charges	36,900		36,900		11,256		11,256	
Total	\$ 16,154,124	\$	12,767,895	\$	16,647,109	\$	13,199,080	

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

THE SCHOOL DISTRICT'S FUNDS

The School District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$16,822,842 and expenditures and other financing uses of \$16,742,266.

The School District has one major fund: the General Fund. The General Fund had \$14,468,414 in revenues and \$13,743,431 in expenditures. The General Fund's balance increased \$724,983. The increase is due primarily to increases in property taxes, intergovernmental revenues, and interest which exceeded slight increases in expenditures.

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 budget.

For the General Fund, final estimated revenue was \$14,266,941, which decreased from the original estimates of \$14,692,916. The decrease is due to decreases to intergovernmental revenue. For the General Fund, final budgeted expenditures were \$14,067,260, which decreased from the original estimates of \$14,446,471. Appropriations were amended to reflect changes necessary for regular instruction and operation and maintenance of plant. The School District's actual budget basis revenues were \$10 above final estimates. The School District's actual budget basis expenditures were \$93,507 below the final budget.

The School District's ending unobligated General Fund budgetary fund balance was \$13,687,866.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2024, the School District had \$12,011,585 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and library books and textbooks. For additional information on capital assets, see Note 9 to the basic financial statements. Table 4 shows fiscal year 2024 balances compared to 2023.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities						
		2023					
Land	\$	705,000	\$	705,000			
Land Improvements		70,757		109,313			
Buildings and Improvements		10,070,018		9,936,228			
Furniture and Equipment		633,418		561,462			
Vehicles		532,392		707,255			
Totals	\$	12,011,585	\$	12,019,258			

The overall decrease in capital assets of \$7,673 is due to current year depreciation expense, which was partially offset by current year additions.

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

Debt

At June 30, 2024, the School District had \$666,000 in certificate of participation outstanding with \$68,000 due within one year. Table 5 summarizes the bond and certificate of participation outstanding. The bonds were issued for school construction and the certificate of participation was issued for the addition of a new athletic complex. For additional information on debt, see Note 14 to the basic financial statements.

Table 5
Oustanding Debt at Year End

	2024	2023
Certificate of Participation	\$ 666,000	\$ 730,000
•	\$ 666,000	\$ 730,000

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Phil Hartman, Treasurer at Southeastern Local School District, 2003 Lancaster Road, Chillicothe, Ohio 45601.

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Statement of Net Position June 30, 2024

	Governmental Activities
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 15,426,028
Accrued Interest Receivable	133,298
Intergovernmental Receivable	273,320
Prepaid Items	6,859
Taxes Receivable	2,943,427
Noncurrent Assets:	
Nondepreciable Capital Assets	705,000
Depreciable Capital Assets, Net	11,306,585
Net OPEB Asset	873,191
Total Assets	31,667,708
Deferred Outflows of Resources	
Pension and OPEB:	
State Teachers Retirement System	2,538,181
School Employees Retirement System	868,384
School Employees Retirement System	000,504
Total Deferred Outflows of Resources	3,406,565
Liabilities	
Current Liabilities:	
Accounts Payable	40,369
Accrued Wages and Benefits Payable	1,148,457
Intergovernmental Payable	237,600
Claims Payable	3,573
Noncurrent Liabilities:	3,373
Due Within One Year	101,984
Due in More Than One Year	101,704
Net Pension Liability (See Note 11)	12,622,446
Net OPEB Liability (See Note 12)	902,123
Other Amounts Due in More Than One Year	*
Other Amounts Due in More Than One Tear	1,168,227
Total Liabilities	16,224,779
Deferred Inflows of Resources	
Pensions and OPEB:	
State Teachers Retirement System	1,406,001
School Employees Retirement System	1,212,677
Property Taxes not Levied to Finance Current Year Operations	2,485,896
Total Deferred Inflows of Resources	5,104,574
Net Position	
Net Investment in Capital Assets	11,345,585
Restricted for:	<i>,,</i>
Debt Service	15,775
Capital Outlay	6,173
Classroom Facilities Maintenance	567,188
Student Wellness and Success	513,759
Other Purposes	267,959
Unrestricted	1,028,481
Total Net Position	
TOTAL INC. I USHION	\$ 13,744,920

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

					ım Reven	ues	R	et (Expense) evenue and Changes in let Position
			(Charges for			_	
		Expenses		Services and Sales		rating Grants Contributions		overnmental Activities
Governmental Activities		Expenses		and Sales	and	Contributions		Activities
Instruction:								
Regular	\$	7,621,632	\$	245,696	\$	593,086	\$	(6,782,850)
Special	-	2,505,319	*	149,857	*	1,421,937	*	(933,525)
Other		1,535		34		6,389		4,888
Support Services:		-,				-,		.,
Pupils		553,165		26,942		90,481		(435,742)
Instructional Staff		114,942		2,963		3,126		(108,853)
Board of Education		19,826		422		-		(19,404)
Administration		1,118,986		37,675		82,803		(998,508)
Fiscal		399,879		9,755		7,463		(382,661)
Business		130,165		2,768		-		(127,397)
Operation and Maintenance of Plant		1,246,615		33,543		42,644		(1,170,428)
Pupil Transportation		1,065,508		19,889		-		(1,045,619)
Central		298,034		6,337		_		(291,697)
Operation of Non-Instructional Services		480,529		63,870		317,083		(99,576)
Extracurricular Activities		561,089		41,149		180,317		(339,623)
Interest and Fiscal Charges		36,900				-		(36,900)
Totals	\$	16,154,124	\$	640,900	\$	2,745,329		(12,767,895)
	Prop	eral Revenues erty Taxes Levie	ed for:					2 200 600
		eneral Purposes						2,990,609
		me Taxes		D 1. C	·			3,915
			ents not	Restricted to Sp	ecific Pro	ograms		9,517,300
		stment Earnings						603,734
	Misc	ellaneous						247,465
	Tota	l General Reven	ues					13,363,023
	Chai	nge in Net Positi	on					595,128
	Net I	Position Beginni	ng of Y	lear ear				13,149,792
	Net I	Position End of	Year				\$	13,744,920

Balance Sheet Governmental Funds June 30, 2024

		General	Go	Other overnmental Funds	G	Total overnmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$	13,894,591	\$	1,417,837	\$	15,312,428
Accrued Interest Receivable		133,298		-		133,298
Interfund Receivable		300,941		-		300,941
Prepaid Items		6,859		-		6,859
Intergovernmental		30,415		242,905		273,320
Taxes		2,943,427				2,943,427
Total Assets	\$	17,309,531	\$	1,660,742	\$	18,970,273
Liabilities						
Accounts Payable	\$	27,240	\$	13,129	\$	40,369
Accrued Wages and Benefits Payable		983,468		164,989		1,148,457
Interfund Payable		-		300,941		300,941
Intergovernmental Payable		194,758		42,842		237,600
Total Liabilities		1,205,466		521,901		1,727,367
Deferred Inflows of Resources						
Property Taxes not Levied to Finance Current Year Operations		2,485,896		-		2,485,896
Unavailable Revenue - Delinquent Taxes		132,998		-		132,998
Unavailable Revenue - Interest		52,872		-		52,872
Unavailable Revenue - Grants	_			78,589		78,589
Total Deferred Inflows of Resources		2,671,766		78,589		2,750,355
Fund Balances						
Nonspendable		7,251		-		7,251
Restricted		-		1,367,157		1,367,157
Assigned		430,353		-		430,353
Unassigned	_	12,994,695		(306,905)		12,687,790
Total Fund Balances		13,432,299		1,060,252		14,492,551
Total Liabilities, Deferred Inflows of Resources,						
and Fund Balances	\$	17,309,531	\$	1,660,742	\$	18,970,273

