

WOOSTER CITY SCHOOL DISTRICT WAYNE COUNTY, OHIO

Basic Financial Statements

**For the Fiscal Year Ended
June 30, 2024**

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

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

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Accountant's Compilation Report

To the Wooster City School District Board of Education
Wooster, Ohio

Management is responsible for the accompanying basic financial statements of the Wooster City School District, which comprise the statements listed in the table of contents as of June 30, 2024 and for the fiscal year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedule, the schedules of net pension and other post-employment benefit assets and liabilities, and pension and other post-employment contributions, and the notes to the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Julian & Grube, Inc.

Westerville, Ohio
October 17, 2024

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

Financial Highlights

Key financial highlights for 2024 are as follows:

- In total, net position increased \$2,769,114 from 2023's net position. Net position of governmental activities increased \$2,422,664 from 2023's net position. Business-type activities net position increased \$346,450 from 2023.
- For the governmental activities, general revenues accounted for \$53,265,078 in revenue or 87.15% of total revenues. For the governmental activities, program specific revenues in the form of charges for services and sales, operating/capital grants and contributions accounted for \$7,856,981 or 12.85% of total revenues.
- Total revenues for fiscal year 2024 were \$63,320,964. Of this total, \$61,122,059 was reported in the governmental activities and \$2,198,905 in the business-type activities.
- The District had \$58,699,395 in expenses related to governmental activities; only \$7,856,981 of these expenses was offset by program specific charges for services, operating/capital grants or contributions resulting in a net cost of \$50,842,414 for the District. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$53,265,078 were adequate to provide for these programs.
- The District's major governmental fund is the general fund. The general fund had \$55,440,956 in revenues and other financing sources and \$54,739,604 in expenditures and other financing uses. During fiscal year 2024, the general fund's fund balance increased \$701,352 from a balance of \$47,265,648 to \$47,967,000.
- The District had no major enterprise funds for fiscal year 2024.

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 District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund is by far the most significant fund, and the only governmental fund reported as a major fund.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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

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

In the statement of net position and the statement of activities, the District is divided into two distinct kinds of activities:

Governmental activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plants, pupil transportation, and extracurricular activities.

Business-type activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District's food service, uniform school supplies, recreation center, education costs for outside entities, and before/after school childcare are reported as business activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds.

The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental fund is the general fund. The District has no major enterprise funds.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

Governmental Funds

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

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match information provided in the statements for the District as a whole.

Reporting the District's Fiduciary Responsibilities

The District acts in a trustee capacity as an agent for individuals, private organizations, other governmental units and/or other funds. These activities are reported in a custodial fund. The District's fiduciary activities reported no activity in fiscal year 2024. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

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**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

The District as a Whole

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

	Net Position					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Assets</u>						
Current and other assets	\$ 93,334,986	\$ 90,985,029	\$ 883,120	\$ 910,613	\$ 94,218,106	\$ 91,895,642
Net OPEB asset	3,204,409	4,183,535	11,707	27,575	3,216,116	4,211,110
Capital assets, net	49,319,183	47,632,118	1,083,991	1,116,958	50,403,174	48,749,076
Total assets	<u>145,858,578</u>	<u>142,800,682</u>	<u>1,978,818</u>	<u>2,055,146</u>	<u>147,837,396</u>	<u>144,855,828</u>
<u>Deferred outflows</u>						
Pension	10,312,427	11,007,134	176,872	269,687	10,489,299	11,276,821
OPEB	<u>2,335,614</u>	<u>1,132,714</u>	<u>150,279</u>	<u>122,469</u>	<u>2,485,893</u>	<u>1,255,183</u>
Total deferred outflows	<u>12,648,041</u>	<u>12,139,848</u>	<u>327,151</u>	<u>392,156</u>	<u>12,975,192</u>	<u>12,532,004</u>
<u>Liabilities</u>						
Current liabilities	9,279,019	9,506,002	186,471	168,034	9,465,490	9,674,036
Long-term liabilities						
Due within one year	571,044	645,069	2,493	3,045	573,537	648,114
Due in more than one year						
Net pension liability	46,470,801	45,862,800	919,525	1,133,002	47,390,326	46,995,802
Net OPEB liability	3,376,613	2,646,757	242,708	238,508	3,619,321	2,885,265
Other amounts	<u>4,479,247</u>	<u>4,036,073</u>	<u>76,940</u>	<u>77,600</u>	<u>4,556,187</u>	<u>4,113,673</u>
Total liabilities	<u>64,176,724</u>	<u>62,696,701</u>	<u>1,428,137</u>	<u>1,620,189</u>	<u>65,604,861</u>	<u>64,316,890</u>
<u>Deferred inflows</u>						
Property taxes	32,565,594	29,997,467	-	-	32,565,594	29,997,467
Lease	81,101	83,552	-	-	81,101	83,552
Pension	3,450,031	5,250,043	307,595	528,700	3,757,626	5,778,743
OPEB	<u>5,495,749</u>	<u>6,598,011</u>	<u>384,354</u>	<u>458,980</u>	<u>5,880,103</u>	<u>7,056,991</u>
Total deferred inflows	<u>41,592,475</u>	<u>41,929,073</u>	<u>691,949</u>	<u>987,680</u>	<u>42,284,424</u>	<u>42,916,753</u>
<u>Net position</u>						
Net investment in capital assets	48,024,134	45,746,430	1,083,991	1,116,958	49,108,125	46,863,388
Restricted	6,024,297	4,491,877	11,707	-	6,036,004	4,491,877
Unrestricted (deficit)	<u>(1,311,011)</u>	<u>76,449</u>	<u>(909,815)</u>	<u>(1,277,525)</u>	<u>(2,220,826)</u>	<u>(1,201,076)</u>
Total net position (deficit)	<u>\$ 52,737,420</u>	<u>\$ 50,314,756</u>	<u>\$ 185,883</u>	<u>\$ (160,567)</u>	<u>\$ 52,923,303</u>	<u>\$ 50,154,189</u>

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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

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

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

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

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

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

During fiscal year 2024, capital assets, net increased as additions of \$4,435,546 exceeded depreciation/amortization expense of \$2,731,541 and disposals, net of \$49,907. Current and other assets increased due primarily to an increase in equity in pooled cash and cash equivalents as a result of current year operations.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

Deferred outflows related to pension decreased primarily due to changes in assumptions by the State Teachers Retirement System (STRS). See Note 12 for more detail.

Total assets include a net OPEB asset reported by STRS. See Note 13 for more detail.

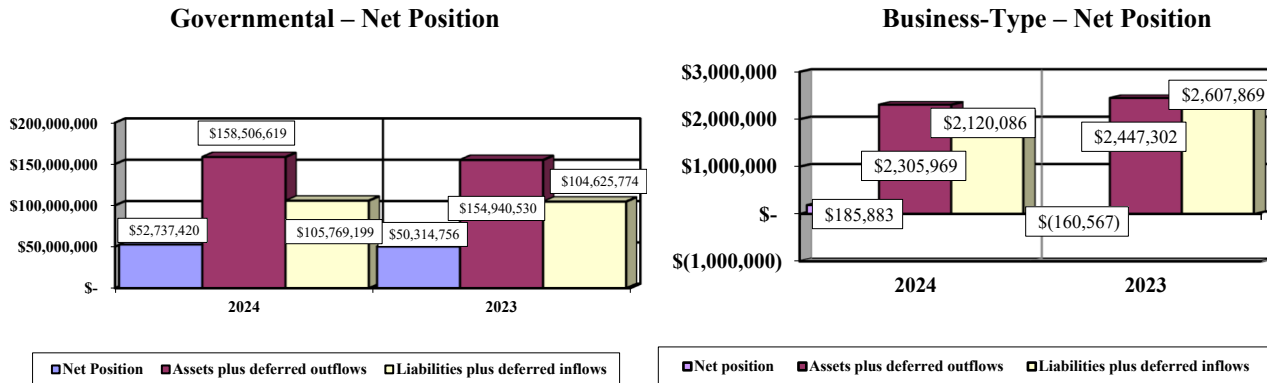
Current liabilities decreased mainly due to a decrease in contracts payable for amounts paid on construction contracts in July for work done in June. Long-term liabilities increased primarily due to an increase in the net pension liability. This liability is outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$52,923,303. Of this total, \$6,036,004 is restricted in use.

At year-end, capital assets represented 34.09% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture, equipment, and vehicles, infrastructure, intangible right to use assets, and an ice arena. The net investment in capital assets at June 30, 2024, was \$49,108,125. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$6,036,004, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$2,220,826.

The graphs below show the assets plus deferred outflows, liabilities plus deferred inflows and net position of the governmental activities and business-type activities at June 30, 2024 and 2023.



