CONNEAUT SCHOOL DISTRICT



Audited Financial Statements

For the Fiscal Year Ended June 30, 2025

Conneaut School District
219 West School Drive
Linesville, PA 16424
Crawford County, Pennsylvania
www.conneautsd.org

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Conneaut School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Conneaut School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Conneaut School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Conneaut School District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Conneaut School District's basic financial statements. The accompanying supplemental schedule for activity funds and schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule for activity funds and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2026, on our consideration of Conneaut School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Conneaut School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Conneaut School District's internal control over financial reporting and compliance.

McGill, Power, Bell & Associates, LLP



Meadville, Pennsylvania
October 14, 2026

Conneaut School District
Management's Discussion and Analysis (MD&A)
June 30, 2025

As Management of Conneaut School District (the District), we offer readers of Conneaut School District's financial statements this narrative overview and analysis of the financial activities of Conneaut School District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the accompanying financial statements and related footnotes.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2025 are as follows:

Government-Wide Financial Statements

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at June 30, 2025 by $26,789,984. The primary reason for this is due to the net pension liability in the amount of $40,097,035.

- The total net position increased by $3,847,104. Of this amount, a $3,694,920 increase was associated with governmental activities, and a $152,184 increase was associated with business-type activities.

- The District's total long-term liabilities decreased by the net of $8,555,579 from the previous year.

Fund Financial Statements

- As of the close of the current fiscal year, the District's governmental funds reported an ending fund balance of $12,349,067, a decrease of $828,165 in comparison with the prior year. Of this amount, $2,199,801 is unassigned and available for spending at the District's discretion.

- At the end of the current fiscal year, the fund balance for the General Fund was $11,930,221. Of the fund balance, $293,460 was nonspendable for prepaid expenses, $178,497 was restricted donations, $8,797,445 was assigned for capital projects and $461,018 was assigned for the subsequent year's budget shortfall. The remaining amount of $2,199,801 was unassigned and available for spending. The unassigned fund balance of the General Fund represented 5.0% of total General Fund budgeted expenditures.

OVERVIEW OF FINANCIAL STATEMENTS

Government-wide financial statements – The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and deferred outflows of resources compared to liabilities and deferred inflows of resources, is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall condition of the District, you need to consider additional non-financial factors, such as changes in the District's property tax base, the performance of its students and changes in student enrollment including the percentage of students needing special education services.

The government-wide financial statements of the District are divided into two categories:

- Governmental activities – All of the District's basic services are included here, such as instruction, administrative and financial support services, operation and maintenance of plant services, pupil transportation, and student activities. Property taxes and state and federal subsidies and grants finance most of these activities.

- Business-type activities – The District maintains a food service operation for use by staff and students. The operational costs are funded by user charges and state and federal subsidies.

Fund financial statements – The District's fund financial statements, which begin on page 13, provide detailed information about the most significant funds – not the District as a whole. Some funds are required by state law and bond requirements.

Governmental funds – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They 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 operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's 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 – These funds are used to account for the District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, and changes in financial position. A significant portion of funding is provided through user charges. The Food Service Fund is the District's proprietary fund and is the same as the business-type activities we report in the government-wide statements. However, the fund statements provide more detail and additional information, such as cash flows.

Fiduciary funds – The District is the trustee, or fiduciary, for the student activity funds. The District's fiduciary activities are reported in the separate financial statements on pages 21 and 22. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's total net deficit was $26,789,984 and $30,637,088 at June 30, 2025 and 2024, respectively.

Table A-1
June 30, 2025 and 2024
Net Position

	Governmental Activities		*Business-Type Activities*		*Total*	
	2025	*2024*	*2025*	*2024*	*2025*	*2024*
Current and other assets	$ 20,108,074	$ 20,905,302	$ 690,003	$ 574,556	$ 20,798,077	$ 21,479,858
Capital assets	31,680,985	32,588,563	197,272	158,439	31,878,257	32,747,002
Total assets	51,789,059	53,493,865	887,275	732,995	52,676,334	54,226,860
Deferred outflows of resources	12,273,334	16,189,498	-	-	12,273,334	16,189,498
Current liabilities	9,687,579	9,441,221	38,089	32,048	9,725,668	9,473,269
Long-term liabilities	67,297,557	75,999,191	259	4,204	67,297,816	76,003,395
Total liabilities	76,985,136	85,440,412	38,348	36,252	77,023,484	85,476,664
Deferred inflows of resources	14,716,168	15,576,782	-	-	14,716,168	15,576,782
NET POSITION (DEFICIT)						
Net investment in capital assets	15,847,654	13,692,209	197,272	158,439	16,044,926	13,850,648
Restricted	597,343	1,036,842	-	-	597,343	1,036,842
Unrestricted	(44,083,908)	(46,062,882)	651,655	538,304	(43,432,253)	(45,524,578)
TOTAL NET POSITION (DEFICIT)	**$ (27,638,911)**	**$ (31,333,831)**	**$ 848,927**	**$ 696,743**	**$ (26,789,984)**	**$ (30,637,088)**

A significant portion of the District's net position ($16,044,926) reflects its investments in capital assets (e.g. land, building, equipment, improvements), less any debt used to acquire those assets that is still outstanding. Restricted balances are amounts set aside by management to finance future purchases or capital projects as planned by the District. Unrestricted assets are a combination of designated and undesignated amounts. Unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

The results of this year's operations as a whole are reported in the Statement of Activities on page 12. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest revenues are the Basic Education Subsidy provided by the Commonwealth of Pennsylvania, and the local taxes assessed to community taxpayers. Table A-2 takes the information from that Statement, rearranges it slightly, so you can see total revenues for the year.

Table A-2
Fiscal years ended June 30, 2025 and 2024
Changes in Net Position

	Governmental Activities		*Business-Type Activities*		*Total*	
	2025	*2024*	*2025*	*2024*	*2025*	*2024*
REVENUES						
Program revenues:						
Charges for services	$ 91,623	$ 38,761	$ 114,745	$ 115,767	$ 206,368	$ 154,528
Operating grants and contributions	12,296,803	14,552,628	1,416,158	1,470,017	13,712,961	16,022,645
General revenues:						
Property taxes	13,467,262	14,033,119	-	-	13,467,262	14,033,119
Other taxes	3,649,351	3,495,643	-	-	3,649,351	3,495,643
Grants, subsidies and contributions unrestricted	14,334,854	13,869,069	-	-	14,334,854	13,869,069
Other	698,131	598,022	8,241	4,867	706,372	602,889
	44,538,024	46,587,242	1,539,144	1,590,651	46,077,168	48,177,893
EXPENSES						
Instruction	22,618,480	24,431,251	-	-	22,618,480	24,431,251
Instructional student support	4,198,092	4,207,658	-	-	4,198,092	4,207,658
Administrative and financial support services	2,816,691	3,089,839	-	-	2,816,691	3,089,839
Operation and maintenance of plant services	4,819,230	4,663,017	-	-	4,819,230	4,663,017
Pupil transportation	4,569,813	4,719,217	-	-	4,569,813	4,719,217
Student activities	930,010	1,014,839	-	-	930,010	1,014,839
Community services	136,359	93,855	-	-	136,359	93,855
Interest on long-term debt	568,668	713,026	-	-	568,668	713,026
Transfer of trust fund to Summit Township	185,761	-	-	-	185,761	-
Food services	-	-	1,386,960	1,430,176	1,386,960	1,430,176
	40,843,104	42,932,702	1,386,960	1,430,176	42,230,064	44,362,878
Changes in net position	3,694,920	3,654,540	152,184	160,475	3,847,104	3,815,015
Net position, beginning of year	(31,333,831)	(34,988,371)	696,743	536,268	(30,637,088)	(34,452,103)
Net position, end of year	**$ (27,638,911)**	**$ (31,333,831)**	**$ 848,927**	**$ 696,743**	**$ (26,789,984)**	**$ (30,637,088)**