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

Total Governmental Fund Balances		\$	14,492,551
Amounts reported for governmental activities in the statement of activities are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			12,011,585
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds.			
Taxes Charges for Services Intergovernmental Total	132,998 52,872 78,589		264,459
The net pension and OPEB asset/liabilities are not due and receivable/payable in the current period; therefore, the assets/liabilities and related deferred inflows/outflows are not reported in the funds.			20 1, 102
Deferred outflows of resources related to pensions and OPEB Deferred inflows of resources related to pensions and OPEB Net Pension Liability Net OPEB Asset Net OPEB Liability	3,406,565 (2,618,678) (12,622,446) 873,191 (902,123)		
Total			(11,863,491)
An internal service fund is used by management to charge the cost of insurance to individuals. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.			110,027
Long-term liabilities, including certificate of participation obligations and the long-term portion of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.			
Compensated Absences Certificate of Participation Obligations	(604,211) (666,000)		
Total		-	(1,270,211)
Net Position of Governmental Activities		\$	13,744,920

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

		Other	Total
		Governmental	Governmental
	General	Funds	Funds
Revenues			
Property Taxes	\$ 2,995,663	\$ -	\$ 2,995,663
Income Taxes	3,915	-	3,915
Intergovernmental	10,370,050	1,935,157	12,305,207
Interest	592,980	-	592,980
Tuition and Fees	217,149	-	217,149
Rent	36,252	-	36,252
Extracurricular Activities	42,529	276,125	318,654
Customer Sales and Services	-	105,097	105,097
Miscellaneous	209,876	37,589	247,465
Total Revenues	14,468,414	2,353,968	16,822,382
Expenditures			
Current:			
Instruction:			
Regular	6,154,255	942,617	7,096,872
Special	1,637,320	892,237	2,529,557
Student Intervention Services	1,588	-	1,588
Support Services:			
Pupils	446,170	141,672	587,842
Instructional Staff	115,821	4,938	120,759
Board of Education	20,806	-	20,806
Administration	1,038,379	130,784	1,169,163
Fiscal	411,449	11,787	423,236
Business	130,165	-	130,165
Operation and Maintenance of Plant	1,225,086	67,354	1,292,440
Pupil Transportation	996,620	-	996,620
Central	304,641	500.104	304,641
Operation of Non-Instructional Services	224.246	500,104	500,104
Extracurricular Activities	234,346	284,802	519,148
Capital Outlay Debt Service:	925,885	22,080	947,965
Principal	64,000	_	64,000
Interest and Fiscal Charges	36,900		36,900
Total Expenditures	13,743,431_	2,998,375	16,741,806
Excess of Revenues Over (Under) Expenditures	724,983	(644,407)	80,576
Other Financing Sources (Uses)			
Transfers In	_	460	460
Transfers Out		(460)	(460)
Total Other Financing Sources (Uses)			
Net Change in Fund Balances	724,983	(644,407)	80,576
Fund Balances at Beginning of Year	12,707,316	1,704,659	14,411,975
Fund Balances at End of Year	\$ 13,432,299	\$ 1,060,252	\$ 14,492,551

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

Net Change in Fund Balances-Total Governmental Funds		\$ 80,576
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the difference between the capital asset additions and the amount of depreciation expense for the current period. Capital Asset Additions Depreciation Total	947,965 (955,638)	(7,673)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Interest Taxes Charges for Services Intergovernmental Total	10,754 (5,054) (36,252) (42,578)	(73,130)
Repayments of certificate of participation obligations are expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.		64,000
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities with the exception of interest earnings.		23,581
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.		1,213,922
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability (asset) are reported as pension/OPEB expense (gain) in the statement of activities.		(820,425)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Decrease in Compensated Absences	114,277	
Total		 114,277
Net Change in Net Position of Governmental Activities		\$ 595,128

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

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Total Revenues and Other Financing Sources Total Expenditures and Other Financing Uses	\$14,692,916 14,446,471	\$14,266,941 14,067,260	\$14,266,951 13,973,753	\$ 10 93,507
Net Change in Fund Balance	246,445	199,681	293,198	93,517
Fund Balance at Beginning of Year	12,789,108	12,789,108	12,789,108	-
Prior Year Encumbrances Appropriated	605,560	605,560	605,560	
Fund Balance at End of Year	\$ 13,641,113	\$ 13,594,349	\$ 13,687,866	\$ 93,517

Statement of Fund Net Position Governmental Activities Internal Service Fund June 30, 2024

	Inter	nal Service
ASSETS: Equity in Pooled Cash and Cash Equivalents	\$	113,600
Total Assets		113,600
LIABILITIES: Claims Payable		3,573
Total Liabilities		3,573
NET POSITION: Unrestricted		110,027
Total Net Position	\$	110,027

Statement of Revenues, Expenses and Changes in Fund Net Position Governmental Activities Internal Service Fund For the Fiscal Year Ended June 30, 2024

	Internal Service		
OPERATING REVENUES: Charges for Services	\$	94,153	
Total Operating Revenues		94,153	
OPERATING EXPENSES: Claims		70,572	
Total Operating Expenses		70,572	
Change in Net Position		23,581	
Net Position at Beginning of Year		86,446	
Net Position at End of Year	\$	110,027	

Statement of Cash Flows
Governmental Activities
Internal Service Fund
For the Fiscal Year Ended June 30, 2024

	Internal Service
Increase in Cash and Cash Equivalents Cash Flows from Operating Activities:	
Cash Received from Interfund Services Provided Cash Payments for Claims	\$ 94,153 (71,351)
Net Cash Provided for Operating Activities	 22,802
Cash and Cash Equivalents at Beginning of Year	 90,798
Cash and Cash Equivalents at End of Year	\$ 113,600
Reconciliation of Operating Income to Net Cash Provided for Operating Activities	
Operating Income	\$ 23,581
Changes in Liabilities: Decrease in Claims Payable	 (779)
Net Cash Provided for Operating Activities	\$ 22,802

Statement of Fiduciary Net Position Fiduciary Funds June 30, 2024

Assets	te Purpose ast Fund	Custodial Fund		
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 6,478	\$	2,518	
Cash and Cash Equivalents in Segregated Accounts	29,675	·	_	
Total Assets	 36,153		2,518	
Net Position Held in Trust for Scholarships Restricted for Individuals, Organizations and Other Governments	36,153		2,518	
Total Net Position	\$ 36,153	\$	2,518	

Statement of Changes in Fiduciary Net Position Fiduciary Funds For the Fiscal Year Ended June 30, 2024

	Purp	rivate ose Trust Fund	Custodial Fund	
Additions Gifts and Contributions Interest	\$	5,160 8	\$	- -
Total Additions		5,168		-
Deductions Payments for OHSAA Tournaments Payments in Accordance with Trust Agreements		- 6,042		504
Total Deductions		6,042		504
Change in Net Position		(874)		(504)
Net Position Beginning of Year		37,027		3,022
Net Position End of Year	\$	36,153	\$	2,518

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

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Southeastern 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 School District was established in 1938 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 140 square miles. It is located in Ross County and includes the Hamlets of Londonderry, Higby, Harrison and Richmond Dale and portions of Liberty, Jefferson, Harrison, Springfield, Franklin and Scioto Townships. It is staffed by 65 non-certificated employees, and 74 certificated full-time teaching personnel who provide services to 930 students and other community members. The School District currently operates a K-12 instructional building.

Reporting Entity:

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Southeastern 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. The School District has no component units.

The following entities which perform activities within the School District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

- Parent Teacher Organization
- Ross-Pike Educational Service District

The School District participates in six organizations, four of which are defined as jointly governed organizations, one is a public entity shared risk pool, and one is an insurance purchasing pool. These organizations are the Metropolitan Education Technology Association (META), the Pickaway-Ross Career and Technology Center, the Great Seal Education Network of Tomorrow, School Study Council of Ohio, the Ross County School Employees Insurance Consortium, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the basic financial statements.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

Government-wide Financial Statements:

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the Internal Service Fund is eliminated to avoid "doubling up" revenues and expenses. The statements usually distinguish between those activities of the School District that are governmental and those that are classified as business-type. However, the School District has no activities that are classified as business-type.

The statement of net position presents the financial condition of governmental activities of the School District at yearend. 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the 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 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 fund financial statements is on major funds rather than reporting funds by type. The major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

B. 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 used by this School District can be classified using three categories: governmental, proprietary, and fiduciary.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 purpose 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 deferred outflows of resources and liabilities and deferred inflows of resources is reported as fund balance. The following is the School District's major governmental fund:

General Fund

The General Fund is the general operating fund of the School District and is used to account for all financial resources not accounted for and reported in another fund. The General Fund is available to the School District for any purpose provided it is expended or transferred according to the school laws of Ohio.