**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
<u>Revenues</u>						
Program revenues:						
Charges for services and sales	\$ 1,221,837	\$ 1,251,323	\$ 560,903	\$ 718,455	\$ 1,782,740	\$ 1,969,778
Operating grants and contributions	6,630,144	12,049,554	1,596,290	1,471,757	8,226,434	13,521,311
Capital grants and contributions	5,000	362,432	-	-	5,000	362,432
General revenues:						
Property taxes	36,471,207	36,324,452	-	-	36,471,207	36,324,452
Grants and entitlements	13,655,847	12,978,291	-	-	13,655,847	12,978,291
Investment earnings	2,989,237	1,834,667	37,589	28,518	3,026,826	1,863,185
Other	148,787	173,528	4,123	5,185	152,910	178,713
Total revenues	<u>61,122,059</u>	<u>64,974,247</u>	<u>2,198,905</u>	<u>2,223,915</u>	<u>63,320,964</u>	<u>67,198,162</u>
<u>Expenses</u>						
Program expenses:						
Instruction:						
Regular	23,731,170	21,848,249	-	-	23,731,170	21,848,249
Special	10,450,121	9,687,867	-	-	10,450,121	9,687,867
Vocational	254,116	82,600	-	-	254,116	82,600
Other	953,331	1,406,600	-	-	953,331	1,406,600
Support services:						
Pupil	3,552,838	3,402,062	-	-	3,552,838	3,402,062
Instructional staff	1,819,100	1,444,773	-	-	1,819,100	1,444,773
Board of education	158,312	374,724	-	-	158,312	374,724
Administration	4,048,066	3,795,269	-	-	4,048,066	3,795,269
Fiscal	1,323,030	1,252,440	-	-	1,323,030	1,252,440
Business	193,658	188,065	-	-	193,658	188,065
Operations and maintenance	5,140,202	6,599,890	-	-	5,140,202	6,599,890
Pupil transportation	3,469,958	3,344,008	-	-	3,469,958	3,344,008
Central	915,110	747,834	-	-	915,110	747,834
Operation of non-instructional services	1,205,658	1,349,760	-	-	1,205,658	1,349,760
Extracurricular activities	1,387,187	1,274,191	-	-	1,387,187	1,274,191
Depreciation expense						
not included in other functions	90,356	90,356	-	-	90,356	90,356
Interest and fiscal charges	7,182	15,820	-	-	7,182	15,820
Food service	-	-	2,048,533	1,817,573	2,048,533	1,817,573
Uniform school supplies	-	-	3,479	8,793	3,479	8,793
Recreation Center	-	-	(453)	16,277	(453)	16,277
Education costs for outside entities	-	-	(234,185)	(122,369)	(234,185)	(122,369)
Before/after school child care	-	-	35,081	92,212	35,081	92,212
Total expenses	<u>58,699,395</u>	<u>56,904,508</u>	<u>1,852,455</u>	<u>1,812,486</u>	<u>60,551,850</u>	<u>58,716,994</u>
Changes in net position	2,422,664	8,069,739	346,450	411,429	2,769,114	8,481,168
Net position (deficit)						
at beginning of year	<u>50,314,756</u>	<u>42,245,017</u>	<u>(160,567)</u>	<u>(571,996)</u>	<u>50,154,189</u>	<u>41,673,021</u>
Net position (deficit) at end of year	<u>\$ 52,737,420</u>	<u>\$ 50,314,756</u>	<u>\$ 185,883</u>	<u>\$ (160,567)</u>	<u>\$ 52,923,303</u>	<u>\$ 50,154,189</u>

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

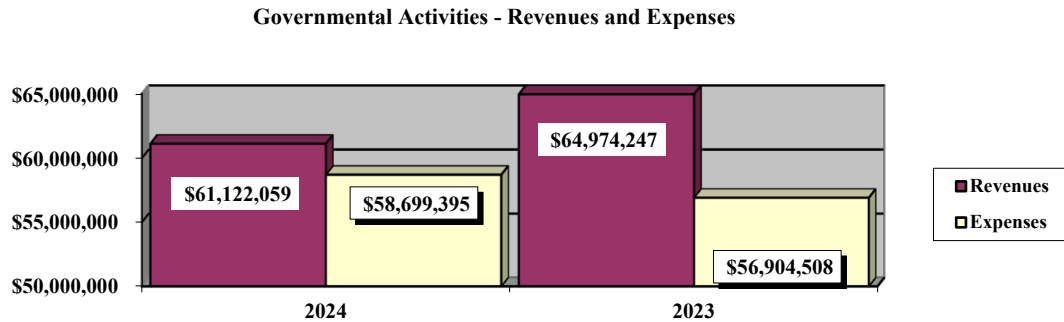
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

Governmental Activities

For fiscal year 2024, the net position of the District's governmental activities increased \$2,422,664 from 2023's net position. Total governmental expenses of \$58,699,395 were offset by program revenues of \$7,856,981 and general revenues of \$53,265,078 were adequate to provide for these activities. Program revenues supported 13.39% of the total governmental expenses. Program revenues decreased \$5,806,328 primarily due to decreased operating grants and contributions due to the District receiving the majority of its ESSER grant money in the previous fiscal year.

Overall, expenses of the governmental activities increased \$1,794,887. This increase is the result of increased operating costs caused by normal increases in salaries and benefits along with the increased costs of goods and services purchased by the District.

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



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**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

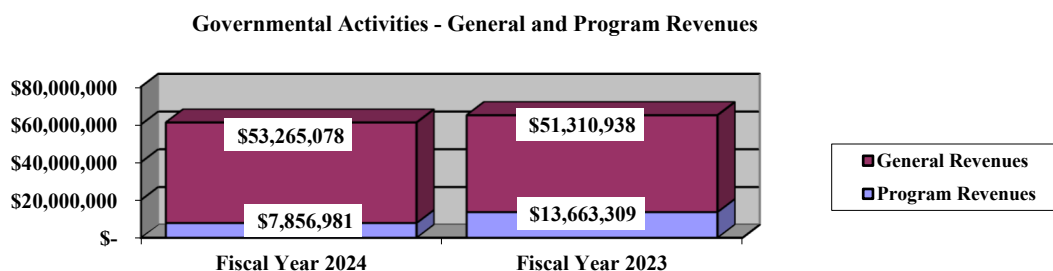
The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2024 and 2023. That is, it identifies the cost of these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

Governmental Activities

	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
Program expenses:				
Instruction:				
Regular	\$ 23,731,170	\$ 23,298,035	\$ 21,848,249	\$ 21,266,021
Special	10,450,121	6,754,860	9,687,867	6,211,394
Vocational	254,116	191,973	82,600	18,669
Other	953,331	905,602	1,406,600	1,330,226
Support services:				
Pupil	3,552,838	2,657,057	3,402,062	2,680,009
Instructional staff	1,819,100	1,314,468	1,444,773	927,238
Board of education	158,312	158,312	374,724	374,724
Administration	4,048,066	3,902,799	3,795,269	3,547,727
Fiscal	1,323,030	1,299,120	1,252,440	1,217,640
Business	193,658	193,658	188,065	188,065
Operations and maintenance	5,140,202	4,597,793	6,599,890	249,330
Pupil transportation	3,469,958	3,268,457	3,344,008	3,104,573
Central	915,110	894,610	747,834	733,964
Operation of non-instructional services	1,205,658	515,954	1,349,760	583,332
Extracurricular activities	1,387,187	792,178	1,274,191	702,111
Depreciation expense not included in other functions	90,356	90,356	90,356	90,356
Interest and fiscal charges	7,182	7,182	15,820	15,820
Total expenses	<u>\$ 58,699,395</u>	<u>\$ 50,842,414</u>	<u>\$ 56,904,508</u>	<u>\$ 43,241,199</u>

The dependence upon tax revenues during fiscal year 2024 for governmental activities is apparent, as 88.02% of 2024 instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 86.61%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio are the primary support for District's students.

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



**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

Business-type Activities

Business-type activities include food service operation, uniform school supplies, recreation center, education costs for outside entities, and before/after school childcare program. These programs had revenues of \$2,198,905 and expenses of \$1,852,455 for fiscal year 2024. Management reviews these programs to develop policies to allow these services to become self-supporting, exclusive of the impact of the reporting related to GASB 68 and GASB 75 as previously discussed.

The District's largest business-type activities are food service and education costs for outside entities operations. Food service operations had \$399,289 in charges for services and sales, \$1,596,290 in operating grants and contributions and had total expenses of \$2,048,533. Food service program revenues were not sufficient to support food service expenses by \$52,954. Education costs for outside entities had \$105,180 in charges for services and sales and had total expenses of a credit of \$234,185 as a result of activity related to the net pension and OPEB liability. Education costs for outside entities program revenues were sufficient to support expenses by \$339,365.

The District's Funds

Governmental Funds

The District's governmental funds reported a combined fund balance of \$49,497,452, which is less than last year's fund total of \$49,881,499.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2024 and 2023.

	Fund Balance <u>June 30, 2024</u>	Fund Balance <u>June 30, 2023</u>	<u>Change</u>
General	\$ 47,967,000	\$ 47,265,648	\$ 701,352
Other governmental	<u>1,530,452</u>	<u>2,615,851</u>	<u>(1,085,399)</u>
Total	<u>\$ 49,497,452</u>	<u>\$ 49,881,499</u>	<u>\$ (384,047)</u>

General Fund

The District's general fund balance increased \$701,352. The table that follows assists in illustrating the revenues of the general fund.

	<u>2024 Amount</u>	<u>2023 Amount</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<u>Revenues</u>				
Property and other taxes	\$ 35,378,800	\$ 35,249,789	\$ 129,011	0.37 %
Intergovernmental	16,277,709	15,087,830	1,189,879	7.89 %
Investment earnings	2,842,270	1,707,005	1,135,265	66.51 %
Tuition and fees	617,993	505,992	112,001	22.13 %
Other revenues	<u>237,814</u>	<u>225,673</u>	<u>12,141</u>	5.38 %
Total	<u>\$ 55,354,586</u>	<u>\$ 52,776,289</u>	<u>\$ 2,578,297</u>	4.89 %

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

Property and other taxes revenue remained consistent with the prior year. Property taxes collected and available as advance are recognized as revenue in the year the District could draw on these advances rather than when cash is received. The amounts that were available as advance were \$3,854,178, \$4,648,245, and \$4,605,535 at June 30, 2024, 2023, and 2022, respectively. Fluctuations in the amounts collected and available as advance will impact property tax revenues reported for the respective fiscal year. Actual general fund tax receipts (cash-basis) for fiscal year 2024 and 2023 were \$35,378,800 and \$35,207,079, respectively. Investment earnings increased \$1,135,265 due to increased interest rates on investments. Intergovernmental revenues increased \$1,189,879 due to increased monies received from the State of Ohio in the form of foundation payments. All other revenues remained comparable to the prior year or changed an insignificant amount.