Table A-3 shows the total cost and net cost of each of the District's functions – instructional programs, instructional student support, administrative and financial support services, operation and maintenance of plant services, pupil transportation, and student activities. Net cost is the total cost less revenues generated by each activity. This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the extent to which the remaining financial needs are supported by local taxes and other miscellaneous revenues.

Table A-3
Fiscal years ended June 30, 2025 and 2024
Governmental Activities

Functions/Programs	*Total Cost of Services*		*Net Cost of Services*	
	2025	*2024*	*2025*	*2024*
Instruction	$ 22,618,480	$ 24,431,251	$ 15,297,379	$ 14,581,230
Instructional student support	4,198,092	4,207,658	3,651,973	3,681,130
Administrative and financial support services	2,816,691	3,089,839	2,474,156	2,676,093
Operation and maintenance of plant services	4,819,230	4,663,017	4,368,508	4,439,127
Pupil transportation	4,569,813	4,719,217	1,679,968	1,966,901
Student activities	930,010	1,014,839	812,236	887,211
Community services	136,359	93,855	135,589	92,940
Interest on long-term debt	568,668	713,026	(150,892)	16,681
Transfer of trust fund to Summit Township	185,761	-	185,761	-
TOTAL GOVERNMENTAL ACTIVITIES	**$ 40,843,104**	**$ 42,932,702**	28,454,678	28,341,313
Less:				
Grants, subsidies, and contributions unrestricted			14,334,854	13,869,069
TOTAL NEEDS FROM LOCAL TAXES AND OTHER REVENUES			**$ 14,119,824**	**$ 14,472,244**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At June 30, 2025, the District's governmental funds reported a fund balance of $12,349,067 which is a decrease of $828,165 from the June 30, 2024 balance.

The General Fund reported a decrease of $373,019 while the budget anticipated a decrease of $281,021 mainly due to collecting less than anticipated real estate taxes and excess transportation costs.

General Fund Budget: During the fiscal year, the Board of School Directors (the Board) authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year, which is not prohibited by state law. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided on page 17.

Transfers between specific categories of expenditures occur during the year. The most significant transfers occur from specific expenditure areas to other specific expenditure areas.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

At June 30, 2025, the District had $31,878,257 invested in a broad range of capital assets, including land and land improvements, buildings, building improvements, and furniture and equipment. This amount represents a net decrease (including additions and deletions) of $868,745, or 2.7% from last year.

Table A-4
Governmental and Business-Type Activities
Capital Assets – Net of Depreciation

	Governmental Activities		*Business-Type Activities*		*Total*	
	2025	*2024*	*2025*	*2024*	*2025*	*2024*
Land and land improvements	$ 383,888	$ 409,625	$ -	$ -	$ 383,888	$ 409,625
Buildings and building improvements	29,632,908	30,734,858	-	-	29,632,908	30,734,858
Furniture, equipment and other	1,500,486	1,444,080	197,272	158,439	1,697,758	1,602,519
Construction in progress	163,703	-	-	-	163,703	-
TOTAL	**$ 31,680,985**	**$ 32,588,563**	**$ 197,272**	**$ 158,439**	**$ 31,878,257**	**$ 32,747,002**

The following was the most significant addition in capital assets during the year ended June 30, 2025:

- Indoor/outdoor cameras (construction in progress) = $133,084
- Conneaut Valley Elementary School kitchen renovation = $133,338
- Chromebooks = $105,375

Debt administration

As of July 1, 2024, the District had total outstanding debt of $19,461,967. During the year, the District made payments against principal of $3,050,000 and the current year amortization of the bond discount/premiums was $60,158, resulting in outstanding debt as of June 30, 2025 of $16,351,809.

Other obligations include accrued sick leave, the net pension liability, and the net OPEB liability for specific employees of the District. More detailed information about the long-term liabilities is included in Note G to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District does not expect any significant growth in residential units during the next couple of years. While far more stable than it has been in recent years, the financial outlook for the District continues to be somewhat uncertain. As the preceding information shows, the District heavily depends on its property taxpayers, as well as state funding, to fund operations. A large special education population and associated transportation costs continues to exert budgetary needs without external grant or entitlement funding increases to close the gap between the mandated expenditures and funding sources. The District has maintained an adequate fund balance to sustain the District through periods of delays in state funding. The District has also committed a portion of it's fund balance for future construction projects or capital purchases.

The revenue budget for the 2025-2026 year is $239,197 more than the final budget for 2024-2025. This represents a 0.5% increase in budgeted revenues. The expenditure budget for the 2025-2026 year is $419,194 more than the final budget for 2024-2025, or a 1.0% increase.

The comparison of revenue and expenditure categories is as follows:

BUDGETED REVENUES

	2025-2026	2024-2025
Local	42.1%	40.8%
State	55.3%	55.2%
Federal/Other	2.6%	4.0%

BUDGETED EXPENDITURES

	2025-2026	2024-2025
Instruction	55.4%	56.0%
Support services	33.7%	32.9%
Non-Instructional	2.5%	2.6%
Fund Transfers/Debt	8.4%	8.5%

In May 2005, the District chose not to participate in the Homeowner Tax Relief Act (Act 72 of 2004). Generally, the Act allows a district to enact a higher earned income or personal income tax while reducing real estate property taxes. This net reduction may be partially funded with allocations from recently enacted gaming revenue legislation. Act 72 contains restrictions similar to those of Act 50 in that a property tax increase above a state-determined index requires approval of the public through a referendum process.

REQUESTS FOR INFORMATION

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional information, please contact the Business Manager, at Conneaut School District, 219 West School Drive, Linesville, Pennsylvania 16424.