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

Proprietary Funds

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

Internal Service Fund

The Internal Service Fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for the self-insurance program for employee vision and dental claims.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Custodial funds are used to maintain financial activity of the School District's fiduciary activities that are not required to be reported in a trust fund. In accordance with GASB 34, fiduciary funds are not included in the government-wide statements.

The School District's custodial fund accounts for State athletic tournament games, for which the School District acts as fiscal agent, and its private purpose trust fund is used to maintain the financial activity of the School District's scholarship funds.

Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred inflows/outflows of resources, and all liabilities 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 total net position.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred inflows/outflows of resources and current liabilities 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, proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets, all liabilities and all deferred inflows/outflows of resources associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

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. The fund financial statements are prepared using either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for proprietary and fiduciary funds. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of unavailable revenue, the presentation of expenses versus expenditures, the recording of deferred inflows and outflows of resources related to net pension and OPEB liabilities (assets), and the recording of net pension and OPEB liabilities (assets).

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. "Measurable" means the amount of the transaction can be determined, and "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 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 an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditures 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.

Under the modified accrual basis, the following revenue sources are both measurable and available at year-end: property taxes available as an advance, interest, and grants.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The School District recorded a deferred outflow of resources for pensions and other postemployment benefits. The deferred outflows of resources related to the pensions and postemployment benefits are explained in Notes 11 and 12. The School District also reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the School District these amounts consist of taxes, interest and grants which are not collected in the available period, pensions, and postemployment benefits. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is primarily due to delinquent property taxes, interest and grants not received during the available period. These were reported as revenues on the Statement of Activities and not recorded as deferred inflows on the Statement of Net Position. Deferred inflows of resources related to pension and postemployment benefits are reported on the Statement of Net Position. (See Notes 11 and 12)

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, except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation, personal leave and sick leave are reported as fund liabilities as payments come due each period upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

C. Budgetary Process

All funds, other than the custodial fund, 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 set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer maintains budgetary information at the fund and object level and has the authority to allocate appropriations at the function and object level without resolution by the Board.

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 statement reflect the amounts in the amended certificate in effect when the permanent appropriations for the fiscal year were passed. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate in effect when the final appropriations for the fiscal year were passed.

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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Cash and Cash Equivalents

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund amounted to \$592,980.

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

For 2024 there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAROhio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

For presentation on the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

E. Capital Assets and Depreciation

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$5,000 dollars. The School District does not have any infrastructure.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets, except land, are depreciated. Depreciable capital assets are depreciated using the straight-line method over an estimated useful life of 20 to 50 years for buildings and improvements, 5 to 20 years for furniture and equipment, 10 to 25 years for land improvements, 5 to 15 years for textbooks and library books, and 10 years for vehicles.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Activity

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

G. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal yearend, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after 10 years of current service with the School District.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee will be paid.

H. 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 special termination benefits 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 in the current year. Bonds are recognized as a liability on the government-wide financial statements when due.

I. Fund Balance

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the School District Board of Education.

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.

J. Estimates

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

K. Net Position

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and the effect of deferred inflows and outflows related to the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes represents balances in special revenue funds for grants whose use is restricted by grant agreements.

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

Of the School District's \$1,370,854 in restricted net position, none is restricted by enabling legislation.

L. Interfund Balances

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability, net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and 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.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are charges for services to the various funds to cover the costs of the self-insurance program. Operating expenses are necessary costs incurred to provide the goods and/or services that are the primary activities of the fund.

O. 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 purchase and an expenditure/expense is recorded in the year in which services are consumed.

NOTE 3 – ACCOUNTABILITY

At June 30, 2024, the Lunchroom, ESSER, School Improvement Grant, Title I, Drug Free Grant, and Improving Teacher Quality Special Revenue Funds had deficit fund balances of \$203,635, \$37,895, \$10,878, \$49,055, \$5,438, and \$4 respectively. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

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

The major differences between the budget basis and GAAP (modified accrual) 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 as a restriction, commitment or assignment of fund balance for governmental fund types (GAAP basis).

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

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (continued)

4. Funds treated as General Fund equivalents on the GAAP basis are not included on the budget basis.

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

Net Change in Fund Balance

	General
GAAP Basis	\$724,983
Adjustments:	
Revenue Accruals	(158,934)
Expenditure Accruals	(40,707)
Perspective Difference:	
Activity of Funds Reclassed for	
GAAP Reporting Purposes	198,672
Encumbrances	(430,816)
Budget Basis	\$293,198
Dudget Dasis	φ493,190

NOTE 5 – DEPOSITS AND INVESTMENTS

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

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

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

Interim 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 monies may 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;
- 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;

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

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

- 3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
- 4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
- 5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
- 6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- 7. The State Treasurer's investment pool (STAR Ohio);
- 8. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

Deposits

Custodial credit risk is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$8,605,162 of the School District's bank balance of \$9,191,369 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

The School District does not have a deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

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

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

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

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

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

	Fair	Less than 12		
	Value	months	1-2 Years	3-5 Years
Star Ohio	\$6,686,290	\$6,686,290	\$0	\$0
Total Investment Portfolio	\$6,686,290	\$6,686,290	\$0	\$0

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the School District's recurring fair value measurements as of June 30, 2024. As discussed further in Note 2D, STAR Ohio is reported at its share price.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School District does not have an investment policy. The School District manages its' exposure to declines in fair values by limiting its investments to STAR Ohio.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District limits their investments to STAR Ohio. Investments in STAR Ohio were rated AAAm by Standard & Poor's.

Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District does have an investment policy which allows only investments in STAR Ohio and Certificates of Deposit. The School District has invested 100 percent in STAR Ohio.

Custodial credit risk - Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are either insured and registered in the name of the School District or at least registered in the name of the School District.

NOTE 6 – PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 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.

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

NOTE 6 – PROPERTY TAXES (continued)

Public utility property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal taxes received in calendar year 2024 became a lien December 31, 2022, were levied after April 1, 2023 and are collected in 2024 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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

	2023 Secon	nd-	2024 Firs	st-
	Half Collections		Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential				
and Other Real Estate	\$120,385,420	83.15%	\$120,630,600	83.15%
Public Utility	24,387,890	16.85%	24,451,470	16.85%
Total Assessed Value	\$144,773,310	100.00%	\$145,082,070	100.00%
Tax rate per \$1,000 of assessed valuation	\$31.20		\$28.30	

The School District receives property taxes from Ross 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 represent delinquent taxes outstanding and real property and public utility taxes which became 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 available as an advance at June 30 was levied to finance current fiscal year operations. The receivable is therefore offset by a credit to unavailable revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

The amount available as an advance at June 30, 2024, was \$323,488 in the General Fund.

NOTE 7 – INCOME TAX

The School District levied a voted tax of 0.75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2000, for five years. This levy expired on December 31, 2004 and was not renewed. The School District continues to receive delinquent income taxes. Income tax revenue is credited to the General Fund. Income tax revenues received during the year were \$3,915.

NOTE 8 – RECEIVABLES

Receivables at June 30, 2024, consisted of property taxes, accounts, interest, intergovernmental grants, and interfund amounts. 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.