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

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
<u>Expenditures</u>				
Instruction	\$ 33,362,673	\$ 30,707,939	\$ 2,654,734	8.65 %
Support services	19,220,064	17,973,983	1,246,081	6.93 %
Operation of non-instructional services	554,462	593,798	(39,336)	(6.62) %
Extracurricular activities	745,145	788,303	(43,158)	(5.47) %
Facilities acquisition and construction	586,370	218,772	367,598	168.03 %
Debt service	<u>182,611</u>	<u>155,028</u>	<u>27,583</u>	17.79 %
Total	<u>\$ 54,651,325</u>	<u>\$ 50,437,823</u>	<u>\$ 4,213,502</u>	8.35 %

In total, expenditures increased \$4,213,502 from 2023 primarily due to normal and customary wage and benefit increases along with the increased costs of goods and services purchased by the District. Instruction expenditures increased mainly due to increases in regular instruction. Support services increased primarily due to increases in operations and maintenance due to an increase in the cost of maintenance supplies. Facilities acquisition and construction increased as the District began a project to remodel the pool. All other expenditures remained comparable to the prior fiscal year or changed an insignificant amount.

Nonmajor Governmental Funds

The nonmajor governmental funds had \$5,360,393 in revenues and other financing sources and \$6,445,792 in expenditures. During fiscal 2024, the nonmajor governmental fund's fund balance decreased \$1,085,399 from \$2,615,851 to \$1,530,452.

Enterprise Funds

The District's enterprise funds reported operating revenues of \$565,026, operating expenses of \$1,852,455, and nonoperating revenues of \$1,633,879. Net position of the enterprise funds increased \$346,450 from a deficit of \$160,567 to a balance of \$185,883. The enterprise funds reported an operating loss of \$1,287,429.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

General Fund Budgeting Highlights

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

For the general fund, the final budgeted revenue and other financing sources were \$57,497,951. The original budgeted revenue and other financing sources were \$55,281,182. Actual revenue and other financing sources were \$58,277,439. The difference between the final budgeted revenues and other financing sources and the actual revenues and other financing sources was \$779,488. The difference between the original and final budget of \$2,216,769 was primarily due to anticipated increased collections of property taxes.

Total actual expenditures and other financing uses on the budget basis (cash outlays plus encumbrances) were \$55,715,588. This amount was \$959,184 less than the final budgeted amount (appropriations plus prior year encumbrances) primarily due to an overestimation of advances out to other District funds. The final budgeted expenditures and other financing uses, and the original budgeted amount were \$56,674,772 and \$59,280,185, respectively. Overall, fund balance on the budget basis increased \$2,561,851 over the prior year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2024, the District had \$50,403,174 invested in land, construction in progress, land improvements, buildings and improvements, furniture, equipment, and vehicles, infrastructure, intangible right to use assets, and ice arena. Of this total, \$49,319,183 was reported in governmental activities and \$1,083,991 was reported in business-type activities.

The table below shows fiscal 2024 balances compared to 2023:

Capital Assets at June 30 (Net of Depreciation)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 3,878,985	\$ 3,878,985	\$ -	\$ -	\$ 3,878,985	\$ 3,878,985
Construction in progress	1,691,552	6,241,377	-	-	1,691,552	6,241,377
Land improvements	141,129	81,731	-	-	141,129	81,731
Buildings and improvements	30,574,549	30,569,784	1,031,055	1,081,763	31,605,604	31,651,547
Furniture, equipment, and vehicles	10,225,018	3,866,670	52,936	35,195	10,277,954	3,901,865
Infrastructure	75,545	86,072	-	-	75,545	86,072
Intangible right to use:						
Leased equipment	156,539	231,678	-	-	156,539	231,678
SBITAs	136,249	145,848	-	-	136,249	145,848
Ice arena	2,439,617	2,529,973	-	-	2,439,617	2,529,973
Total	\$ 49,319,183	\$ 47,632,118	\$ 1,083,991	\$ 1,116,958	\$ 50,403,174	\$ 48,749,076

During fiscal year 2024, capital assets, net increased \$1,654,098 as additions of \$4,435,546 exceeded depreciation/amortization expense of \$2,731,541 and disposals, net of \$49,907. See Note 7 to the basic financial statements for more detail on the District's capital assets.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

Debt Administration

At June 30, 2024, the District has \$297,412 in long-term debt outstanding. Of this amount, \$181,047 is due within one year and \$116,365 is due in more than one year. The following table summarizes outstanding long-term debt:

Outstanding Debt, at Year End

	Governmental Activities 2024	Governmental Activities 2023
Long Term Debt:		
Lease payable	\$ 165,148	\$ 239,670
SBITA payable	132,264	146,018
Total	<u>\$ 297,412</u>	<u>\$ 385,688</u>

See Note 8 to the basic financial statements for more detail on the District's long-term obligations.

Current Financial Related Activities

The District continues to receive strong support from the residents of the District. As the preceding information shows, the District relies heavily on its local property taxpayers.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a levy will not increase solely as a result of inflation due to Ohio House Bill 920 (passed in 1976). As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners), the effective tax rate would become .5 mills, and the owner would still pay \$35.00.

Thus, the District's dependency upon property taxes is hampered by a lack of revenue growth and requires regular return to the voters to maintain a constant level of service. Property taxes made up 55.8% of revenues for governmental activities for the Wooster City Schools in fiscal year 2024.

The District has been affected by changes in the personal property tax structure (utility deregulation) and commercial business/property uncertainties. During the summer of 2005, the Ohio legislature approved Ohio House Bill 66, which includes the phased-out elimination of the tangible personal property tax. This affected taxes on all business tangible property and public utility property (telephone companies and railroads) – roughly 20% of the District's general fund revenues. For fiscal year 2024, this revenue source is expected to provide approximately \$3,622,465 or 6.3%, of the District's total general fund revenue.

The District successfully passed a new continuing 6.5 mill operating levy in the Spring of 2020. The previous levy request for additional general operating dollars was approved by the taxpayers in 2010. Collection on the newly approved millage began in January 2021.

Given the economic decline and stress that has been placed on our local community during the COVID 19 Pandemic, the Board of Education voted to direct the Wayne County Auditor to temporarily reduce the amount of this new levy millage by 50% to 3.25 mills during the first calendar year of collection in 2021. The District began receiving the full 100% of the new levy beginning in calendar year 2022.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information contact: Amy Welty, Treasurer, at Wooster City School District, 144 N. Market Street, Wooster, Ohio 44691.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	\$ 54,330,819	\$ 812,827	\$ 55,143,646
Receivables:			
Property taxes	37,687,741	-	37,687,741
Accounts	71,105	2,025	73,130
Accrued interest	138,754	-	138,754
Intergovernmental	941,278	36,705	977,983
Prepayments	80,608	1,733	82,341
Inventory held for resale	-	29,830	29,830
Net OPEB asset	3,204,409	11,707	3,216,116
Lease receivable	84,681	-	84,681
Capital assets:			
Nondepreciable capital assets	5,570,537	-	5,570,537
Depreciable capital assets, net	43,748,646	1,083,991	44,832,637
Capital assets, net	49,319,183	1,083,991	50,403,174
Total assets	<u>145,858,578</u>	<u>1,978,818</u>	<u>147,837,396</u>
Deferred outflows of resources:			
Pension	10,312,427	176,872	10,489,299
OPEB	2,335,614	150,279	2,485,893
Total deferred outflows of resources	<u>12,648,041</u>	<u>327,151</u>	<u>12,975,192</u>
Liabilities:			
Accounts payable	482,055	31,055	513,110
Contracts payable	997,637	-	997,637
Accrued wages and benefits payable	5,919,109	119,096	6,038,205
Intergovernmental payable	888,275	1,216	889,491
Pension and postemployment benefits payable	986,538	35,104	1,021,642
Accrued interest payable	5,405	-	5,405
Long-term liabilities:			
Due within one year	571,044	2,493	573,537
Due in more than one year:			
Net pension liability	46,470,801	919,525	47,390,326
Net OPEB liability	3,376,613	242,708	3,619,321
Other amounts due in more than one year	4,479,247	76,940	4,556,187
Total liabilities	<u>64,176,724</u>	<u>1,428,137</u>	<u>65,604,861</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	32,565,594	-	32,565,594
Lease	81,101	-	81,101
Pension	3,450,031	307,595	3,757,626
OPEB	5,495,749	384,354	5,880,103
Total deferred inflows of resources	<u>41,592,475</u>	<u>691,949</u>	<u>42,284,424</u>
Net position:			
Net investment in capital assets	48,024,134	1,083,991	49,108,125
Restricted for:			
Capital projects	2,355,249	-	2,355,249
OPEB	3,204,409	11,707	3,216,116
State funded programs	44,494	-	44,494
Federally funded programs	142	-	142
Student activities	348,869	-	348,869
Other purposes	71,134	-	71,134
Unrestricted (deficit)	<u>(1,311,011)</u>	<u>(909,815)</u>	<u>(2,220,826)</u>
Total net position	<u>\$ 52,737,420</u>	<u>\$ 185,883</u>	<u>\$ 52,923,303</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