CONNEAUT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	*Business-Type Activities*	*Total*
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 9,915,302	$ 1,577,669	$ 11,492,971
Receivables:			
Delinquent and other taxes	1,930,963	-	1,930,963
Intergovernmental	1,377,711	28,414	1,406,125
Interfund	919,712	(919,712)	-
Other	537,439	-	537,439
Prepaid expenses	293,460	1,265	294,725
Inventories	-	2,367	2,367
Total current assets	14,974,587	690,003	15,664,590
NONCURRENT ASSETS			
Investments	5,133,487	-	5,133,487
Capital assets:			
Non-depreciable capital assets	261,175	-	261,175
Depreciable capital assets, net	31,419,810	197,272	31,617,082
Total noncurrent assets	36,814,472	197,272	37,011,744
Total assets	51,789,059	887,275	52,676,334
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	518,478	-	518,478
Relating to net OPEB liability, net of amortization	6,143,445	-	6,143,445
Relating to net pension liability, net of amortization	5,611,411	-	5,611,411
Total deferred outflows of resources	12,273,334	-	12,273,334
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	**$ 64,062,393**	**$ 887,275**	**$ 64,949,668**
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	$ 1,452,574	$ 26,655	$ 1,479,229
Current portion of long-term debt	3,260,158	-	3,260,158
Accrued interest payable	88,533	-	88,533
Accrued salaries and benefits	3,536,369	859	3,537,228
Liability in health consortium	1,311,831	-	1,311,831
Deposits payable	38,114	-	38,114
Unearned revenue	-	10,575	10,575
Total current liabilities	9,687,579	38,089	9,725,668
NONCURRENT LIABILITIES			
Compensated absences	557,724	259	557,983
Net OPEB liability	13,551,147	-	13,551,147
Net pension liability	40,097,035	-	40,097,035
Bonds payable and other long-term debt	13,091,651	-	13,091,651
Total noncurrent liabilities	67,297,557	259	67,297,816
Total liabilities	76,985,136	38,348	77,023,484
DEFERRED INFLOWS OF RESOURCES			
Relating to net OPEB liability, net of amortization	10,228,317	-	10,228,317
Relating to net pension liability, net of amortization	4,487,851	-	4,487,851
Total deferred inflows of resources	14,716,168	-	14,716,168
NET POSITION (DEFICIT)			
Net investment in capital assets	15,847,654	197,272	16,044,926
Restricted:			
Restricted donations	178,497	-	178,497
Capital projects	320,821	-	320,821
Scholarships	98,025	-	98,025
Unrestricted	(44,083,908)	651,655	(43,432,253)
Total net position (deficit)	(27,638,911)	848,927	(26,789,984)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION (DEFICIT)	**$ 64,062,393**	**$ 887,275**	**$ 64,949,668**

See accompanying notes to the basic financial statements.

CONNEAUT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

Functions/Programs	*Expenses*	*Program Revenues*		*Net (Expense) Revenue and Changes In Net Position*		
		Charges for Services	*Operating Grants and Contributions*	*Governmental Activities*	*Business-Type Activities*	*Total*
GOVERNMENTAL ACTIVITIES						
Instruction	$ 22,618,480	$ 66,980	$ 7,254,121	$ (15,297,379)	$ -	$ (15,297,379)
Instructional student support	4,198,092	-	546,119	(3,651,973)	-	(3,651,973)
Administration and financial support	2,816,691	-	342,535	(2,474,156)	-	(2,474,156)
Operation and maintenance of plant	4,819,230	-	450,722	(4,368,508)	-	(4,368,508)
Pupil transportation	4,569,813	-	2,889,845	(1,679,968)	-	(1,679,968)
Student activities	930,010	24,643	93,131	(812,236)	-	(812,236)
Community services	136,359	-	770	(135,589)	-	(135,589)
Interest on long-term debt	568,668	-	719,560	150,892	-	150,892
Transfer of trust fund to Summit Township	185,761	-	-	(185,761)	-	(185,761)
Total governmental activities	40,843,104	91,623	12,296,803	(28,454,678)	-	(28,454,678)
BUSINESS-TYPE ACTIVITIES						
Food services	1,386,960	114,745	1,416,158	-	143,943	143,943
TOTAL	**$ 42,230,064**	**$ 206,368**	**$ 13,712,961**	(28,454,678)	143,943	(28,310,735)
GENERAL REVENUES						
Property taxes, levied for general purposes, net				13,467,262	-	13,467,262
Other taxes levied				3,649,351	-	3,649,351
Grants, subsidies, and contributions, unrestricted				14,334,854	-	14,334,854
Investment earnings (loss)				612,526	8,241	620,767
Miscellaneous income				85,605	-	85,605
Total general revenues				32,149,598	8,241	32,157,839
CHANGES IN NET POSITION				3,694,920	152,184	3,847,104
NET POSITION (DEFICIT), BEGINNING OF				(31,333,831)	696,743	(30,637,088)
NET POSITION (DEFICIT), END OF YEAR				**$ (27,638,911)**	**$ 848,927**	**$ (26,789,984)**

See accompanying notes to the basic financial statements.

CONNEAUT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Non-major Funds: Capital Projects Fund	Non-major Funds: Special Revenue Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 9,502,263	$ 320,821	$ 92,218	$ 9,915,302
Receivables:				
Delinquent and other taxes	1,930,963	-	-	1,930,963
Intergovernmental	1,377,711	-	-	1,377,711
Interfund	919,712	-	1,000	920,712
Other	537,439	-	-	537,439
Prepaid items	293,460	-	-	293,460
Investments	5,126,680	-	6,807	5,133,487
TOTAL ASSETS	**$ 19,688,228**	**$ 320,821**	**$ 100,025**	**$ 20,109,074**
LIABILITIES				
Accounts payable	$ 1,450,574	$ -	$ 2,000	$ 1,452,574
Accrued salaries and benefits	3,536,369	-	-	3,536,369
Liability in health consortium	1,311,831	-	-	1,311,831
Deposits payable	38,114	-	-	38,114
Interfund payable	1,000	-	-	1,000
Total liabilities	6,337,888	-	2,000	6,339,888
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - taxes	1,420,119	-	-	1,420,119
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaid items	293,460	-	-	293,460
Restricted:				
Restricted donations	178,497	-	-	178,497
Capital projects	-	320,821	-	320,821
Scholarships	-	-	98,025	98,025
Assigned:				
Capital projects	8,797,445	-	-	8,797,445
Subsequent year's budget	461,018	-	-	461,018
Unassigned	2,199,801	-	-	2,199,801
Total fund balances	11,930,221	320,821	98,025	12,349,067
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	**$ 19,688,228**	**$ 320,821**	**$ 100,025**	**$ 20,109,074**

See accompanying notes to the basic financial statements.

CONNEAUT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		$ 12,349,067
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not financial resources and therefore are not reported in governmental funds. The cost of assets is $63,437,991, and the accumulated depreciation is $31,757,006.		31,680,985
Property and earned income taxes receivable will be collected this year but are not available soon enough to pay for the current period's expenditures and therefore are unavailable in the funds.		1,420,119
Deferred outflows and deferred inflows of resources relating to the net pension and OPEB liabilities are not reported in the funds.		(2,961,312)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Bonds payable and deferred amount on refunding	$ (15,833,331)	
Accrued interest payable	(88,533)	
Net pension liability	(40,097,035)	
Net OPEB liability	(13,551,147)	
Compensated absences	(557,724)	(70,127,770)
TOTAL NET DEFICIT - GOVERNMENTAL ACTIVITIES		**$ (27,638,911)**

See accompanying notes to the basic financial statements.