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

NOTE 8 - RECEIVABLES (continued)

A summary of the principal items of the intergovernmental receivables follows:

Major Fund:	
General	\$30,415
Non-Major Special Revenue Funds:	
Title I	74,068
Drug Free Grant	10,220
ESSER	100,567
School Improvement	24,482
Title VI-B	21,633
IDEA	6,661
Improving Teacher Quality	5,274
Total	\$273,320

NOTE 9 – CAPITAL ASSETS

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

	Ending Balance 06/30/23	Additions	Disposals	Ending Balance 06/30/24
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$ 705,000	\$ -	\$ -	\$ 705,000
Total Capital Assets, Not Being Depreciated	705,000	-	-	705,000
			532,392	
Capital Assets Being Depreciated				
Land Improvements	3,287,048	5,700	-	3,292,748
Buildings and Improvements	25,583,870	777,000	681,775	25,679,095
Furniture and Equipment	1,459,982	165,265	-	1,625,247
Vehicles	2,209,197	-	-	2,209,197
Library Books and Textbooks	406,010	-	-	406,010
Total Capital Assets, Being Depreciated	32,946,107	947,965	681,775	33,212,297
Less Accumulated Depreciation:				
Land Improvements	(3,177,735)	(44,256)	_	(3,221,991)
Buildings and Improvements	(15,647,642)	(643,210)	(681,775)	(15,609,077)
Furniture and Equipment	(898,520)	(93,309)	-	(991,829)
Vehicles	(1,501,942)	(174,863)	_	(1,676,805)
Library Books and Textbooks	(406,010)	-	_	(406,010)
Total Accumulated Depreciation	(21,631,849)	(955,638)	(681,775)	(21,905,712)
Total Capital Assets Being Depreciated, Net	11,314,258	(7,673)		11,306,585
Governmental Activities Capital Assets, Net	\$ 12,019,258	\$ (7,673)	\$ -	\$ 12,011,585

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

NOTE 9 – CAPITAL ASSETS (continued)

Depreciation expense was charged to government functions as follows:

Regular Instruction	\$767,573
Vocational	119
Instructional Staff	278
Administration	-
Operation and Maintenance of Plant	5,690
Pupil Transportation	130,089
Operation of Non-Instructional Services	2,722
Extracurricular Activities	49,167
=	\$955,638

NOTE 10 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the School District contracted with Wright Specialty Insurance for property and fleet insurance, and inland marine coverage. General liability coverage was provided by the Ohio School Plan. Coverage provided was as follows:

Building and Contents replacement cost (\$2,500 deductible)	\$53,539,797
Automobile Liability (\$1,000 deductible)	
Bodily Injury - Each person	1,000,000
Bodily Injury - Each accident	1,000,000
General Liability:	
Per occurrence	1,000,000
Total per year	3,000,000

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

Vision and dental insurance are offered to employees through a self-insurance program. The claims liability of \$3,573 reported in the Internal Service Fund at June 30, 2024 is based on an estimate provided by the third-party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported.

Changes in claims payable for the past three fiscal years is as follows:

	Balance			Balance
	Beginning	Current	Claims	End of
	of Year	Year Claims	Payments	Year
2022	\$2,757	\$71,101	\$69,347	\$4,511
2023	4,511	83,942	84,101	\$4,352
2024	4,352	70,572	71,351	\$3,573

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

NOTE 10 – RISK MANAGEMENT (continued)

For fiscal year 2024, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). 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. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Comp management provides administrative, cost control and actuarial services to the GRP.

The School District is a member of the Ross County Insurance Consortium, a public entity shared risk pool (Note 17), consisting of school districts within the County offering medical and dental insurance to their employees. Monthly premiums are paid to the Ross County Insurance Consortium as fiscal agent, who in turns pays the claims on the School District's behalf. The Council is responsible for the management and operations of the program.

Upon termination from the Council, for any reason, the Council shall have no obligation under the plan beyond paying the difference between the claims incurred (even though later filed) and expenses of the Plan due up to the date of termination plus extended benefits, if any, provided under the Plan. Such claims and expenses shall be paid from the funds of the Council.

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)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions and 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 and OPEB are 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 plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension and OPEB plan's fiduciary net position. The net pension/OPEN 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 this estimate annually.

The 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 are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

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

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

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

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 under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. 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 2024.

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

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

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 District's contractually required contribution to SERS was \$289,896 for fiscal year 2024. Of this amount, \$18,802 is reported as 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.

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

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

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

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

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

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 District's contractually required contribution to STRS Ohio was \$854,595 for fiscal year 2024. Of this amount \$144,372 is reported as an intergovernmental payable.

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

The net pension liability reported as of June 30, 2024 was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net			
Pension Liability - Current Year	0.0534582%	0.044897300%	
Proportionate Share of the Net			
Pension Liability - Prior Year	0.0559477%	0.043685450%	
Change in Proportionate Share	-0.0024895%	0.001211850%	
Proportion of the Net Pension		_	
Liability	\$2,953,841	\$9,668,605	\$12,622,446
Pension Expense (Gain)	\$203,175	\$767,412	\$970,587

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

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

Deferred Outflows of Resources	SERS	STRS	Total
Differences between expected and actual			
economic experience	\$126,963	\$352,497	\$479,460
Difference from a change in proportion and			
differences between School District contributions			
and proportionate share of contributions	0	370,744	370,744
Changes of assumptions	20,923	796,262	817,185
School District contributions subsequent to the			
measurement date	289,896	885,984	1,175,880
Total	\$437,782	\$2,405,487	\$2,843,269
D.f			
Deferred Inflows of Resources	SERS	STRS	Total
Differences between expected and actual	<u>SERS</u>	STRS	<u>Total</u>
	SERS \$0	\$21,455	Total \$21,455
Differences between expected and actual			
Differences between expected and actual economic experience			
Differences between expected and actual economic experience Differences between projected and actual	\$0	\$21,455	\$21,455
Differences between expected and actual economic experience Differences between projected and actual investment earnings	\$0 41,518	\$21,455 28,977	\$21,455 70,495
Differences between expected and actual economic experience Differences between projected and actual investment earnings Changes of assumptions	\$0 41,518	\$21,455 28,977	\$21,455 70,495
Differences between expected and actual economic experience Differences between projected and actual investment earnings Changes of assumptions Difference from a change in proportion and	\$0 41,518	\$21,455 28,977	\$21,455 70,495

\$1,175,880 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 year ending June 30, 2025.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$114,368)	\$11,124	(\$103,244)
2026	(152,991)	(195,556)	(348,547)
2027	162,139	1,016,561	1,178,700
2028	2,202	4,357	6,559
Total	(\$103,018)	\$836,486	\$733,468

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment 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, compared with June 30, 2022, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after	2.0 percent, on or after
	April 1, 2018, COLAs for future	April 1, 2018, COLAs for future
	retirees will be delayed for three	retirees will be delayed for three
	years following commencement	years following commencement
Investment Rate of Return	7.00 percent net of	7.00 percent net of
	System expenses	System expenses
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
	(Level Percent of Payroll)	(Level Percent of Payroll)

Mortality rates for both 2023 and 2022 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - SERS (continued)

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

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

	Target	Long-Term Expected
Asset Class	Allocation	Real Rate of Return
Cash	3.00 %	0.76 %
US Equity	22.00	6.20
Non-US Equity Developed	12.00	6.91
Non-US Equity Emerging	6.00	8.92
Fixed Income/Global Bonds	18.00	2.46
Private Equity	14.00	10.30
Real Estate/Real Assets	20.00	5.01
Private Debt/Private Credit	5.00	6.42
Total	100.00 %	

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.

	Current		
	1% Decrease	1% Increase	
	(6.00%)	(7.00%)	(8.00%)
School District's proportionate share			
of the net pension liability	\$4,359,718	\$2,953,841	\$1,769,657

Changes in Benefit Terms and Assumptions since the prior measurement date There were no changes in benefit terms. The cost-of-living adjustments was increased from 2.00% to 2.50% for calendar year 2024.

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to those used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50 percent	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent	From 2.5 percent to 12.5 percent
	based on age	based on age
Investment Rate of Return	7.00 percent, net of investment	7.00 percent, net of investment
	expenses, including inflation	expenses, including inflation
Discount Rate of Return	7.00 percent	7.00 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017

For 2023 and 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.

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:

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

^{*} Final target weights reflected at October 1, 2022.

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions – STRS (continued)

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:

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share			
of the net pension liability	\$14,868,175	\$9,668,605	\$5,271,192

Assumptions and Benefit Changes Since the Prior Measurement Date The discount rate remained at 7.00% for the June 30, 2023 valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

NOTE 12 – DEFINED BENEFIT OPEB PLANS

Net Other Post Employment Benefits (OPEB) Liability (Asset)

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

School Employees Retirement System - SERS

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider

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

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

School Employees Retirement System – SERS (continued)

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

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

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 \$38,042. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund.