		Program Revenues		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular	\$ 23,731,170	\$ 385,978	\$ 47,157	\$ -
Special	10,450,121	260,199	3,435,062	-
Vocational	254,116	-	62,143	-
Other	953,331	-	47,729	-
Support services:				
Pupil	3,552,838	-	895,781	-
Instructional staff	1,819,100	370	504,262	-
Board of education	158,312	-	-	-
Administration	4,048,066	1,842	143,425	-
Fiscal	1,323,030	-	23,910	-
Business	193,658	-	-	-
Operations and maintenance	5,140,202	13,483	523,926	5,000
Pupil transportation	3,469,958	-	201,501	-
Central	915,110	-	20,500	-
Other non-instructional services	1,205,658	72,865	616,839	-
Extracurricular activities	1,387,187	487,100	107,909	-
Depreciation expense not included in other functions (see Note 7)	90,356	-	-	-
Interest and fiscal charges	7,182	-	-	-
Total governmental activities	58,699,395	1,221,837	6,630,144	5,000
Business-type activities:				
Food service	2,048,533	399,289	1,596,290	-
Uniform school supplies	3,479	466	-	-
Education costs for outside entities	(234,185)	105,180	-	-
Recreation center	(453)	-	-	-
Before/after school child care	35,081	55,968	-	-
Total business-type activities	1,852,455	560,903	1,596,290	-
Totals	\$ 60,551,850	\$ 1,782,740	\$ 8,226,434	\$ 5,000

General revenues:

Property taxes levied for:

 General purposes

 Capital outlay

Grants and entitlements not restricted
to specific programs

Investment earnings

Miscellaneous

Total general revenues

Change in net position

Net position (deficit) at beginning of year

Net position at end of year

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (23,298,035)	\$ -	\$ (23,298,035)
(6,754,860)	-	(6,754,860)
(191,973)	-	(191,973)
(905,602)	-	(905,602)
(2,657,057)	-	(2,657,057)
(1,314,468)	-	(1,314,468)
(158,312)	-	(158,312)
(3,902,799)	-	(3,902,799)
(1,299,120)	-	(1,299,120)
(193,658)	-	(193,658)
(4,597,793)	-	(4,597,793)
(3,268,457)	-	(3,268,457)
(894,610)	-	(894,610)
(515,954)	-	(515,954)
(792,178)	-	(792,178)
(90,356)	-	(90,356)
(7,182)	-	(7,182)
(50,842,414)	-	(50,842,414)
-	(52,954)	(52,954)
-	(3,013)	(3,013)
-	339,365	339,365
-	453	453
-	20,887	20,887
-	304,738	304,738
(50,842,414)	304,738	(50,537,676)
35,914,482	-	35,914,482
556,725	-	556,725
13,655,847	-	13,655,847
2,989,237	37,589	3,026,826
148,787	4,123	152,910
53,265,078	41,712	53,306,790
2,422,664	346,450	2,769,114
50,314,756	(160,567)	50,154,189
\$ 52,737,420	\$ 185,883	\$ 52,923,303

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	\$ 51,231,763	\$ 3,099,056	\$ 54,330,819
Receivables:			
Property taxes	37,122,647	565,094	37,687,741
Accounts	66,814	4,291	71,105
Accrued interest	138,754	-	138,754
Interfund loans	223,328	-	223,328
Intergovernmental	451,763	489,515	941,278
Prepayments	76,159	4,449	80,608
Lease receivable	84,681	-	84,681
Total assets	<u>\$ 89,395,909</u>	<u>\$ 4,162,405</u>	<u>\$ 93,558,314</u>
Liabilities:			
Accounts payable	\$ 229,710	\$ 252,345	\$ 482,055
Contracts payable	22,000	975,637	997,637
Accrued wages and benefits payable	5,614,149	304,960	5,919,109
Compensated absences payable	77,540	-	77,540
Intergovernmental payable	758,984	129,291	888,275
Pension and postemployment benefits payable	924,415	62,123	986,538
Interfund loans payable	-	223,328	223,328
Total liabilities	<u>7,626,798</u>	<u>1,947,684</u>	<u>9,574,482</u>
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	32,077,741	487,853	32,565,594
Delinquent property tax revenue not available	1,190,728	18,527	1,209,255
Intergovernmental revenue not available	-	177,889	177,889
Accrued interest not available	101,959	-	101,959
Tuition revenue not available	350,582	-	350,582
Lease	81,101	-	81,101
Total deferred inflows of resources	<u>33,802,111</u>	<u>684,269</u>	<u>34,486,380</u>
Fund balances:			
Nonspendable:			
Prepays	76,159	4,449	80,608
Restricted:			
Capital improvements	-	1,361,085	1,361,085
Non-public schools	-	37,661	37,661
State funded programs	-	10,863	10,863
Federally funded programs	-	1	1
Extracurricular	-	348,901	348,901
Other purposes	-	71,134	71,134
Committed:			
Termination benefits	153,509	-	153,509
Assigned:			
Student instruction	326,328	-	326,328
Student and staff support	398,793	-	398,793
Extracurricular activities	3,753	-	3,753
Subsequent year's appropriations	4,236,327	-	4,236,327
Other purposes	25,837	-	25,837
Unassigned (deficit)	<u>42,746,294</u>	<u>(303,642)</u>	<u>42,442,652</u>
Total fund balances	<u>47,967,000</u>	<u>1,530,452</u>	<u>49,497,452</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 89,395,909</u>	<u>\$ 4,162,405</u>	<u>\$ 93,558,314</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

Total governmental fund balances		\$ 49,497,452
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		49,319,183
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 1,209,255	
Accrued interest receivable	101,959	
Intergovernmental receivable	528,471	
Total		1,839,685
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds		(5,405)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	10,312,427	
Deferred inflows - pension	(3,450,031)	
Net pension liability	(46,470,801)	
Deferred outflows - OPEB	2,335,614	
Deferred inflows - OPEB	(5,495,749)	
Net OPEB asset	3,204,409	
Net OPEB liability	(3,376,613)	
Total		(42,940,744)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Lease payable	(165,148)	
SBITA payable	(132,264)	
Compensated absences	(4,675,339)	
Total		(4,972,751)
Net position of governmental activities		<u><u>\$ 52,737,420</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

	General	(Formerly Major) Elementary and Secondary School Emergency	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 35,378,800		\$ 539,619	\$ 35,918,419
Intergovernmental	16,277,709		3,886,042	20,163,751
Investment earnings	2,842,270		127,410	2,969,680
Tuition and fees	617,993		-	617,993
Extracurricular	25,987		535,592	561,579
Rental income	13,483		11,300	24,783
Charges for services	-		814	814
Contributions and donations	14,462		129,355	143,817
Miscellaneous	183,882		41,982	225,864
Total revenues	<u>55,354,586</u>		<u>5,272,114</u>	<u>60,626,700</u>
Expenditures:				
Current:				
Instruction:				
Regular	22,994,248		157,073	23,151,321
Special	9,204,159		1,386,666	10,590,825
Vocational	257,696		-	257,696
Other	906,570		47,729	954,299
Support services:				
Pupil	3,072,232		504,544	3,576,776
Instructional staff	1,359,055		504,555	1,863,610
Board of education	155,780		-	155,780
Administration	3,905,375		135,284	4,040,659
Fiscal	1,264,447		33,413	1,297,860
Business	177,489		-	177,489
Operations and maintenance	4,936,829		760,232	5,697,061
Pupil transportation	3,517,121		9,742	3,526,863
Central	831,736		55,245	886,981
Other non-instructional services	554,462		669,207	1,223,669
Extracurricular activities	745,145		624,508	1,369,653
Facilities acquisition and construction	586,370		1,557,594	2,143,964
Debt service:				
Principal retirement	174,646		-	174,646
Interest and fiscal charges	7,965		-	7,965
Total expenditures	<u>54,651,325</u>		<u>6,445,792</u>	<u>61,097,117</u>
Excess of revenues over (under) expenditures	<u>703,261</u>		<u>(1,173,678)</u>	<u>(470,417)</u>
Other financing sources (uses):				
Transfers in	-		88,279	88,279
Transfers (out)	(88,279)		-	(88,279)
SBITA transaction	86,370		-	86,370
Total other financing sources (uses)	<u>(1,909)</u>		<u>88,279</u>	<u>86,370</u>
Net change in fund balances	701,352		(1,085,399)	(384,047)
Fund balances (deficit) as previously reported	47,265,648	(43,610)	2,659,461	49,881,499
Adjustment - changes in major fund to nonmajor	<u>-</u>	<u>43,610</u>	<u>(43,610)</u>	<u>-</u>
Fund balances at beginning of year, as adjusted	<u>47,265,648</u>		<u>2,615,851</u>	<u>49,881,499</u>
Fund balances at end of year	<u><u>\$ 47,967,000</u></u>		<u><u>\$ 1,530,452</u></u>	<u><u>\$ 49,497,452</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

Net change in fund balances - total governmental funds		\$ (384,047)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	\$ 4,412,630	
Current year depreciation/amortization	(2,675,658)	
Total		1,736,972
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(49,907)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	552,788	
Tuition	16,668	
Earnings on investments	39,239	
Intergovernmental	(113,336)	
Total		495,359
Repayment of lease and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		174,646
Issuance of SBITAs are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(86,370)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Decrease in accrued interest payable		783
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	4,464,545	
OPEB	142,891	
Total		4,607,436
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(3,967,241)	
OPEB	453,289	
Total		(3,513,952)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(558,256)
Change in net position of governmental activities	<u>\$ 2,422,664</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Nonmajor Enterprise Funds
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 812,827
Receivables:	
Accounts	2,025
Intergovernmental	36,705
Prepayments	1,733
Inventory held for resale	29,830
Total current assets	<u>883,120</u>
Noncurrent assets:	
Net OPEB asset	11,707
Depreciable capital assets, net	1,083,991
Total noncurrent assets	<u>1,095,698</u>
Total assets	<u>1,978,818</u>
Deferred outflows of resources:	
Pension	176,872
OPEB	150,279
Total deferred outflows of resources	<u>327,151</u>
Liabilities:	
Current:	
Accounts payable	31,055
Accrued wages and benefits	119,096
Compensated absences	2,493
Pension and postemployment benefits payable	35,104
Intergovernmental payable	1,216
Total current liabilities	<u>188,964</u>
Long-term liabilities:	
Compensated absences payable	76,940
Net pension liability	919,525
Net OPEB liability	242,708
Total long-term liabilities	<u>1,239,173</u>
Total liabilities	<u>1,428,137</u>
Deferred inflows of resources:	
Pension	307,595
OPEB	384,354
Total deferred inflows of resources	<u>691,949</u>
Net position:	
Investment in capital assets	1,083,991
Restricted for OPEB	11,707
Unrestricted	<u>(909,815)</u>
Total net position (deficit)	<u>\$ 185,883</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Nonmajor Enterprise Funds
Operating revenues:	
Sales/charges for services	\$ 560,903
Other	4,123
Total operating revenues	<u>565,026</u>
Operating expenses:	
Personal services	540,644
Purchased services	931,572
Materials and supplies	324,356
Depreciation	55,883
Total operating expenses	<u>1,852,455</u>
Operating (loss)	<u>(1,287,429)</u>
Nonoperating revenues:	
Grants and subsidies	1,316,748
Interest revenue	37,589
Federal donated commodities	279,542
Total nonoperating revenues	<u>1,633,879</u>
Change in net position	346,450
Net position (deficit) at beginning of year	<u>(160,567)</u>
Net position at end of year	<u><u>\$ 185,883</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