CONNEAUT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2025

		Non-major Funds		
	General Fund	*Capital Projects Fund*	*Special Revenue Fund*	*Total Governmental Funds*
REVENUES				
Local sources:				
Taxes	$ 17,207,293	$ -	$ -	$ 17,207,293
Other (including investment loss)	755,616	16,861	11,365	783,842
State sources	24,676,796	-	-	24,676,796
Federal sources	1,954,861	-	-	1,954,861
Total revenues	44,594,566	16,861	11,365	44,622,792
EXPENDITURES				
Instruction	24,219,229	-	-	24,219,229
Support services	15,450,120	-	-	15,450,120
Non-instructional services	965,378	-	2,000	967,378
Miscellaneous	1,915	-	-	1,915
Capital outlay	679,905	295,611	-	975,516
Debt service:				
Principal retirement	3,050,000	-	-	3,050,000
Interest on long-term debt	606,950	-	-	606,950
Total expenditures	44,973,497	295,611	2,000	45,271,108
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(378,931)	(278,750)	9,365	(648,316)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	5,912	-	-	5,912
Transfer of trust fund to Summit Township	-	-	(185,761)	(185,761)
Total other financing sources (uses)	5,912	-	(185,761)	(179,849)
NET CHANGES IN FUND BALANCES	(373,019)	(278,750)	(176,396)	(828,165)
FUND BALANCES, BEGINNING OF YEAR	12,303,240	599,571	274,421	13,177,232
FUND BALANCES, END OF YEAR	**$ 11,930,221**	**$ 320,821**	**$ 98,025**	**$ 12,349,067**

See accompanying notes to the basic financial statements.

CONNEAUT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		$ (828,165)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays ($639,546) is less than than depreciation ($1,547,124) in the period.		(907,578)
Because some property and earned income taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred tax revenues changed by this amount this year.		(90,680)
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		38,282
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		3,050,000
In the Statement of Activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.		
Change in compensated absences	$ 308,704	
Change in net OPEB liability	(769,110)	
Change in net pension liability	5,901,882	
Change in deferred outflows and inflows of resources:		
Relating to net OPEB liability	545,260	
Relating to net pension liability	(3,553,675)	
		2,433,061
TOTAL NET CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		**$ 3,694,920**

See accompanying notes to the basic financial statements.

CONNEAUT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
YEAR ENDED JUNE 30, 2025

	Original Budget	*Final Budget*	*Actual*	*Variance with Final Budget*	*Budgetary Basis to GAAP Difference*	*Actual Amounts GAAP Basis*
REVENUES						
Local sources:						
Taxes	$ 17,424,972	$ 17,425,263	$ 17,207,293	$ (217,970)	$ (90,680)	$ 17,116,613
Other	831,250	402,350	755,616	353,266	-	755,616
State sources	24,125,339	24,125,248	24,676,796	551,548	-	24,676,796
Federal sources	1,323,669	1,752,369	1,954,861	202,492	-	1,954,861
Total revenues	43,705,230	43,705,230	44,594,566	889,336	(90,680)	44,503,886
EXPENDITURES						
Regular programs	15,344,803	15,354,609	14,724,958	629,651	(1,617,724)	13,107,234
Special programs	5,873,896	6,062,665	6,438,866	(376,201)	(3,431)	6,435,435
Vocational education	3,062,371	3,061,503	2,849,011	212,492	(1,487)	2,847,524
Other instructional programs	171,890	146,891	226,372	(79,481)	-	226,372
Pupil personnel	1,356,401	1,364,998	1,449,983	(84,985)	-	1,449,983
Instructional staff	1,111,166	1,113,647	1,325,895	(212,248)	(296,309)	1,029,586
Administration	2,638,295	2,587,533	2,581,019	6,514	(241,128)	2,339,891
Pupil health	625,997	627,102	606,410	20,692	-	606,410
Business office	491,167	487,494	476,800	10,694	-	476,800
Operation and maintenance of plant	3,543,058	3,490,724	3,742,884	(252,160)	1,076,346	4,819,230
Student transportation	3,841,718	3,771,718	4,569,813	(798,095)	-	4,569,813
Other support services	1,034,490	1,020,866	1,237,492	(216,626)	(125,379)	1,112,113
Student activities	1,133,749	1,139,251	1,052,304	86,947	(124,294)	928,010
Community services	2,275	2,275	14,680	(12,405)	-	14,680
Facilities acquisition and improvements	-	-	18,145	(18,145)	(3,700)	14,445
Debt service:						
Principal retirement	3,050,000	3,050,000	3,050,000	-	(3,050,000)	-
Interest on long-term debt	606,975	606,975	606,950	25	(38,282)	568,668
Miscellaneous	100,000	100,000	1,915	98,085	-	1,915
Total expenditures	43,988,251	43,988,251	44,973,497	(985,246)	(4,425,388)	40,548,109
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(283,021)	(283,021)	(378,931)	(95,910)	4,334,708	3,955,777
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	2,000	2,000	5,912	3,912	-	5,912
NET CHANGE IN FUND BALANCE	(281,021)	(281,021)	(373,019)	(91,998)	4,334,708	3,961,689
FUND BALANCE, BEGINNING OF YEAR	281,021	281,021	12,303,240	12,022,219	(4,334,708)	7,968,532
FUND BALANCE, END OF YEAR	**$ -**	**$ -**	**$ 11,930,221**	**$ 11,930,221**	**$ -**	**$ 11,930,221**

See accompanying notes to the basic financial statements.

CONNEAUT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND - FOOD SERVICE
JUNE 30, 2025

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 1,577,669
Intergovernmental receivable	28,414
Inventories	2,367
Prepaid expenses	1,265
Total current assets	1,609,715
NONCURRENT ASSETS	
Depreciable capital assets, net	197,272
TOTAL ASSETS	**$ 1,806,987**
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	$ 26,655
Interfund payable	919,712
Accrued salaries and benefits	859
Unearned revenue	10,575
Total current liabilities	957,801
NONCURRENT LIABILITIES	
Compensated absences	259
TOTAL LIABILITIES	958,060
NET POSITION	
Net investment in capital assets	197,272
Unrestricted	651,655
Total net position	848,927
TOTAL LIABILITIES AND NET POSITION	**$ 1,806,987**

See accompanying notes to the basic financial statements.

CONNEAUT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
PROPRIETARY FUND (FOOD SERVICE)
YEAR ENDED JUNE 30, 2025

OPERATING REVENUES		
Food services sales	$	114,745
OPERATING EXPENSES		
Salaries		160,304
Payroll taxes		10,914
Employee benefits		117,415
Food management services		918,294
Food and supplies		94,011
Repairs and maintenance		51,840
Depreciation		34,182
Total operating expenses		1,386,960
OPERATING LOSS		(1,272,215)
NONOPERATING REVENUES		
State subsidies		107,776
Federal subsidies		1,308,382
Investment earnings		8,241
Total nonoperating revenues		1,424,399
CHANGE IN NET POSITION		152,184
NET POSITION, BEGINNING OF YEAR		696,743
NET POSITION, END OF YEAR	**$**	**848,927**

See accompanying notes to the basic financial statements.