The District's contractually required contribution to SERS was \$38,042 for the fiscal year 2024.

State Teachers Retirement System of Ohio (STRS)

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

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

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

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset)

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

	SERS	STRS	Total
Proportionate Share of the Net OPEB (Asset) Liability - Current Year Proportionate Share of the Net	0.0547589%	0.044897300%	
OPEB (Asset) Liability - Prior Year	0.0570657%	0.043685450%	
Change in Proportionate Share	-0.0023068%	0.001211850%	
Proportion of the Net OPEB Liability	\$902,123	\$0	\$902,123
Proportion of the Net OPEB (Asset)	\$0	(\$873,191)	(\$873,191)
OPEB Expense (Gain)	(\$110,722)	(\$39,440)	(\$150,162)

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

Deferred Outflows of Resources	SERS	STRS	Total
Differences between expected and actual	_		_
economic experience	\$1,879	\$1,361	\$3,240
Difference from a change in proportion and			
differences between School District contributions			
and proportionate share of contributions	78,654	1,141	79,795
Changes of assumptions	305,035	128,634	433,669
Differences between projected and actual			
investment earnings	6,992	1,558	8,550
School District contributions subsequent to the			
measurement date	38,042		38,042
Total	\$430,602	\$132,694	\$563,296
Deferred Inflows of Resources	SERS	STRS	Total
Differences between expected and actual	_		_
economic experience	\$465,259	\$133,183	\$598,442
Changes of assumptions	256,212	576,119	832,331
Difference from a change in proportion and			
differences between School District contributions			
and proportionate share of contributions	240,302	13,682	253,984
Total	\$961,773	\$722,984	\$1,684,757

\$38,042 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 (adjustment to 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:

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

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset) (continued)

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$154,471)	(\$259,884)	(\$414,355)
2026	(144,587)	(122,092)	(266,679)
2027	(105,865)	(45,732)	(151,597)
2028	(74,610)	(61,583)	(136,193)
2029	(50,955)	(56,609)	(107,564)
Thereafter	(38,725)	(44,390)	(83,115)
Total	(\$569,213)	(\$590,290)	(\$1,159,503)

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.

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

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

Actuarial Assumptions – SERS (continued)

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

	June 30, 2023	June 30, 2022
Inflation Future Salary Increases, including inflation	2.40 percent	2.40 percent
Wage Increases	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected		
to be Depleted	2048	2044
Municipal Bond Index Rate:		
Measurement Date	3.86 percent	3.69 percent
Prior Measurement Date	3.69 percent	1.92 percent
Single Equivalent Interest Rate,		
net of plan investment expense,		
including price inflation		
Measurement Date	4.27 percent	4.08 percent
Prior Measurement Date	4.08 percent	2.27 percent
Health Care Cost Trend Rate		
Medicare	5.125 to 4.40 percent	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent	6.75 to 4.40 percent
Medical Trend Assumption	7.00 to 4.40 percent	7.00 to 4.40 percent

The following information in this paragraph is applicable to both 2023 and 2022. Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 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 capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans

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

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

Actuarial Assumptions – SERS (continued)

which covers a longer timeframe. 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

	Target	Long-Term Expected
Asset Class	Allocation	Real Rate of Return
Cash	3.00 %	0.76 %
US Equity	22.00	6.20
Non-US Equity Developed	12.00	6.91
Non-US Equity Emerging	6.00	8.92
Fixed Income/Global Bonds	18.00	2.46
Private Equity	14.00	10.30
Real Estate/Real Assets	20.00	5.01
Private Debt/Private Credit	5.00	6.42
Total	100.00 %	

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

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

	Cullent		
	1% Decrease (3.27%)	Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share	-		
of the net OPEB liability	\$1,153,171	\$902,123	\$704,161

Current

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

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

Actuarial Assumptions – SERS (continued)

		Current	
	1% Decrease	Trend Rate	1% Increase
	(5.75% decreasing	(6.75% decreasing	(7.75% decreasing
	to 3.40%)	to 4.40%)	to 5.40%)
School District's proportionate share			
of the net OPEB liability	\$662,758	\$902,123	\$1,219,313

Assumption and Benefit Term Changes Since the Prior Measurement Date The discount rate was changed from 4.08% to 4.27%. Healthcare trends were updated to reflect emerging claims and recoveries experience. Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation and the June 30, 2022 actuarial valuation 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 service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial	7.50 percent initial
	4.14 percent ultimate	3.94 percent ultimate
Medicare	-10.94 percent initial	-68.78 percent initial
	4.14 percent ultimate	3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial	9.00 percent initial
	4.14 percent ultimate	3.94 percent ultimate
Medicare	1.33 percent initial	-5.47 percent initial
	4.14 percent ultimate	3.94 percent ultimate

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

For 2023 and 2022, 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.

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

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

Actuarial Assumptions – STRS (continued)

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

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

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

^{*} Final target weights reflected at October 1, 2022.

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.

^{** 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.

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

NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)

Actuarial Assumptions – STRS (continued)

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)		
School District's proportionate share of the net OPEB (asset) liability	(\$739,041)	(\$873,191)	(\$990,020)		
	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates		
School District's proportionate share of the net OPEB (asset) liability	(\$995,441)	(\$873,191)	(\$725,941)		

Assumption and Benefit Term Changes Since the Prior Measurement Date The discount rate remained unchanged at 7.00% for the June 30, 2023 valuation. Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

NOTE 13 – EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees 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 do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. There is no limit of sick leave accumulation for all personnel. Upon retirement, payment is made for one-fourth of up to 120 days of their accrued, but unused sick leave credit for all employees. Certified employees receive additional amounts based on length of service as follows:

Length of Service	Additional Compensation
10 years	\$10 per day over 120
11 - 20 years	\$20 per day over 120
21 years and over	\$30 per day over 120

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

NOTE 13 – EMPLOYEE BENEFITS (continued)

Insurance Benefits

The School District provides life and accidental death and dismemberment insurance to all full-time employees through Mutual of Omaha.

Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

NOTE 14 – LONG-TERM OBLIGATIONS

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

		Amount					Amount			
	O	utstanding				О	utstanding		I	Due in
		6/30/2023	 Additions	D	eductions		6/30/2024		O	ne Year
Net Pension Liability:										
STRS	\$	9,711,331	\$ -	\$	42,726	\$	9,668,605		\$	_
SERS		3,026,087	-		72,246		2,953,841			
Total Net Pension Liability		12,737,418	 -		114,972		12,622,446			-
Net OPEB Liability:										
STRS		-	-		-		-	*		-
SERS		801,208	100,915				902,123			
Total Net OPEB Liability		801,208	100,915		-		902,123			-
Certificate of Participation Payable		730,000	-		64,000		666,000			68,000
Compensated Absences		718,488	 959,967		1,074,244		604,211			33,984
Total General Long-Term Obligations	\$	14,987,114	\$ 1,060,882	\$	1,253,216	\$	14,794,780		\$	101,984

^{*}OPEB for STRS has a Net OPEB asset in the amount of \$873,191 as of June 30, 2024.

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

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

In prior years, the School District entered into a certificate of participation obligation for the construction of a new athletic complex. The School District is leasing the project from Rickenbacker Port Authority. Rickenbacker Port Authority will retain title to the project during the certificate term. The School District will make semi-annual payments to US Bank. Interest rates are based on a calculation of the TBMA Index. The certificate is renewable annually and expires in 2032. The intention of the School District is to renew the certificate annually.

Principal payments in fiscal year 2024 totaled \$64,000 for the certificate of participation in the governmental funds.

At year-end, capital assets constructed under this certificate have been capitalized as part of buildings and improvements in the statement of net position for governmental activities in the amount of \$1,767,146. The School District has contributed additional monies for this project.

The following table represents the payments required on the certificate of participation for the amounts outstanding at June 30, 2024:

	Certificate
	of
Fiscal Year Ending June 30,	Participation
2025	\$103,023
2026	103,156
2027	103,067
2028	102,758
2029	103,203
2030-2032	310,394
Total	825,601
Less: Amount Representing Interest and Admin Fees	(159,601)
Total Principal Outstanding	\$666,000

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

NOTE 14 – LONG-TERM OBLIGATIONS (continued)

Compensated absences will be paid from the fund from which the employees' salaries are paid, with the General Fund being the most significant. The certificate of participation will be paid from the General Fund.