	Nonmajor Enterprise Funds
Cash flows from operating activities:	
Cash received from sales/charges for services	\$ 570,944
Cash received from other operations	4,123
Cash payments for personal services	(977,395)
Cash payments for contractual services	(901,716)
Cash payments for materials and supplies	(67,088)
Net cash (used in) operating activities	<u>(1,371,132)</u>
Cash flows from noncapital financing activities:	
Cash received from grants and subsidies	<u>1,318,119</u>
Net cash provided by noncapital financing activities	<u>1,318,119</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(22,916)</u>
Net cash (used in) capital and related financing activities	<u>(22,916)</u>
Cash flows from investing activities:	
Interest received	<u>37,589</u>
Net cash provided by investing activities	<u>37,589</u>
Net decrease in cash and cash cash equivalents	(38,340)
Cash and cash equivalents at beginning of year	<u>851,167</u>
Cash and cash equivalents at end of year	<u><u>\$ 812,827</u></u>
Reconciliation of operating (loss) to net cash (used in) operating activities:	
Operating (loss)	\$ (1,287,429)
Adjustments:	
Depreciation	55,883
Federal donated commodities	279,542
Changes in assets and liabilities:	
Decrease in accounts receivable	10,017
Decrease in prepayments	39
(Increase) in inventory held for resale	(22,274)
(Decrease) in net pension liability	(213,477)
Increase in net OPEB liability	4,200
Decrease in net OPEB asset	15,868
Decrease in deferred outflows - pensions	92,815
(Increase) in deferred outflows - OPEBs	(27,810)
(Decrease) in deferred inflows - pensions	(221,105)
(Decrease) in deferred inflows - OPEBs	(74,626)
Increase in accounts payable	28,356
(Decrease) in accrued wages and benefits	(9,462)
(Decrease) in intergovernmental payable	(179)
(Decrease) in compensated absences payable	(1,212)
(Decrease) in Pension and postemployment benefits payable	<u>(278)</u>
Net cash (used in) operating activities	<u><u>\$ (1,371,132)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<u>Custodial</u>
Additions:	
Extracurricular collections for OHSAA	<u>\$ 6,976</u>
Deductions:	
Extracurricular distributions to OHSAA	<u>\$ 6,976</u>
Change in net position	-
Net position at beginning of year	<u>-</u>
Net position at end of year	<u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

NOTE 1 - DESCRIPTION OF THE DISTRICT

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

The District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board controls the District's ten instructional/support facilities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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 District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, and student related activities of the District.

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

The City of Wooster and the Wooster Public Library perform activities within the District's boundaries for the benefit of residents and are excluded from the accompanying financial statements of the District. Both are legally separate entities that are not fiscally dependent on the District. The District is not financially accountable for either of these two entities.

The District participates in two public entity risk pools and one jointly governed organization. These organizations include the Ohio School Comp Workers' Compensation Group Rating Program (GRP), the Stark County Schools Council of Governments Health Benefit Plan (Stark County Schools COG HBP) and the Midland COG. These organizations are presented in Notes 10 and 14 to the basic financial statements.

B. Basis of Presentation

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

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

Fund Financial Statements - During the year, the District segregates transactions related to certain 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 District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. Fund Accounting

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

GOVERNMENTAL FUNDS

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

The following are the District's major governmental funds:

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

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

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

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

PROPRIETARY FUND TYPE

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The following are the District's proprietary fund types:

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District had no major enterprise funds.

The nonmajor enterprise funds are used to account for food service, uniform school supplies, recreation center, education costs for outside entities, and before/after school childcare.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. The District does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for monies collected on behalf of and disbursed to the Ohio High School Athletic Association and other Districts.

D. Measurement Focus

Government-Wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

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

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

E. Basis of Accounting

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

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 5). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively.

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

See Notes 12 and 13 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as "federal donated commodities".

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

F. Cash and Cash Equivalents

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

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

The District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The 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.

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

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$2,842,270, which includes \$90,961 assigned from other District funds.

Investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

G. Inventory

Within the basic financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories of the general fund were not significant at year-end. Inventories of the food service enterprise fund consist of donated and purchased food and supplies.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

H. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. The District had no restricted assets at June 30, 2024.

I. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

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 District maintains a capitalization threshold of \$5,000 and assets acquired through a group purchase that collectively is considered significant by the District. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land	N/A	N/A
Land Improvements	5 Years	N/A
Buildings and Improvements	20 - 125 Years	50 Years
Furniture, Equipment, and Vehicles	5 - 15 Years	10 Years
Infrastructure	20 - 50 Years	N/A
Intangible leased assets	5 Years	N/A
SBITAs	5 Years	N/A
Ice Arena	50 Years	N/A

The District is reporting intangible right to use assets related to leased equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/SBITA term or the useful life of the underlying asset.

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables" and receivables and payables resulting from interfund goods and services provided are classified and "due to/due from other funds." These interfund balances are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as a component of "internal balance" on the statement of net position.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

K. Compensated Absences

GASB Statement No. 16 specifies that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met.

1. The employees' rights to receive compensation are attributable to services already rendered.
2. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Other compensated absences with characteristics similar to vacation leave are those which are not contingent on a specific event outside the control of the employer and employee.

Further, sick leave and other similar compensated absences are those which are contingent on a specific event that is outside the control of the employer and employee. The District has accrued a liability for these compensated absences using the termination method when the following criterion is met.

The benefits are earned by the employees and it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' retirement ("termination payments").

The sick leave liability has been based on the District's past experience of making termination payments for sick leave.

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

M. Net Position

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

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

N. Fund Balance

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

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

O. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales for food service, uniform school supplies, recreation center fees, tuition and fees for IB program, and charges for services for before/after school child care. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. All revenue and expenses not meeting these definitions are classified as nonoperating.

P. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. The proprietary funds received no capital contributions during the current fiscal year.

Q. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds.

Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Pensions/Other Postemployment Benefits (OPEB)

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

S. Extraordinary and Special Items

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

T. Estimates

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

U. Budgetary Data

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

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

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

V. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments in both government-wide and fund financial statements. These items are reported in the financial statements using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, the fund balance is considered nonspendable in an amount equal to the carrying value of the asset on the fund financial statements.

W. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. 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. At June 30, 2024, the District had no investments which are at fair value and subject to the fair value measurements. See Note 2.F. for detail on the District's investments.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

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

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

B. Deficit Fund Balances

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

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Public School Preschool	\$ 1
ESSER	40,268
IDEA Part B	198,576
Title I	59,053
Supporting Effective Instruction	793
Student Support and Academic Enrichment Program	4,951

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
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(SEE ACCOUNTANT'S COMPILATION REPORT)**

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
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, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

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

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

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment in repurchase agreements is to be secured by the specific government securities upon which the repurchase agreements are based. These securities, held by the counterparty and not in the District's name, must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. Ohio law requires the fair value of the securities subject to repurchase agreements must exceed the principal value of the securities subject to a repurchase agreement by 2%. The District's policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

A. Deposits with Financial Institutions

At June 30, 2024, the carrying amount of all District deposits was \$207,876 and the bank balance of all District deposits was \$888,573. Of the bank balance, \$250,000 was covered by the FDIC, \$319,287 was covered by the Ohio Pooled Collateral System and \$319,286 was exposed to custodial credit risks as described below.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2024, the District's financial institutions were approved for a collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

B. Investments

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

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Amortized cost:						
STAR Ohio	\$ 34,480,546	\$ 34,480,546	\$ -	\$ -	\$ -	\$ -
Fair value:						
Negotiable CDs	991,928	248,416	743,512	-	-	-
FFCB	3,934,778	339,677	424,272	257,841	1,140,172	1,772,816
FHLMC	1,712,636	-	-	-	-	1,712,636
FHLB	5,228,478	248,976	1,779,064	249,783	906,229	2,044,426
FNMA	496,197	-	-	-	-	496,197
U.S. Treasury notes	2,274,039	-	-	583,289	-	1,690,750
Commercial paper	5,746,256	4,779,467	966,789	-	-	-
U.S. Government money market mutual funds	70,912	70,912	-	-	-	-
Totals	\$ 54,935,770	\$ 40,167,994	\$ 3,913,637	\$ 1,090,913	\$ 2,046,401	\$ 7,716,825

The weighted average maturity of investments is 0.70 days.

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FFCB, FHLMC, FHLB, FNMA), U.S. Treasury notes, negotiable CDs, and commercial paper are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the District.