CONNEAUT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (FOOD SERVICE)
YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$	114,745
Cash payments to employees for services		(20,936)
Cash payments to suppliers for goods and services		(971,645)
NET CASH USED IN OPERATING ACTIVITIES		(877,836)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchase of property and equipment		(73,015)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State subsidies		105,440
Federal subsidies		1,194,178
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		1,299,618
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings		8,241
NET CHANGES IN CASH AND CASH EQUIVALENTS		357,008
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		1,220,661
CASH AND CASH EQUIVALENTS, END OF YEAR	**$**	**1,577,669**
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
OPERATING LOSS	$	(1,272,215)
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Depreciation		34,182
Donated commodities used		87,669
Change in:		
Inventories		457
Prepaid expenses		(1,265)
Accounts payable		4,145
Interfund payable		270,783
Accrued salaries and benefits		859
Unearned revenue		1,494
Compensated absences		(3,945)
Total adjustments		394,379
NET CASH USED IN OPERATING ACTIVITIES	**$**	**(877,836)**
SCHEDULE OF NONCASH NONCAPITAL FINANCING ACTIVITIES:		
DONATED FOOD RECEIVED	**$**	**87,669**
DONATED FOOD USED	**$**	**87,669**

See accompanying notes to the basic financial statements.

CONNEAUT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2025

	Student Activities Fund
ASSETS	
Cash	**$ 69,469**
LIABILITIES	
Accounts payable	$ 2,831
NET POSITION	
Net position	66,638
TOTAL LIABILITIES AND NET POSITION	**$ 69,469**

See accompanying notes to the basic financial statements.

CONNEAUT SCHOOL DISTRICT
STATEMENT OF CHANGE IN NET POSITION - FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

	Student Activities Fund
ADDITIONS	
Student activities receipts	$ 94,395
DEDUCTIONS	
Student activities disbursements	98,189
CHANGE IN NET POSITION	(3,794)
NET POSITION, BEGINNING OF YEAR	70,432
NET POSITION, END OF YEAR	**$ 66,638**

See accompanying notes to the basic financial statements.

NOTE A – ENTITY

Conneaut School District (the District), organized under the laws of the Commonwealth of Pennsylvania, is comprised of students from the municipalities of the Boroughs of Conneaut Lake, Linesville, Springboro, and Conneautville and the Townships of East Fallowfield, West Fallowfield, Sadsbury, Spring, Summerhill, Pine, North Shenango, Greenwood, Conneaut, Beaver, and Summit. The District is operated by a nine-member Board. The Board is split into three main regions (Linesville, Conneautville, and Conneaut Lake) and three members are elected by each region. The objective of the District is to provide elementary and secondary education to the District's students as prescribed by the laws and regulations of the Commonwealth of Pennsylvania.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP as applied to governmental units). The Government Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting activities. The most significant of these accounting policies are as follows:

Reporting Entity

The Governmental Accounting Standards Board Statement No. 14 "*The Financial Reporting Entity*", established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the District as a reporting entity, management has addressed all potential component units, which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship.

This report includes all of the funds of the District based on the above criteria.

The following joint ventures are not component units of the District and are not included in the District's reporting entity.

Crawford County Career and Technical Center (CCCTC) – is a separate legal entity. It was organized by public school districts in Crawford County to provide services in the County. Each of the public school districts appoints three members to serve on the joint operating committee, and each has an ongoing financial responsibility to fund the CCCTC. Each District is responsible for a portion of the CCCTC's operating budget based on student enrollment. Audited financial statements for the year ended June 30, 2025 for CCCTC are available at its business office.

Northwest Tri-County Intermediate Unit (IU) – All member districts operate under an agreement to proportionately pay for the cost of commonly shared services. The cost for operating costs is deducted from the school district subsidy each year. The School District also contracts with the IU to provide special education services. Audited financial statements for the year ended June 30, 2025 for the Northwest Tri-County Intermediate Unit are available at its business office.

Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

The District reports the following major funds and fund types in this report:

Governmental Fund Types

These are the funds through which most governmental functions are furnished. The funds included in this category are:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund

Capital projects funds are used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlay (other than those financed by proprietary funds, special assessment funds and trust funds).

Special Revenue Fund

The Special Revenue Fund accounts for activities in various scholarship accounts, whose sole purpose is to provide annual scholarships to particular students as described by donor stipulations.

Proprietary Fund Types

Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Food Service Fund is a proprietary fund.

Fiduciary Fund Types

Fiduciary funds account for the assets held by the District as a trustee for individuals, private organizations, and/or governmental units and are, therefore, not available to support the District's own programs. The custodial fund accounts for funds held on behalf of the students in the District.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide financial statements report information on all of the non-fiduciary activities of the District. As a general rule the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the District. The District's major individual governmental funds and its enterprise fund are reported as separate columns in the fund financial statements. Fiduciary funds are reported by fund type.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Operating expenses for the District's enterprise fund include food production costs, supplies, and depreciation on equipment. Building-wide costs, such as utilities, maintenance and depreciation on the portion of buildings used for food service are not allocated to the food service fund.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation on the Statement of Net Position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state and other grants designated for payment of specific District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as deferred revenues until earned. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due. The measurement focus and basis of accounting for the private-purpose trust is the same for proprietary funds.

The District's basic financial statements are prepared in accordance with Generally Accepted Accounting Principles in the United States of America (GAAP) issued by the Governmental Accounting Standards Board (GASB) applicable to governmental entities that use proprietary fund accounting, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Revenues are recognized when earned, and costs and expenses are recognized when incurred.

Inventories

A physical inventory of the Food Service food and supplies was taken as of June 30, 2025. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies, both valued at cost using the first-in, first-out (FIFO) method.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

General Fund 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.

Capital assets are defined by the District as assets with an initial, individual cost of more than $1,500 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than $1,500 as composite groups for financial reporting purposes. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition values as of the date received. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

Description	*Governmental Activities* *Estimated Lives*	*Business-Type Activities* *Estimated Lives*
Land improvements	10-30 years	N/A
Buildings and improvements	25-40 years	N/A
Furniture, equipment and vehicles	5-20 years	5-10 years

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type in the Statement of Net Position. Bond premiums and discounts, as well as prepaid insurance costs, are deferred and amortized on the straight-line method over the life of the bonds.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and bond premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources affecting the Statement of Net Position in the current year are deferred outflows relating to the pension and net OPEB liabilities and the refunding of debt.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District has three items that qualify for reporting in this category. They are delinquent taxes as reported in the Balance Sheet of the governmental fund statement and deferred inflows relating to the pension and net OPEB liabilities as reported on the Statement of Net Position.

Net Position

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy the District's obligations. Net position is classified as follows:

Net Investment in Capital Assets: This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of debt that is attributable to the acquisition, construction, and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted Net Position: This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted: This consists of all other net position that does not meet the definition of net investment in capital assets or restricted net position.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Fund Equity

The Government Accounting Standards Board (GASB) issued Statement No. 54*, Fund Balance Reporting and Governmental Fund Type Definitions* with the intention of providing a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the users of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted: This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the District's board, the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the District's board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned: This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes but are neither restricted nor committed. The District Superintendent and Business Manager have the authority to assign the amounts to be used for specific purposes. This type of limitation can be imposed by the highest levels of decision making with the District, but little or no formal action is required to modify or eliminate those limitations. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned: This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, the District considers restricted funds to have been used first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the pensions, and pension expense, information about the fiduciary net position of the Pennsylvania Public School Employee's Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan and the Public School Employees' Retirement System and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date the financial statements and the reported revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Budgets

An operating budget is adopted prior to the beginning of each year for the General Fund on a modified accrual basis of accounting. The General Fund is the only fund for which a budget is legally required.