The School District's overall legal debt margin was \$13,057,386 with an unvoted debt margin of \$145,082 at June 30, 2024.

NOTE 15 – INTERFUND ACTIVITY

Advances

Interfund balances at June 30, 2024 consist of the following individual fund receivables and payables, which are expected to be repaid during the 2025 fiscal year:

General Fund	\$ 300,941	\$ -
Nonmajor Funds:		
School Improvement	-	15,332
Drug Free Grant	-	9,810
Lunchroom	-	153,079
ESSER	-	62,667
Title I	-	42,930
IDEA		6,661
Title VI-B	-	5,184
Improving Teacher Quality		5,278
Total Nonmajor Funds	-	300,941
Total Interfund Receivables/Payables	\$ 300,941	\$ 300,941

Advances were made from the General Fund to nonmajor special revenue funds in anticipation of intergovernmental grants not received during the current fiscal year.

Transfers

Transfers are made to move unrestricted balances to support programs and projects accounted for in other funds. The District Managed Student Activity fund transferred \$460 to the Student Managed Activity Fund in 2024.

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

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Educational Technology Association - META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice president and six board members who represent the members of META. The board works with META's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation on the Board. The School District paid META \$40,729 for services provided during the fiscal year. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

Pickaway-Ross Career and Technology Center - The Pickaway-Ross Career and Technology Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of eleven representatives from the various City and County Boards within Pickaway and Ross Counties, which possesses its own budgeting and taxing authority. To obtain financial information write to the Pickaway-Ross Career and Technology Center, Todd Stahr who serves as Treasurer, at 895 Crouse Chapel Road, Chillicothe, Ohio 45601.

Great Seal Education Network of Tomorrow - The Great Seal Education Network of Tomorrow is a regional council of governments (the Council) consisting of twelve city, local, and joint vocational school districts, two educational service centers and the Ohio University-Chillicothe Campus for the purpose of promoting the use of advanced telecommunications and technology to provide enhanced educational opportunities to the communities of Ross and Pickaway Counties. The Council is operated under the direction of a Board of Directors consisting of one representative (the superintendent or another person appointed by the Board of Education) of each of the members.

The Council possesses its own budgeting and taxing authority. To obtain financial information, write to the Ohio University-Chillicothe Campus, who acts as fiscal agent, at 571 West Fifth Street, Chillicothe, Ohio 45601.

School Study Council of Ohio (SSCO) – The School Study Council of Ohio (SSCO), created in 1965, is a non-profit consortium of fifty-six school districts, eleven educational service centers, four colleges of education, and eight related educational schools and agencies from thirty counties. It is owned and governed by the member organizations with the Board of Trustees representing member organizations. The School District's Superintendent represents the School District on the Board of Trustees. Their mission is to enable district improvement through planning assistance, professional development, funding and related resource acquisition, research, system assessment and impact evaluation, leadership development, and other personalized technical assistance. The School District has no ongoing financial interest or ongoing financial responsibility to the Council. To obtain the SSCO annual report, write to School Study Council of Ohio, 5747 Perimeter Drive, Suite 100A, Dublin, Ohio 43017.

NOTE 17 – PUBLIC ENTITY SHARED RISK AND INSURANCE PURCHASING POOLS

Ross County School Employees Insurance Consortium - The Ross County School Employees Insurance Consortium (the "Consortium"), a shared risk pool, currently operates to provide medical and dental insurance coverage to enrolled employees of the consortium members and to eligible dependents of those enrolled employees. Seven school districts within Ross County and its surrounding area have entered into an agreement with the Ross-Pike Educational Service District to form the Ross County School Employees Insurance Consortium. The overall objectives of the Consortium are to formulate and administer a program of medical and dental insurance for the benefit of the Consortium members' employees and their dependents, to obtain lower costs for insurance coverage, and to secure cost control by implementing a program of comprehensive loss control. The Consortium's business and affairs are managed by a Council consisting of one representative for each participating school.

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

NOTE 17 – PUBLIC ENTITY SHARED RISK AND INSURANCE PURCHASING POOLS (continued)

The participating school districts pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium.

Accordingly, the Ross County School Employees Insurance Consortium is not part of the School District, and its operations are not included as part of the reporting entity. To obtain financial information, write to the Ross-Pike Educational Service District, Erin Kirby who serves as Treasurer, at 475 Western Avenue, Chillicothe, Ohio 45601.

Ohio School Boards Association Workers' Compensation Group Rating Plan - The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (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 OSBA. The Executive Director of the OSBA, 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.

NOTE 18 – SET-ASIDE CALCULATIONS

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

The following information describes the change in the year-end set aside amounts for capital maintenance.

	Ca	ıpıtal
	Main	tenance
Set Aside Reserve Balance as of June 30, 2023		\$0
Current Year Set-aside Requirement		205,181
Current Year Offsets		0
Current Year Qualifying Expenditures	(205,181)
Total	\$	-
Balance Carried Forward to Fiscal Year 2024	\$	-
Set Aside Reserve Balance as of June 30, 2024	\$	_

The School District had offsets and qualifying disbursements during the year that reduced the set-aside amount below zero in the Capital Acquisition Reserve. The carryover amount in the Capital Acquisition Reserve is limited to the balance of the offsets attributed to bond or tax levy proceeds. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$19,296 at June 30, 2024.

NOTE 19 – 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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2024, if applicable, cannot be determined at this time.

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

NOTE 19 - CONTINGENCIES (continued)

Litigation

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

Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, an ODE adjustment for fiscal year 2024 was finalized and determined to not be significant, therefore the adjustment was not recorded in the accompanying financial statements. Additional ODE adjustments for fiscal year 2024 have not been finalized. As a result, the impact of future FTE adjustments on the fiscal year 2024 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to or liability of the School District.

NOTE 20 – FUND BALANCES

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

			Nonmaj		Total				
F 1D1	0	1	Governme			ernmental			
Fund Balances	Gei	neral	Funds	<u> </u>		Funds			
Nons pendable									
Unclaimed Monies	\$	392	\$	-	\$	392			
Prepaid Items		6,859				6,859			
Total Nonspendable		7,251				7,251			
Restricted for									
Other Purposes		0		1,055		1,055			
Student Wellness		-	52	21,872		521,872			
Student Activities		-	8	39,496		89,496			
Athletic		-	14	19,149		149,149			
Capital Projects		-		6,173		6,173			
Classroom Facilities Maintenance		-	56	57,188		567,188			
Title VI-B			1	6,449		16,449			
Debt Services Payments			1	5,775		15,775			
Total Restricted			1,36	57,157		1,367,157			
Assigned to									
Other Purposes		430,353				430,353			
Unassigned (Deficit)	1	2,994,695	(30	6,905)		12,687,790			
Total Fund Balances	\$1	3,432,299	\$1,0	60,252		\$14,492,551			

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

<u>NOTE 21 – NEW ACCOUNTING PRINCIPLES</u>

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

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 resulted in a change to the financial statements due to an error correction.

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

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

NOTE 22 – COMMITMENTS

Encumbrances

At June 30, 2024, the School District had significant encumbrance commitments in the following governmental funda:

Fund	Amount
Major Fund:	
General	\$430,816
Non-Major Funds:	
Facilities Maintenance	68,066
ESSER	441,434
Total Non-Major Funds	509,500
Total Encumbrances	\$940,316
Non-Major Funds:	

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

NOTE 23 – OTHER MATTERS OF POTENTIAL SIGNIFICANCE

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in May 2023. During fiscal year 2024, the School District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. The impact on the School District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020, and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

Southeastern 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 Years

	2024	2023	 2022	2021	2020	2019	2018	 2017	 2016		2015
School District's proportion of the net pension liability	0.0534582%	0.0559477%	0.0605915%	0.0563304%	0.0536338%	0.0604476%	0.0523479%	0.0552607%	0.0569818%		0.0574330%
School District's proportionate share of the net pension liability	\$ 2,953,841	\$ 3,026,087	\$ 2,235,651	\$ 3,725,811	\$ 3,209,004	\$ 3,461,946	\$ 3,127,671	\$ 4,044,573	\$ 3,251,437	\$	2,906,651
School District's covered payroll	\$ 2,030,057	\$ 1,984,971	\$ 1,935,086	\$ 1,894,971	\$ 1,839,970	\$ 1,790,081	\$ 1,839,629	\$ 1,716,193	\$ 1,631,234	\$	1,754,985
School District's proportionate share of the net pension liability as a percentage of its covered payroll	145.51%	152.45%	115.53%	196.62%	174.41%	193.40%	170.02%	235.67%	199.32%		165.62%
Plan fiduciary net position as a percentage of the total pension liability	76.06%	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%		71.70%

See accompanying notes to required supplementary information.