Credit Risk: The federal agency securities and U.S. Treasury notes were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Commercial paper was rated A-1+ and P-1 by Standard & Poor's and Moody's Investor Services, respectively. Negotiable CDs were not rated and are insured by the FDIC. STAR Ohio and U.S. Government money market mutual funds carry a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address credit risk beyond requiring the District to only invest in securities authorized by State statute.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities, negotiable CDs, U.S. Treasury securities, and commercial paper are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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

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

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	<u>% of Total</u>
<i>Amortized cost:</i>		
STAR Ohio	\$ 34,480,546	62.77
<i>Fair value:</i>		
Negotiable CDs	991,928	1.81
FFCB	3,934,778	7.16
FHLMC	1,712,636	3.12
FHLB	5,228,478	9.52
FNMA	496,197	0.90
U.S. Treasury notes	2,274,039	4.14
Commerical paper	5,746,256	10.46
U.S. Government money market mutual funds	<u>70,912</u>	<u>0.12</u>
Total	<u>\$ 54,935,770</u>	<u>100.00</u>

C. Reconciliation of cash and investments to the statement of net position

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 207,876
Investments	<u>54,935,770</u>
Total	<u>\$ 55,143,646</u>
<u>Cash and cash equivalents per statement of net position</u>	
Governmental activities	\$ 54,330,819
Business-type activities	<u>812,827</u>
Total	<u>\$ 55,143,646</u>

NOTE 5 - PROPERTY TAXES

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

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

**WOOSTER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 5 - PROPERTY TAXES - (Continued)

Public utility property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Public utility real and personal property taxes received in calendar year 2024 became a lien on December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Major governmental funds:		
General fund	\$ 3,854,178	\$ 4,648,245
Nonmajor governmental funds:		
Permanent improvement fund	58,714	75,129

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

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

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

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

	2023 Second Half Collections		2024 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 765,640,740	94.09	\$ 969,133,610	94.98
Public utility personal	<u>48,121,940</u>	<u>5.91</u>	<u>51,249,350</u>	<u>5.02</u>
Total	<u>\$ 813,762,680</u>	<u>100.00</u>	<u>\$1,020,382,960</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$ 81.10		\$ 81.10	

NOTE 6 - RECEIVABLES

A. Intergovernmental Receivables

Receivables at June 30, 2024 consisted of taxes, accounts, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

**WOOSTER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 6 – RECEIVABLES - (Continued)

A summary of the principal items of intergovernmental receivables reported on the statement of net position follows:

	Tuition Costs	State and Federal Grants	Other	Total
Governmental activities	\$ 350,582	\$ 489,515	\$ 101,181	\$ 941,278
Business-type activities	-	36,705	-	36,705
Total	<u>\$ 350,582</u>	<u>\$ 526,220</u>	<u>\$ 101,181</u>	<u>\$ 977,983</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year.

B. Leases Receivable

The District is reporting leases receivable of \$84,681 in the general fund. For fiscal year 2024, the District recognized lease revenue of \$2,451, which is reported in rental income, and interest revenue of \$3,410.

The District has entered into lease agreements for building space rentals with multiple companies at varying years and terms as follows:

<u>Purpose</u>	Lease Commencement <u>Date</u>	<u>Years</u>	Lease End <u>Date</u>	Payment <u>Method</u>
Building space	2017	40	2057	Monthly

Lease payments will be paid into the general fund. The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,256	\$ 3,364	\$ 4,620
2026	1,307	3,313	4,620
2027	1,360	3,260	4,620
2028	1,415	3,205	4,620
2029	1,473	3,147	4,620
2030 - 2034	8,316	14,784	23,100
2035 - 2039	10,154	12,946	23,100
2040 - 2044	12,398	10,702	23,100
2045 - 2049	15,138	7,962	23,100
2050 - 2054	18,483	4,617	23,100
2055 - 2058	<u>13,381</u>	<u>864</u>	<u>14,245</u>
Total	<u>\$ 84,681</u>	<u>\$ 68,164</u>	<u>\$ 152,845</u>

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
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(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 7 - CAPITAL ASSETS

Governmental activities capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance 06/30/23	Additions	Deductions	Balance 06/30/24
Governmental activities:				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 3,878,985	\$ -	\$ -	\$ 3,878,985
Construction in progress	<u>6,241,377</u>	<u>3,609,057</u>	<u>(8,158,882)</u>	<u>1,691,552</u>
Total capital assets, not being depreciated/amortized	<u>10,120,362</u>	<u>3,609,057</u>	<u>(8,158,882)</u>	<u>5,570,537</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	6,341,417	133,663	(5,800)	6,469,280
Buildings and improvements	59,775,561	1,179,101	-	60,954,662
Furniture, equipment, and vehicles	9,596,644	7,554,643	(575,035)	16,576,252
Infrastructure	216,277	-	-	216,277
Intangible right to use:				
Leased equipment	375,694	-	-	375,694
SBITAs	218,772	95,048	-	313,820
Ice arena *	<u>4,517,809</u>	<u>-</u>	<u>-</u>	<u>4,517,809</u>
Total capital assets, being depreciated/amortized	<u>81,042,174</u>	<u>8,962,455</u>	<u>(580,835)</u>	<u>89,423,794</u>
<i>Less: accumulated depreciation/amortization</i>				
Land improvements	(6,259,686)	(74,265)	5,800	(6,328,151)
Buildings and improvements	(29,205,777)	(1,174,336)	-	(30,380,113)
Furniture, equipment, and vehicles	(5,729,974)	(1,146,388)	525,128	(6,351,234)
Infrastructure	(130,205)	(10,527)	-	(140,732)
Intangible right to use:				
Leased equipment	(144,016)	(75,139)	-	(219,155)
SBITAs	(72,924)	(104,647)	-	(177,571)
Ice arena *	<u>(1,987,836)</u>	<u>(90,356)</u>	<u>-</u>	<u>(2,078,192)</u>
Total accumulated depreciation/amortization	<u>(43,530,418)</u>	<u>(2,675,658)</u>	<u>530,928</u>	<u>(45,675,148)</u>
Governmental activities capital assets, net	<u>\$ 47,632,118</u>	<u>\$ 9,895,854</u>	<u>\$ (8,208,789)</u>	<u>\$ 49,319,183</u>

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

Governmental activities:	
Instruction:	
Regular	\$ 995,916
Support Services:	
Pupil	1,661
Board of education	2,772
Administration	2,529
Fiscal	34,795
Operations and maintenance of plant	1,236,703
Pupil transportation	223,523
Central	40,596
Operation of non-instructional	125
Extracurricular activities	46,682
Depreciation expense not included	
in other functions *	<u>90,356</u>
Total governmental activities	<u>\$ 2,675,658</u>

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NOTE 7 - CAPITAL ASSETS - (Continued)

*The ice arena was donated to the District and is operated by the Donald and Alice Noble foundation, Inc. The District does not collect any fees or pay any expenses to operate the facility.

Business-type activities capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance 06/30/23	Additions	Deductions	Balance 06/30/24
Business-type activities:				
<i>Capital assets, being depreciated:</i>				
Buildings and improvements	\$ 2,535,383	\$ -	\$ -	\$ 2,535,383
Furniture and equipment	<u>284,013</u>	<u>22,916</u>	<u>-</u>	<u>306,929</u>
Total capital assets, being depreciated	<u>2,819,396</u>	<u>22,916</u>	<u>-</u>	<u>2,842,312</u>
<i>Less: accumulated depreciation</i>				
Buildings and improvements	(1,453,620)	(50,708)	-	(1,504,328)
Furniture and equipment	<u>(248,818)</u>	<u>(5,175)</u>	<u>-</u>	<u>(253,993)</u>
Total accumulated depreciation	<u>(1,702,438)</u>	<u>(55,883)</u>	<u>-</u>	<u>(1,758,321)</u>
Business-type activities capital assets, net	<u>\$ 1,116,958</u>	<u>\$ (32,967)</u>	<u>\$ -</u>	<u>\$ 1,083,991</u>

Depreciation expense was charged to the business-type activities as follows:

Business-type activities:	
Food service	\$ 5,175
Recreation center	<u>50,708</u>
Total business-type activities	<u>\$ 55,883</u>

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NOTE 8 - LONG-TERM OBLIGATIONS

During the fiscal year 2024, the following activity occurred in the District's long-term obligations.

	Balance			Balance	Amount
<u>Governmental activities:</u>	<u>06/30/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/24</u>	<u>Due Within</u> <u>One Year</u>
Net pension liability:					
STRS	\$ 35,916,798	\$ -	\$ (435,232)	\$ 35,481,566	\$ -
SERS	9,946,002	1,043,233	-	10,989,235	-
Total net pension liability	45,862,800	1,043,233	(435,232)	46,470,801	-
Net OPEB liability:					
SERS	2,646,757	729,856	-	3,376,613	-
Total net OPEB liability	2,646,757	729,856	-	3,376,613	-
Lease payable	239,670	-	(74,522)	165,148	77,558
SBITA payable	146,018	86,370	(100,124)	132,264	103,489
Compensated absences	4,295,454	804,095	(346,670)	4,752,879	389,997
Total long-term obligations	\$ 53,190,699	\$ 2,663,554	\$ (956,548)	\$ 54,897,705	\$ 571,044

	Balance			Balance	Amount
<u>Business-type activities:</u>	<u>06/30/23</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/24</u>	<u>Due Within</u> <u>One Year</u>
Net pension liability:					
STRS	\$ 236,736	\$ -	\$ (107,108)	\$ 129,628	\$ -
SERS	896,266	-	(106,369)	789,897	-
Total net pension liability	1,133,002	-	(213,477)	919,525	-
Net OPEB liability:					
SERS	238,508	4,200	-	242,708	-
Total net OPEB liability	238,508	4,200	-	242,708	-
Compensated absences	80,645	-	(1,212)	79,433	2,493
Total long-term obligations	\$ 1,452,155	\$ 4,200	\$ (214,689)	\$ 1,241,666	\$ 2,493

Net Pension Liability

See Note 12 for further information on the District's net pension liability. The District pays obligations related to employee compensation from the fund benefitting from their service.