The Pennsylvania School Code dictates specific procedures relative to adoption of the District's budget and reporting of its financial statements, specifically:

The District, before levying annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.

The District publishes notice by advertisement after approval thirty days prior to the adoption of the annual budget and is available for public inspection at the administrative office of the District.

Legal budgetary control is maintained at the sub-function/major object level. The Board of School Directors may make transfers of funds appropriated to any particular item of expenditure by legislative action in accordance with the Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without Board approval. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and includes the effect of approved budget amendments.

For the year ended June 30, 2025, expenditures exceeded appropriations in nine functions by approximately $2,050,000. These over-expenditures were partially funded by less than anticipated expenditures in other functions and greater than anticipated subsidy revenues.

Recently Issued and Adopted Accounting Principles

GASB Statement No. 101, *Compensated Absences*, is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023. The Statement was adopted by the District on July 1, 2024. The Statement had no material impact on the District's financial statements.

Subsequent Events

Management has evaluated subsequent events through October 14, 2026, the date on which the financial statements were available to be issued.

NOTE C – CASH AND CASH EQUIVALENTS

GASB Statement No. 40, "Deposit and Investment Risk Disclosures," requires disclosures related to the following deposit and investment risks: credit risk (including custodial credit risk and concentrations of credit risk), interest rate risk, and foreign currency risk. The following is a description of the District's deposit risks:

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to invest its monies as follows:

Obligations of (1) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (2) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (3) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Pennsylvania Act 10 of 2016 became effective May 25, 2016 and expanded the permitted investment types to include commercial paper, bankers' acceptances, negotiable certificates of deposit, and insured bank deposit reciprocals as long as certain safeguards to credit quality and maturity are met.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and, for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.

The deposit and investment policy of the District adheres to state statutes and prudent business practice. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less. Cash and cash equivalents consist of amounts listed below and cash on hand of $540.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the deposits may not be returned.

As required by Section 623 of the Public School Code, all bank balances of deposit and certificates of deposit as of the balance sheet date are entirely insured or collateralized. The carrying amount of the District's deposits at year-end with financial institutions was $3,716,708 and the bank balances were $3,908,604. At June 30, 2025, a significant portion of the District's cash is maintained with large financial institutions located in Pennsylvania. Of the bank balances at year end, $250,000 was covered by federal depository insurance and the remainder was held in collateral by the depository's agent but not in the District's name in accordance with Act 72 of the Pennsylvania state legislature. Act 72 requires financial institutions to pool collateral for all governmental deposits and have collateral held by an approved custodian in the institution's name.

A portion of the District's deposits are in the Pennsylvania Local Government Investment Trust (PLGIT). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, the funds act like money market mutual funds in that their objective is to maintain a stable net asset value of $1 per share, are rated by a nationally recognized statistical rating organization, and are subject to an annual independent audit. The District's cash equivalent investments in PLGIT cannot be classified by risk category because they are not evidenced by securities that exist in physical or book entry form. The fair value of the District's position in the external investment pool is the same as the value of the pool shares. All investments in external investment pools that are not registered with the Securities and Exchange Commission are subject to oversight by the Commonwealth of Pennsylvania. Funds amounting to $7,775,723 were on deposit with PLGIT.

Additionally, the District had cash maintained in fiduciary funds. At June 30, 2025, the carrying balance for the Student Activities Fund amounted to $69,469 with bank balances of $52,941. The bank balances were in excess of FDIC coverage but were collateralized with securities held by the pledging financial institution in separate pooled accounts but not in the District's name.

NOTE D – INVESTMENTS AND FAIR VALUE MEASUREMENTS

The District has a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk is defined by GASB as having five percent or more invested in the securities of a single issuer. The District places no limit on the amount it may invest in any one issuer.

Interest rate risk is the risk that interest rate variations may adversely affect the fair value of an investment. An acceptable method for reporting interest rate risk is weighted average maturity. In accordance with its investment policy, the District manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to less than five years.

The classification of assets and liabilities within the hierarchy is based on whether inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1 – Quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments, cash equivalents, and listed derivatives.

Level 2 – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data such as published interest rates and yield curves, over-the-counter derivatives, market modeling, or other valuation methodologies. Assets in this level include debt securities and partnerships that hold Level 1 assets, provided that the District has the ability to redeem the investment in the near term, and real estate held for investment if measured by a current appraisal.

Level 3 – Unobservable inputs that reflect management's assumptions and best estimates based on available data. Assets in this level include alternative investments, real estate held for investment if measured using management estimates, investments in partnerships, limited liability companies, and beneficial interest in assets held by others.

Investments are reported at fair value. As of June 30, 2025, the District had the following investments:

	Measurement Amount	*Maturity*	*Moody's Rating*	*Percent of Total Investments*
Net Asset Value Per Share				
Money market mutual fund	$ 2,723,177	Average 45 days	Aaa	53%
Fair Value - Level Two Input				
Municipal bonds	185,662	Less than five years	Aa	4%
U.S. Gov't Agency Obligations	742,890	Less than five years	Aa	14%
	928,552			18%
Certificates of Deposit	1,481,758	Less than five years	N/A	29%
TOTAL	**$ 5,133,487**			**100%**

NOTE E – TAX REVENUE AND RECEIVABLE

Property Tax

The District's real property tax is based on the listed assessed value at January 1st and then levied July 1st of each year. The millage rate for the year ended June 30, 2025 was as follows:

	Millage
Crawford County	53.55

The District Real Estate taxes are collected by the elected tax collector or treasurer of the political subdivision. The county determines assessed valuation and also acts as a delinquent tax collector. The taxes are levied on August 1st and are due December 31st. A 2% discount and penalty period may be enforced. The individual tax collectors settle and are exonerated for non-collections as of December 31st.

Taxes Receivable

Taxes receivable consist of the following at June 30, 2025:

	Collectible	*Recognized*	*Deferred Taxes*
Real estate	$ 1,499,914	$ 79,795	$ 1,420,119
Earned income taxes	395,490	395,490	-
Transfer taxes	35,559	35,559	-
TOTAL	**$ 1,930,963**	**$ 510,844**	**$ 1,420,119**

NOTE F – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025 was as follows:

	Beginning Balance	*Increases*	*Decreases*	*Ending Balance*
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated:				
Land	$ 97,472	$ -	$ -	$ 97,472
Construction in progress	-	163,703	-	163,703
Total capital assets not being depreciated	97,472	163,703	-	261,175
Capital assets being depreciated:				
Land improvements	945,799	-	-	945,799
Buildings and building improvements	56,796,984	187,574	(33,652)	56,950,906
Furniture, equipment and other	5,195,514	288,269	(203,672)	5,280,111
Total capital assets, being depreciated	62,938,297	475,843	(237,324)	63,176,816
Accumulated depreciation for:				
Land improvements	(633,646)	(25,737)	-	(659,383)
Buildings and building improvements	(26,062,126)	(1,289,524)	33,652	(27,317,998)
Furniture, equipment and other	(3,751,434)	(231,863)	203,672	(3,779,625)
Total accumulated depreciation	(30,447,206)	(1,547,124)	237,324	(31,757,006)
Total capital assets, being depreciated, net	32,491,091	(1,071,281)	-	31,419,810
GOVERNMENTAL ACTIVITIES CAPITAL ASSESTS, NET	**$ 32,588,563**	**$ (907,578)**	**$ -**	**$ 31,680,985**
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated:				
Furniture, equipment and other	$ 1,136,864	$ 73,015	$ -	$ 1,209,879
Accumulated depreciation for:				
Furniture, equipment and other	(978,425)	(34,182)	-	(1,012,607)
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	**$ 158,439**	**$ 38,833**	**$ -**	**$ 197,272**

Construction in progress consists primarily of indoor/outdoor camera project.