Southeastern 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 Years

	 2024		2023		2022		2021		2020		2019		2018		2017		2016		2015	
School District's proportion of the net pension liability	0.04489730%		0.04368545%	(0.04349015%		0.04166662%	(0.04245170%	(0.04354207%	0	.04345282%	(0.04218167%	0	.04147399%	0	0.04289300%	
School District's proportionate share of the net pension liability	\$ 9,668,605	\$	9,711,331	\$	5,560,607	\$	10,081,839	\$	9,387,938	\$	9,573,924	\$	10,322,311	\$	14,119,476	\$	11,462,198	\$	10,433,062	
School District's covered payroll	\$ 5,869,886	\$	5,730,857	\$	5,330,029	\$	5,081,400	\$	5,268,343	\$	5,084,743	\$	4,777,107	\$	4,438,321	\$	4,327,114	\$	4,382,615	
School District's proportionate share of the net pension liability as a percentage of its covered payroll	164.72%		169.46%		104.33%		198.41%		178.20%		188.29%		216.08%		318.13%		264.89%		238.06%	
Plan fiduciary net position as a percentage of the total pension liability	80.00%		78.88%		87.78%		75.48%		77.40%		77.31%		75.29%		66.78%		72.09%		74.71%	

See accompanying notes to required supplementary information.

Required Supplementary Information Schedule of School District Contributions School Employees Retirement System of Ohio Last Ten Years

	 2024	 2023	 2022	 2021	 2020	2019	 2018	 2017	 2016	 2015
Contractually required contribution	\$ 289,896	\$ 284,208	\$ 277,896	\$ 270,912	\$ 265,296	\$ 248,396	\$ 241,661	\$ 257,548	\$ 240,267	\$ 226,089
Contributions in relation to the contractually required contribution	 (289,896)	 (284,208)	 (277,896)	 (270,912)	 (265,296)	 (248,396)	(241,661)	(257,548)	 (240,267)	 (226,089)
Contribution deficiency (excess)	\$ 									
School District's covered payroll	\$ 2,070,686	\$ 2,030,057	\$ 1,984,971	\$ 1,935,086	\$ 1,894,971	\$ 1,839,970	\$ 1,790,081	\$ 1,839,629	\$ 1,716,193	\$ 1,631,234
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.86%

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

	2024	 2023	 2022	 2021	 2020	 2019	2018	 2017	2016	 2015
Contractually required contribution	\$ 885,984	\$ 821,784	\$ 802,320	\$ 746,204	\$ 711,396	\$ 737,568	\$ 711,864	\$ 668,795	\$ 621,365	\$ 605,796
Contributions in relation to the contractually required contribution	(885,984)	 (821,784)	 (802,320)	 (746,204)	 (711,396)	 (737,568)	 (711,864)	(668,795)	 (621,365)	(605,796)
Contribution deficiency (excess)	\$ -	\$ 								
School District covered payroll	\$ 6,328,457	\$ 5,869,886	\$ 5,730,857	\$ 5,330,029	\$ 5,081,400	\$ 5,268,343	\$ 5,084,743	\$ 4,777,107	\$ 4,438,321	\$ 4,327,114
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

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

		2024	2023		2022		2021		2020		2019		2018		2017
School District's proportion of the net OPEB liability	(0.05475890%	0.05706570%	(0.06216120%	C	0.05753800%	(0.05492550%	(0.06043320%	(0.05275200%	0	.05632580%
School District's proportionate share of the net OPEB liability	\$	902,123	\$ 801,208	\$	1,176,452	\$	1,250,489	\$	1,381,261	\$	1,676,580	\$	1,415,725	\$	1,605,494
School District's covered payroll	\$	2,030,057	\$ 1,984,971	\$	1,935,086	\$	1,894,971	\$	1,839,970	\$	1,790,081	\$	1,839,629	\$	1,716,193
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll		44.44%	40.36%		60.80%		65.99%		75.07%		93.66%		76.96%		93.55%
Plan fiduciary net position as a percentage of the total OPEB liability		30.02%	30.34%		24.08%		18.17%		15.57%		13.57%		12.46%		11.49%

⁽¹⁾ Information prior to 2017 is not available. Amounts presented as of the School District's measurement date which is the prior fiscal year.

Required Supplementary Information Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset) State Teachers Retirement System of Ohio

Last Eight Years (1)

		2024	 2023		2022	 2021	 2020	 2019	 2018	 2017
School District's proportion of the net OPEB liability (asset)	(0.04489730%	0.04368545%	(0.04349015%	0.04166662%	0.04245170%	0.04354207%	0.04345282%	0.04218167%
School District's proportionate share of the net OPEB liability (asset)	\$	(873,191)	\$ (1,131,162)	\$	(916,954)	\$ (732,290)	\$ (703,102)	\$ (699,677)	\$ 1,695,369	\$ 2,255,887
School District's covered payroll	\$	5,868,886	\$ 5,730,857	\$	5,330,029	\$ 5,081,400	\$ 5,268,343	\$ 5,084,743	\$ 4,777,107	\$ 4,438,321
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll		-14.88%	-19.74%		-17.20%	-14.41%	-13.35%	-13.76%	35.49%	50.83%
Plan fiduciary net position as a percentage of the total OPEB liability		168.50%	230.73%		174.73%	182.13%	174.74%	176.00%	47.11%	37.33%

(1) Information prior to 2017 is not available. Amounts presented as of the School District's measurement date which is the prior fiscal year.

Required Supplementary Information
Schedule of School District Contributions - for OPEB
School Employees Retirement System of Ohio
Last Nine Years (1)

	 2024	 2023	 2022	_	2021	 2020	2019	 2018	 2017	_	2016
Contractually required contribution	\$ 38,042	\$ 38,682	\$ 36,544	\$	38,471	\$ 32,631	\$ 42,004	\$ 38,415	\$ 27,044	\$	26,852
Contributions in relation to the contractually required contribution	 (38,042)	 (38,682)	 (36,544)		(38,471)	(32,631)	(42,004)	 (38,415)	 (27,044)		(26,852)
Contribution deficiency (excess)	\$ 	\$ 	\$ 	\$		\$ 	\$ 	\$ _	\$ 	\$	
School District's covered payroll	\$ 2,030,057	\$ 1,984,971	\$ 1,935,086	\$	1,894,971	\$ 1,894,971	\$ 1,839,970	\$ 1,790,081	\$ 1,839,629	\$	1,716,193
Contributions as a percentage of covered payroll	1.87%	1.95%	1.99%		1.72%	1.72%	2.28%	2.15%	1.47%		1.56%

⁽¹⁾ Information prior to 2016 is not available.

Required Supplementary Information
Schedule of School District Contributions - for OPEB
State Teachers Retirement System of Ohio
Last Nine Years (1)

	2	024		2023	 2022	_	2021	 2020	 2019	 2018	 2017	 2016
Contractually required contribution	\$	-	\$	-	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution					 	_	-	 	 	 	 	
Contribution deficiency (excess)	\$		\$		\$ 	\$	-	\$ <u>-</u>	\$ 	\$ _	\$ -	\$
School District covered payroll	\$ 6,2	328,457	\$ 5,	,868,886	\$ 5,730,857	\$	5,330,029	\$ 5,081,400	\$ 5,268,343	\$ 5,084,743	\$ 4,777,107	\$ 4,438,321
Contributions as a percentage of covered payroll		0.00%		0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ Information prior to 2016 is not available.