Net OPEB Liability/Asset

See Note 13 for further information on the District's net OPEB liability/asset. The District pays obligations related to employee compensation from the fund benefitting from their service.

Compensated Absences

Compensated absences will be paid from the general fund and the food service and education costs for outside entities enterprise funds.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Leases Payable

The District has entered into a lease agreement for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the lease. The lease payments will be paid from the general fund.

The District has entered into a lease agreement for copier equipment with the following terms:

<u>Purpose</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Copier equipment	2021	5	2026	Monthly

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 77,558	\$ 5,194	\$ 82,752
2026	80,717	2,034	82,751
2027	<u>6,873</u>	<u>23</u>	<u>6,896</u>
Total	<u>\$ 165,148</u>	<u>\$ 7,251</u>	<u>\$ 172,399</u>

SBITA Payable

The District has entered into agreements for the right to use subscription to software. Due to the implementation of GASB Statement No. 96, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the subscriptions. The subscription payments will be paid from the general fund.

The District has entered into agreements for subscriptions at varying years and terms as follows:

<u>SBITA</u>	<u>Commencement Date</u>	<u>Years</u>	<u>End Date</u>	<u>Payment Method</u>
Teaching software	2022	3	2025	Annual
Accounting software	2022	3	2025	Annual
HR software	2022	3	2025	Annual

The following is a schedule of future payments under the agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 103,489	\$ 5,389	\$ 108,878
2026	<u>28,775</u>	<u>1,172</u>	<u>29,947</u>
Total	<u>\$ 132,264</u>	<u>\$ 6,561</u>	<u>\$ 138,825</u>

**WOOSTER CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 8 - LONG-TERM OBLIGATIONS - (Continued)

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2024, are a voted debt margin of \$1,020,383 (including available funds of \$0) and an unvoted debt margin of \$9,183,447.

NOTE 9 - INTERFUND TRANSACTIONS

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

	<u>Transfers From</u>
<u>Transfers To</u>	<u>General</u>
Nonmajor governmental funds	\$ <u>88,279</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General fund	\$ 223,328	\$ -
Nonmajor governmental funds	<u>-</u>	<u>223,328</u>
Total	<u>\$ 223,328</u>	<u>\$ 223,328</u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide statement of net position. Interfund balances between governmental funds and enterprise funds are reported as a component of internal balance on the government-wide statement of net position.

**WOOSTER CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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(SEE ACCOUNTANT'S COMPILATION REPORT)**

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District insures its buildings and their contents through insurance having a \$1,000 deductible and providing replacement cost for such items. An inventory of all loose equipment is conducted periodically.

Appropriate liability insurance is maintained in the amount of \$4,000,000 for each occurrence and \$6,000,000 aggregate. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Educational Crime Coverage is maintained on all employees handling or responsible for money in the amount of \$100,000.

By state statute, Bond is provided by all contractors in amounts sufficient to cover the entire bid amount awarded to the contractor.

Claims have not exceeded coverage in any of the previous 3 years nor has there been any significant reductions in coverage from the previous year.

B. Workers' Compensation

The District participates in the Ohio School Comp Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. This represents a merger of individual pooling programs for the Ohio School Boards Association (OSBA) and the Ohio Association of School Business Officials (OASBO). Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the 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 insures 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, Inc. provides administrative, cost control and actuarial services to the GRP.

C. Employee Health, Prescription Drug and Dental Insurance

The District is a member of the Stark County Schools Council of Governments Health Benefit Plan (the Council), through which a cooperative Health Benefit Program was created for the benefit of its members. The Health Benefit Program (the "Program") is an employee health benefit plan which covers the participating members' employees. The Council acts as a fiscal agent for the cash funds paid into the program by the participating school districts. These funds are pooled together for the purpose of paying health benefit claims for employees and their covered dependents, administrative expenses of the program, and premiums for stop-loss insurance coverage. The District accounts for the premiums paid as expenditures in the general or applicable fund.

**WOOSTER CITY SCHOOL DISTRICT
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 - COMPENSATED ABSENCES

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and state laws. Classified employees earn up to twenty days of vacation per year depending upon length of service. Vacation days are credited to classified employees as earned. Accumulated, unused vacation time is paid to classified employees upon termination or retirement. 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. For employees with 10 to 30 years of service, a percentage of unused sick time is paid upon retirement at 50% of the maximum number of days accumulated not to exceed 275 days for certificated staff and classified staff. For employees with more than 30 years of service, a percentage of unused sick time is paid upon retirement at the lesser of 65 days or 25% of the maximum number of days accumulated not to exceed 275 days for certificated staff and classified staff.

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

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

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

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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

Plan Description - The District's non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org 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 after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

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

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

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

The District's contractually required contribution to SERS was \$1,343,260 for fiscal year 2024. Of this amount, \$331,020 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

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

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

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

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

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

The District's contractually required contribution to STRS was \$3,223,095 for fiscal year 2024. Of this amount, \$537,460 is reported as pension and postemployment benefits payable.

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

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.200456900%	0.162633060%	
Proportion of the net pension liability current measurement date	<u>0.213177100%</u>	<u>0.165364740%</u>	
Change in proportionate share	<u>0.012720200%</u>	<u>0.002731680%</u>	
Proportionate share of the net pension liability	\$ 11,779,132	\$ 35,611,194	\$ 47,390,326
Pension expense	\$ 1,203,164	\$ 2,524,122	\$ 3,727,286

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 506,296	\$ 1,298,310	\$ 1,804,606
Changes of assumptions	83,439	2,932,776	3,016,215
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	645,878	456,245	1,102,123
Contributions subsequent to the measurement date	<u>1,343,260</u>	<u>3,223,095</u>	<u>4,566,355</u>
Total deferred outflows of resources	<u>\$ 2,578,873</u>	<u>\$ 7,910,426</u>	<u>\$ 10,489,299</u>

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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 79,023	\$ 79,023
Net difference between projected and actual earnings on pension plan investments	165,564	106,725	272,289
Changes of assumptions	-	2,207,537	2,207,537
Difference between employer contributions and proportionate share of contributions/change in proportionate share	<u>203,699</u>	<u>995,078</u>	<u>1,198,777</u>
Total deferred inflows of resources	<u>\$ 369,263</u>	<u>\$ 3,388,363</u>	<u>\$ 3,757,626</u>

\$4,566,355 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$ 195,541	\$ (738,431)	\$ (542,890)
2026	(242,108)	(1,498,240)	(1,740,348)
2027	904,141	3,631,891	4,536,032
2028	<u>8,776</u>	<u>(96,252)</u>	<u>(87,476)</u>
Total	<u>\$ 866,350</u>	<u>\$ 1,298,968</u>	<u>\$ 2,165,318</u>

Actuarial Assumptions - SERS

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

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

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

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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

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

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

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

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

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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 17,385,398	\$ 11,779,132	\$ 7,056,922

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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

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

* Final target weights reflected at October 1, 2022.

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NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 54,762,134	\$ 35,611,194	\$ 19,414,739

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$153,162.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$153,162 for fiscal year 2024. Of this amount, \$153,162 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.205501700%	0.162633060%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.219692900%</u>	<u>0.165364740%</u>	
Change in proportionate share	<u>0.014191200%</u>	<u>0.002731680%</u>	
Proportionate share of the net OPEB liability	\$ 3,619,321	\$ -	\$ 3,619,321
Proportionate share of the net OPEB asset	\$ -	\$ (3,216,116)	\$ (3,216,116)
OPEB expense	\$ (374,550)	\$ (150,837)	\$ (525,387)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 7,539	\$ 5,015	\$ 12,554
Net difference between projected and actual earnings on OPEB plan investments	28,054	5,738	33,792
Changes of assumptions	1,223,799	473,780	1,697,579
Difference between employer contributions and proportionate share of contributions/change in proportionate share	560,986	27,820	588,806
Contributions subsequent to the measurement date	<u>153,162</u>	<u>-</u>	<u>153,162</u>
Total deferred outflows of resources	<u>\$ 1,973,540</u>	<u>\$ 512,353</u>	<u>\$ 2,485,893</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 1,866,618	\$ 490,545	\$ 2,357,163
Changes of assumptions	1,027,924	2,121,949	3,149,873
Difference between employer contributions and proportionate share of contributions/change in proportionate share	<u>345,933</u>	<u>27,134</u>	<u>373,067</u>
Total deferred inflows of resources	<u>\$ 3,240,475</u>	<u>\$ 2,639,628</u>	<u>\$ 5,880,103</u>

\$153,162 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2025.

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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$ (520,910)	\$ (932,907)	\$ (1,453,817)
2026	(467,118)	(435,700)	(902,818)
2027	(284,930)	(167,216)	(452,146)
2028	(163,029)	(225,641)	(388,670)
2029	(110,991)	(206,334)	(317,325)
Thereafter	<u>126,881</u>	<u>(159,477)</u>	<u>(32,596)</u>
Total	<u>\$ (1,420,097)</u>	<u>\$ (2,127,275)</u>	<u>\$ (3,547,372)</u>

Actuarial Assumptions - SERS

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

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

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

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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.86%
Prior measurement date	3.69%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.27%
Prior measurement date	4.08%
Medical trend assumption:	
Current measurement date	6.75 to 4.40%
Prior measurement date	7.00 to 4.40%

In 2023, the following mortality assumptions were used:

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

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

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

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

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

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

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

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NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 4,626,526	\$ 3,619,321	\$ 2,825,097

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,658,989	\$ 3,619,321	\$ 4,891,888

Actuarial Assumptions - STRS

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

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

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	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% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 2,722,021	\$ 3,216,116	\$ 3,646,420
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,666,388	\$ 3,216,116	\$ 2,673,771

NOTE 14 - JOINTLY GOVERNED ORGANIZATION

The Midland Council of Governments dba/Tri-County Computer Services Association is organized under Chapter 167 of the Ohio Revised Code. The Tri-County Computer Services Association (TCCSA) is a jointly governed organization. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions for member districts in Ashland, Holmes, Medina and Wayne counties. TCCSA is governed by representatives from each of the participating public-school districts served by TCCSA. TCCSA is recognized as one of twenty-three regional Information Technology Centers (ITC) as defined by the Ohio Department of Education. Each of the participating districts supports TCCSA based upon a per pupil charge dependent upon the software package utilized. Financial information can be obtained by contacting the Executive Director at Tri-County Computer Services Association located at 2125 Eagle Pass, Wooster, OH 44691. During the fiscal year ended June 30, 2024 the District paid \$442,112 for basic service charges.