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
Instruction	$ 219,692
Student activities	6,188
Operation and maintenance of plant	1,321,244
TOTAL DEPRECIATION EXPENSE GOVERNMENTAL ACTIVITIES	**$ 1,547,124**
BUSINESS-TYPE ACTIVITIES: FOOD SERVICE	**$ 34,182**

NOTE G – LONG-TERM DEBT

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct general obligations of the District. Principal and interest payments are backed by the full faith, credit, and taxing authority of the District.

On May 22, 2007 the District issued $27,003,055 General Obligation Bonds Series B of 2007. The bond pays interest ranging from 4% to 5% due on a semi-annual basis. The proceeds of the Series B bonds net of costs were used to refund the series of 2004 and 2005 bonds and the series of 2005 notes.

During the 2021 year-end, the District issued $9,730,000 General Obligation Bonds Series 2020. The bonds pay interest ranging from 0.750% to 4.000% due on a semi-annual basis. The proceeds of the bonds net of costs were used to refund the series 2015 bonds.

The following summarizes the issuances and payments made during the June 30, 2025 year-end:

	Beginning Balance	*Issued*	*Retired*	*Ending Balance*
Bond Series 2007B	$ 9,325,000	$ -	$ (2,955,000)	$ 6,370,000
Bond Series 2020	9,570,000	-	(95,000)	9,475,000
TOTAL	**$ 18,895,000**	**$ -**	**$ (3,050,000)**	**$ 15,845,000**

The following summarizes the maturities and interest payments as of June 30, 2025:

Year ended June 30,	*Interest*	*Principal*	*Total*
2026	$ 550,063	$ 3,200,000	$ 3,750,063
2027	388,888	3,365,000	3,753,888
2028	3,649,988	100,000	3,749,988
2029	3,647,625	105,000	3,752,625
2030	3,645,175	105,000	3,750,175
2031-2035	14,772,403	4,660,000	19,432,403
2036	73,322	4,310,000	4,383,322
TOTAL	**$ 26,727,464**	**$ 15,845,000**	**$ 42,572,464**

Long-term liability activity for the year ended June 30, 2025 is as follows:

	Beginning Balance	*Increases*	*Decreases*	*Ending Balance*	*Amount Due Within One Year*
Governmental Activities:					
Long-term debt	$ 18,895,000	$ -	$ (3,050,000)	$ 15,845,000	$ 3,200,000
Deferred amounts:					
Discount/Premium	566,967	-	(60,158)	506,809	60,158
Compensated absences	866,428	-	(308,704)	557,724	-
Net OPEB liability	12,782,037	769,110	-	13,551,147	-
Net pension liability	45,998,917	-	(5,901,882)	40,097,035	-
TOTAL	**$ 79,109,349**	**$ 769,110**	**$ (9,320,744)**	**$ 70,557,715**	**$ 3,260,158**
Business-Type Activities:					
Compensated absences	**$ 4,204**	**$ -**	**$ (3,945)**	**$ 259**	**$ -**

Compensated Absences

District employees are permitted to accumulate unused sick and personal time. Contract provisions require payment for this benefit upon retirement, death or disability based on a negotiated formula. At June 30, 2025, compensated absences were $557,724 and $259, for the General Fund and Food Service Fund, respectively.

Employees are allowed unlimited accumulation of unused sick days and upon retirement can elect to receive compensation as follows:

Classification of Employees	Sick Pay Rate/Day
Administration	$100
Professional education	60-125
Unionized support staff	55
Nonunionized support staff	60
Psychologists	75

All sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation or retirement.

The General Fund typically is used to liquidate prior years' liability for compensated absences, pensions, and other post-employment benefit obligations.

NOTE H – PENSION PLAN

General Information about the Pension Plan

Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees in the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.pa.gov/PSERS.

Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination age and service that is equal to or greater than 92 with a minimum of 35 years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally equal to 1% to 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011 after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions

The contribution policy is set up by state statute and requires contributions by active members, employers, and the Commonwealth of Pennsylvania.

Member Contributions:

The contribution rates based on qualified member compensation for virtually all members are presented below:

Member Contribution Rates

Membership Class	*Continuous Employment Since*	*Defined Benefit (DB) Contribution Rate*	*DC Contribution Rate*	*Total Contribution Rate*
T-C	Prior to July 22, 1983	5.25%	N/A	5.25% --- 6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.80%
T-G	On or after July 1, 2019	5.50% with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% with shared risk provision	3.00%	Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary

Membership Class	*Defined Benefit (DB) Base Rate*	*Shared Risk Increment*	*Minimum*	*Maximum*
T-E	7.50%	+/-0.50%	5.50%	9.50%
T-F	10.30%	+/-0.50%	8.30%	12.30%
T-G	5.50%	+/-0.75%	2.50%	8.50%
T-H	4.50%	+/-0.75%	1.50%	7.50%

Employer Contributions:

The District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 32.92%* of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were $4,836,897 for the year ended June 30, 2025.

*The defined contribution rate of 0.35% is an estimated rate. It is recommended employers use the actual defined contributions made to PSERS defined contribution plan. This may impact contributions made to the pension plan.

The District is also required to contribute a percentage of covered payroll to PSERS for healthcare insurance premium assistance (OPEB). Under the current legislation, the Commonwealth of Pennsylvania reimburses the District for no less than one-half of the employer contributions made, including contributions related to pension and healthcare. This arrangement does not meet the criteria of a special funding situation in accordance with GASB Standards. Therefore, the net pension liability and related pension expense represents 100% of the District's share of these amounts. The total reimbursement recognized by the District for the year ended June 30, 2025 for pension and OPEB benefits was $2,779,539.

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

At June 30, 2025, the District reported a liability of $40,097,035 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2025, the District's proportion was 0.0958%, which was a decrease of 0.0076% from its proportion measured as of June 30, 2024. The net pension liability will be liquidated through future contributions to PSERS at the statutory rates. Contributions will be made from the General Fund.