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

Pension

School Employees Retirement System (SERS)

Changes in benefit terms

2023-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2022: For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

2020-2021: There were no changes in benefit terms from the amounts reported for these fiscal years.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three-year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changed in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in assumptions

2024: Cost-of-Living-Adjustments was increased from 2.00% to 2.50% for calendar year 2024.

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

2022: The assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries and disabled members were updated.

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

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

Pension (continued)

State Teachers Retirement System (STRS)

Changes in benefit terms

2019-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

Changes in assumptions

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

2023: The following change of assumptions affected the total pension liability since the prior measurement date:

(1) The projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.45% to 7.00%,
- (2) The discount rate of return was reduced from 7.45% to 7.00%,

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

OPEB

School Employees Retirement System (SERS)

Changes in benefit terms

2017-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

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

OPEB (continued)

School Employees Retirement System (SERS) (continued)

Changes in assumptions

2024 Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The municipal bond index rate went from 3.69% to 3.86%
- (2) The single equivalent interest rate went from 4.08% to 4.27%

2023 Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The municipal bond index rate went from 1.92% to 3.69%
- (2) The single equivalent interest rate when from 2.27% to 4.08% medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%

2022 Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Wage inflation decreased from 3.00% to 2.40%
- (2) Future salary increases changed from 3.50%-18.20% to 3.25%-13.58%
- (3) Investment rate of return decreased from 7.50% to 7.00%
- (4) The discount rate decreased from 7.50% to 7.00%
- (5) Municipal Bond Index Rate:

Prior Measurement Date 2.45% Measurement Date 1.92%

(6) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date 2.63% Measurement Date 2.27%

(7) Mortality tables changes from the RP=2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below median Health Retiree mortality table.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The discount rate was changed from 3.22% to 2.63%
- (2) Municipal Bond Index Rate:

Prior Measurement Date 3.13% Measurement Date 2.45%

2020: The discount rate was changed from 3.70% to 3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The discount rate was changed from 3.63% to 3.70%
- (2) Municipal Bond Index Rate:

Prior Measurement Date 3.56% Measurement Date 3.62%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date 3.63% Measurement Date 3.70%

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

OPEB (continued)

School Employees Retirement System (SERS) (continued)

Changes in assumptions (continued)

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Fiscal Year 2018 3.63%

Fiscal Year 2017 2.98%

(2) Municipal Bond Index Rate:

Fiscal Year 2018 3.56%

Fiscal Year 2017 2.92%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal Year 2018 3.63%

Fiscal Year 2017 2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP- 2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in benefit terms

2023 - 2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2022: There was no change to the claims costs process. 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.

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

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

OPEB (continued)

State Teachers Retirement System (STRS) (Continued)

Changes in benefit terms (continued)

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% to 1.984% 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% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% 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. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

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 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in assumptions

2024: The health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial -3.94% ultimate to 7.50% initial -4.14% ultimate; medical Medicare from -68.78% initial -3.94% ultimate to -10.94% initial -4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial -3.94% ultimate to -11.95% initial -4.14% ultimate; Medicare from -5.47% initial -3.94% ultimate to 1.33% initial -4.14% ultimate.

2023: The projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50%. The health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

2022: The long-term expected rate of return was reduced from 7.45% to 7.00%. The discount rate was reduced from 7.45% in the prior year to 7.00% in the current year. The health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

2021: The health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

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

OPEB (continued)

State Teachers Retirement System (STRS) (Continued)

Changes in assumptions(continued)

2020: The health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

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.

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

SOUTHEASTERN LOCAL SCHOOL DISTRICT

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

Federal Grantor / Pass Through Grantor / Program Title	Grant Year	Federal CFDA Number	Pass through to Subrecipient	Cash Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture					
Passed Through Ohio Department of Education:					
Nutrition Cluster:					
School Breakfast Program	2023/2024	10.553	\$0	\$45,177	\$0
National School Lunch Program	2023/2024	10.555	0	185,384	31,314
Total Nutrition Cluster			0	230,561	31,314
Total U.S. Department of Agriculture			0	230,561	31,314
U.S. Department of Education					
Passed Through Ohio Department of Education:					
Special Education Cluster:					
Special Education - Grants to States (IDEA Part B)	2023	84.027	0	7,505	0
Special Education - Grants to States (IDEA Part B)	2024	84.027	0	230,681	0
Special Education - Preschool Grants	2024	84.173	0	6,552	0
Total Special Education Cluster			0	244,738	0
Title I:					
Title I Grants to Local Educational Agencies	2023	84.010	0	95,470	0
Title I Grants to Local Educational Agencies	2024	84.010	0	239,534	0
Total Title I			0	335,004	0
Improving Teacher Quality	2024	84.367	0	35,498	0
Total Improving Teacher Quality			0	35,498	0
Student Support and Academic Enrichment	2023	84.424	0	4,857	0
Student Support and Academic Enrichment	2024	84.424	0	11,633	0
Total Student Support and Academic Enrichment			0	16,490	0
Elementary and Secondary School Emergency Relief (ESSERII) COVID-19	2023	84.425D	0	164,284	0
Elementary and Secondary School Emergency Relief (ESSERII) COVID-19	2023	84.425U	0	46,171	0
Elementary and Secondary School Emergency Relief (ESSERII) COVID-19	2024	84.425U	0	757,312	0
Total Elementary and Secondary School Emergency Relief COVID-19			0	967,767	0
Total U.S. Department of Education			0	1,599,497	0
Total Federal Financial Assistance			\$0	\$1,830,058	\$31,314

The accompanying notes to the Schedule of Federal Awards Revenues and Expenditures are an integral part of the Schedule.

SOUTHEASTERN LOCAL SCHOOL DISTRICT

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

NOTE A – <u>BASIS OF PRESENTATION</u>

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

NOTE B - <u>SIGNIFICANT ACCOUNTING POLICIES</u>

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award,* wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards

Board of Education Southeastern Local School District 2003 Lancaster Road Chillicothe, OH 45601

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Southeastern Local School District, Ross County, (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 23, 2025, wherein we noted that the District implemented new Governmental Accounting Standards Board Statements No. 100.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Board of Education Southeastern Local School District Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

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

Purpose of This Report

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC. Chillicothe, Ohio

January 23, 2025



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Education Southeastern Local School District 2003 Lancaster Road Chillicothe, OH 45601

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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



Southeastern Local School District
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control Over Compliance
and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Southeastern Local School District
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control Over Compliance
and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

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

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

J. L. Uhrig and Associates, Inc.

J. L. UHRIG AND ASSOCIATES, INC. Chillicothe, Ohio

January 23, 2025

SOUTHEASTERN LOCAL SCHOOL DISTRICT

Schedule of Findings For the Fiscal Year Ended June 30, 2024

A. SUMMARY OF AUDITOR'S RESULTS

1.	Type of Financial Statement Opinion	Unmodified
2.	Were there any material internal control weaknesses reported at the financial statement level (GAGAS)?	No
3.	Were there any other significant internal control deficiency reported at the financial statement level (GAGAS)?	No
4.	Was there any material noncompliance reported at the financial statement level (GAGAS)?	No
5.	Were there any material internal control weaknesses reported for major federal programs?	No
6.	Were there any other significant internal control deficiency reported for major federal programs?	No
7.	Type of Major Programs' Compliance Opinion	Unmodified
8.	Are there any reportable findings under 2 CFR §200.516(a)?	No
9.	Major Programs (list):	CFDA # 84.425 Elementary and Secondary School Emergency Relief – COVID-19
10.	Dollar Threshold: Type A/B Programs	Type A: >\$750,000 Type B: All Other Programs
11.	Low Risk Auditee under 2 CFR §200.520?	Yes

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

There were no findings related to the financial statements required to be reported in accordance with GAGAS.

C. FINDINGS FOR FEDERAL AWARDS

There were no findings related to Federal Awards to be reported.



SOUTHEASTERN LOCAL SCHOOL DISTRICT

ROSS 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 5/15/2025

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