NOTE 15 - CONTINGENCIES AND SIGNIFICANT COMMITMENTS

A. Grants

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant 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 District at June 30, 2024, if applicable, cannot be determined at this time.

B. Litigation

The District is not party to any claims or lawsuits that would, in the District's opinion, have a material effect of the basic financial statements.

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 15 - CONTINGENCIES AND SIGNIFICANT COMMITMENTS - (Continued)

C. Foundation Funding

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

D. Encumbrance Commitments

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

<u>Fund</u>	<u>Amount</u>
General fund	\$ 647,269
Other governmental funds	<u>361,490</u>
Total	<u>\$ 1,008,759</u>

NOTE 16 - SET-ASIDES

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2023	\$ -
Current year set-aside requirement	696,978
Current year qualifying expenditures	(260,780)
Current year offsets	<u>(436,198)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2025	<u>\$ -</u>
Set-aside balance June 30, 2024	<u>\$ -</u>

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

NOTE 17 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS

Other governments entered into property tax abatement agreements with property owners under Enterprise Zone Agreements ("EZAs") and the Ohio Community Reinvestment Area ("CRA") program within the taxing districts of the District. The EZAs and CRA program are directive incentive tax exemption programs benefiting property owners who renovate or construct new buildings. Under these programs, the other governments designated areas to encourage revitalization of the existing structures and promote the development of new structures.

For the District, the City of Wooster has entered into EZAs and CRA agreements that have caused a reduction to the District's property tax receipts. During fiscal year 2024, the District's property tax receipts were reduced by CRA and EZAs agreements entered into by other governments in the amount of \$737,583.

The District is not receiving any amounts from these other governments in association with the forgone property tax revenue.

NOTE 18 - COVID-19

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

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REQUIRED SUPPLEMENTARY INFORMATION

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	over (under)
				Actual Amounts
Budgetary revenues and other financing sources	\$ 55,281,182	\$ 57,497,951	\$ 58,277,439	\$ 779,488
Budgetary expenditures and other financing uses	59,280,185	56,674,772	55,715,588	(959,184)
Net change in fund balance	(3,999,003)	823,179	2,561,851	1,738,672
Budgetary fund balance at beginning of year	46,198,935	46,198,935	46,198,935	-
Prior year encumbrances appropriated	1,066,734	1,066,734	1,066,734	-
Budgetary fund balance at end of year	<u>\$ 43,266,666</u>	<u>\$ 48,088,848</u>	<u>\$ 49,827,520</u>	<u>\$ 1,738,672</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.213177100%	\$ 11,779,132	\$ 8,895,864	132.41%	76.06%
2023	0.200456900%	10,842,268	7,500,250	144.56%	75.82%
2022	0.205803700%	7,593,560	6,915,479	109.81%	82.86%
2021	0.206050500%	13,628,613	7,584,000	179.70%	68.55%
2020	0.207356000%	12,406,473	7,209,689	172.08%	70.85%
2019	0.200764400%	11,498,148	6,916,378	166.25%	71.36%
2018	0.200263600%	11,965,308	6,801,479	175.92%	69.50%
2017	0.193499800%	14,162,400	6,035,800	234.64%	62.98%
2016	0.190400500%	10,864,437	5,732,049	189.54%	69.16%
2015	0.186047000%	9,415,732	5,406,154	174.17%	71.70%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 1,343,260	\$ (1,343,260)	\$ -	\$ 9,594,714	14.00%
2023	1,245,421	(1,245,421)	-	8,895,864	14.00%
2022	1,050,035	(1,050,035)	-	7,500,250	14.00%
2021	968,167	(968,167)	-	6,915,479	14.00%
2020	1,061,760	(1,061,760)	-	7,584,000	14.00%
2019	973,308	(973,308)	-	7,209,689	13.50%
2018	933,711	(933,711)	-	6,916,378	13.50%
2017	952,207	(952,207)	-	6,801,479	14.00%
2016	845,012	(845,012)	-	6,035,800	14.00%
2015	755,484	(755,484)	-	5,732,049	13.18%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.165364740%	\$ 35,611,194	\$ 22,752,300	156.52%	80.02%
2023	0.162633060%	36,153,534	21,052,021	171.73%	78.88%
2022	0.164607166%	21,046,506	20,353,550	103.40%	87.78%
2021	0.169784200%	41,081,734	20,643,957	199.00%	75.48%
2020	0.172438020%	38,133,632	20,188,864	188.88%	77.40%
2019	0.172756440%	37,985,262	19,840,007	191.46%	77.31%
2018	0.170689720%	40,547,709	18,965,071	213.80%	75.30%
2017	0.169231500%	56,646,885	17,895,064	316.55%	66.80%
2016	0.169836780%	46,937,918	17,942,243	261.61%	72.10%
2015	0.172257220%	41,898,917	17,599,931	238.06%	74.70%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 3,223,095	\$ (3,223,095)	\$ -	\$ 23,022,107	14.00%
2023	3,185,322	(3,185,322)	-	22,752,300	14.00%
2022	2,947,283	(2,947,283)	-	21,052,021	14.00%
2021	2,849,497	(2,849,497)	-	20,353,550	14.00%
2020	2,890,154	(2,890,154)	-	20,643,957	14.00%
2019	2,826,441	(2,826,441)	-	20,188,864	14.00%
2018	2,777,601	(2,777,601)	-	19,840,007	14.00%
2017	2,655,110	(2,655,110)	-	18,965,071	14.00%
2016	2,505,309	(2,505,309)	-	17,895,064	14.00%
2015	2,511,914	(2,511,914)	-	17,942,243	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.219692900%	\$ 3,619,321	\$ 8,895,864	40.69%	30.02%
2023	0.205501700%	2,885,265	7,500,250	38.47%	30.34%
2022	0.212458800%	4,020,958	6,915,479	58.14%	24.08%
2021	0.210473300%	4,574,274	7,584,000	60.31%	18.17%
2020	0.213075000%	5,358,388	7,209,689	74.32%	15.57%
2019	0.204658500%	5,677,780	6,916,378	82.09%	13.57%
2018	0.202875800%	5,444,653	6,801,479	80.05%	12.46%
2017	0.196101950%	5,589,631	6,035,800	92.61%	11.49%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 153,162	\$ (153,162)	\$ -	\$ 9,594,714	2.00%
2023	162,396	(162,396)	-	8,895,864	1.83%
2022	136,929	(136,929)	-	7,500,250	1.83%
2021	137,632	(137,632)	-	6,915,479	1.99%
2020	119,392	(119,392)	-	7,584,000	1.57%
2019	168,798	(168,798)	-	7,209,689	2.34%
2018	149,513	(149,513)	-	6,916,378	2.16%
2017	108,974	(108,974)	-	6,801,479	1.60%
2016	99,276	(99,276)	-	6,035,800	1.64%
2015	141,094	(141,094)	-	5,732,049	2.46%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS
(SEE ACCOUNTANT'S COMPILATION REPORT)

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability/(Asset)	District's Proportionate Share of the Net OPEB Liability/(Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.165364740%	\$ (3,216,116)	\$ 22,752,300	14.14%	168.52%
2023	0.162633060%	(4,211,110)	21,052,021	20.00%	230.73%
2022	0.164607166%	(3,470,608)	20,353,550	17.05%	174.73%
2021	0.169784200%	(2,983,955)	20,643,957	14.45%	182.10%
2020	0.172438020%	(2,855,987)	20,188,864	14.15%	174.74%
2019	0.172756440%	(2,776,019)	19,840,007	13.99%	176.00%
2018	0.170689720%	6,659,684	18,965,071	35.12%	47.10%
2017	0.169231500%	9,050,545	17,895,064	50.58%	37.30%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ -	\$ -	\$ -	\$ 23,022,107	0.00%
2023	-	-	-	22,752,300	0.00%
2022	-	-	-	21,052,021	0.00%
2021	-	-	-	20,353,550	0.00%
2020	-	-	-	20,643,957	0.00%
2019	-	-	-	20,188,864	0.00%
2018	-	-	-	19,840,007	0.00%
2017	-	-	-	18,965,071	0.00%
2016	-	-	-	17,895,064	0.00%
2015	-	-	-	17,942,243	0.00%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 - BUDGETARY PROCESS

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

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP 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 the GAAP basis are that:

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

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

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 2,561,851
Net adjustment for revenue accruals	(623,199)
Net adjustment for expenditure accruals	(549,296)
Net adjustment for other sources/uses	(1,813,848)
Funds budgeted elsewhere	134,457
Adjustments for encumbrances	<u>991,387</u>
GAAP Basis	<u>\$ 701,352</u>

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change in benefit terms:

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

Change in assumptions:

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

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

Changes in assumptions:

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change in benefit terms:

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

Change in assumptions:

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

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

**WOOSTER CITY SCHOOL DISTRICT
WAYNE COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(SEE ACCOUNTANT'S COMPILATION REPORT)**

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

Change in assumptions:

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