For the year ended June 30, 2025, the District recognized pension expense of $3,570,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Difference between expected and actual experience	$ -	$ 630,431
Changes in assumptions	-	-
Net difference between projected and actual investments earnings	663,771	-
Changes in proportions	3,252,000	3,740,000
Difference between employer contributions and proportionate share of total contributions	-	117,420
Contributions subsequent to the measurement date	1,695,640	-
TOTAL	**$ 5,611,411**	**$ 4,487,851**

$1,695,640 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the year ended June 30,:

Year Ended		
2026	$	(143,020)
2027		(143,020)
2028		(143,020)
2029		(143,020)
TOTAL	**$**	**(572,080)**

Changes in Actuarial Assumptions

The total pension liability as of June 30, 2024 was determined by rolling forward the System's total pension liability at June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date – June 30, 2023
- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 7.00%, including inflation at 2.50%.

- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023 and as of June 30, 2024.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
    - Salary growth rate – decreased from 5.00% to 4.50%.
    - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
    - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation.

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

Asset Class	*Target Allocation*	*Long-Term Expected Real Rate of Return*
Global public entity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure	10.0%	6.4%
Real estate	9.5%	5.9%
TOTAL	**100%**	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected 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 benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease 6.00%	*Current Rate 7.00%*	*1% Increase 8.00%*
District's proportionate share of the net pension liability	$ 52,820,020	$ 40,097,035	$ 29,353,376

Pension Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Annual Comprehensive Financial Report which can be found on the System's website at www.pa.gov/PSERS.

Payables to the Pension Plan

At June 30, 2025, the District had an accrued balance due to PSERS, including contributions related to pension and OPEB of $1,651,395. This amount represents the District's contractually obligated contributions for wages earned during the 2025 year-end. The balance will be paid in the 2026 year-end.

NOTE I – OTHER POST-EMPLOYMENT BENEFITS PLAN

School District OPEB Plan

General Information about the OPEB Plan

Plan Description

The District's defined benefit OPEB plan, Conneaut School District Postemployment Benefit Plan, provides OPEB benefits to all eligible retirees who qualify and elect to participate. The plan is a single-employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The Plan provides medical, prescription drug, dental, vision, and life insurance for eligible retirees based on specific eligibility requirements. Coverage, premium sharing, and life insurance amounts vary by employee classification.

Employees Covered by Benefit Terms

Membership in the plan consisted of the following at July 1, 2024, the date of the last actuarial valuation.

Active participants	183
Vested former participants	22
Retired participants	113
TOTAL	**318**

Total OPEB Liability

The District's total OPEB liability of $11,854,629 was measured as of July 1, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	Composed of a 2.5% cost of living adjustment, 1.5% real wage growth, and for teachers and administrators a merit increase which varies by age from 2.75% to 0%
Discount rate	4.29% based on S&P Municipal Bond 20-Year Grade Rate Index at July 1, 2024
Healthcare cost trend rates	7.0% in 2024 with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
Retiree's share of benefit-related costs	Contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate

PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees. Incorporated into the table are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

The actuarial assumptions used in the July 1, 2024 valuation were based on census information at that time and is believed to be representative of the population for the 2024-2025 school year.

Changes in the Total OPEB liability

	Increase/(Decrease)
	Total OPEB Liability
BALANCE AT JULY 1, 2023	$ 10,911,297
Changes for the year:	
Service cost	382,310
Interest	455,386
Changes in benefit terms	1,620,950
Differences between expected and actual experience	(1,094,118)
Changes of assumptions	72,287
Benefit payments	(493,483)
Net changes	943,332
BALANCE AT JULY 1, 2024	**$ 11,854,629**

There were no changes in the benefit terms.

Changes of assumptions reflect the discount rate changed from 4.13% to 4.29%. The trend assumption was updated.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.29 percent) or 1-percentage -point higher (5.29 percent) than the current discount rate:

	1% Decrease 3.29%	*Current Rate 4.29%*	*1% Increase 5.29%*
Total OPEB liability (asset)	$ 12,811,304	$ 11,854,629	$ 10,991,380

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	*Current Rate*	*1% Increase*
Total OPEB liability (asset)	$ 10,742,287	$ 11,854,629	$ 13,153,020

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of $1,318,961. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Differences between expected and actual experience	$ 4,109,366	$ 1,015,455
Changes in assumptions	623,420	8,677,044
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion	-	-
Difference between employer contributions and proportionate share of total contributions	-	-
Contributions subsequent to the measurement date	1,035,225	-
TOTAL	**$ 5,768,011**	**$ 9,692,499**

$1,035,225 reported as deferred outflows of resources related to the OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	
2026	$ (1,030,632)
2027	(1,306,413)
2028	(1,177,853)
2029	(1,177,857)
2030	(120,983)
Thereafter	(145,975)
TOTAL	**$ (4,959,713)**

PSERS OPEB Plan

General Information about the Health Insurance Premium Assistance Program

Health Insurance Premium Assistance Program

The System provides Premium Assistance, which is a governmental cost sharing, multiple-employer other OPEB for all eligible retirees who qualify and elect to participate. Employer contributions rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2024 there were no assumed future benefit increase to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age

For Class DC members to become eligible for premium assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

Pension Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.pa.gov/PSERS.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program.

Employer Contributions

The contribution policy is set by state statute. A portion of each employer's contribution is set aside for premium assistance. The District's contractually required contribution rate for the fiscal year ended June 30, 2025 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the District were $94,801 for the year ended June 30, 2025.

The District is also required to contribute a percentage of covered payroll to PSERS for pension benefits. Under the current legislation, the Commonwealth of Pennsylvania reimburses the District for no less than one-half of the employer contributions made, including contributions related to pension and healthcare. This arrangement does not meet the criteria of a special funding situation in accordance with GASB Standards. Therefore, the OPEB obligation and related expense represents 100% of the District's share of these amounts. The total reimbursement recognized by the District for the year ended June 30, 2025 for pension and OPEB benefits was $2,779,539.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB

At June 30, 2025, the District reported a liability of $1,696,518 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2023 to June 30, 2024. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2025, the District's proportion was 0.0955 percent, which was a decrease of 0.0079 from its proportion measured as of June 30, 2024. The net OPEB obligation will be liquidated through future contributions to PSERS at statutory rates from the General Fund.

For the year ended June 30, 2025, the District recognized OPEB expense of $54,000. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Differences between expected and actual experience	$ 6,445	$ 25,467
Changes in assumptions	103,409	259,049
Net difference between projected and actual earnings on OPEB plan investments	1,784	-
Changes in proportion	231,000	249,000
Difference between employer contributions and proportionate share of total contributions	-	2,302
Contributions subsequent to the measurement date	32,796	-
TOTAL	**$ 375,434**	**$ 535,818**

$32,796 reported as deferred outflows of resources related to the OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	
2026	$ (38,636)
2027	(38,636)
2028	(38,636)
2029	(38,636)
2030	(38,636)
TOTAL	**$ (193,180)**

Actuarial Assumptions:

The Total OPEB Liability as of June 30, 2024, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2023 to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment rate of return – 4.21% – S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at $1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
    - Eligible retirees will elect to participate Pre age 65 at 50%
    - Eligible retirees will elect to participate Post age 65 at 70%

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022 determined the employer contribution rate for fiscal year 2024.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefitting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Investments consist primarily of short term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

OPEB -Asset Class	*Target Allocation*	*Long-Term Expected Real Rate of Return*
Cash	100.0%	1.7%
TOTAL	**100.0%**	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2024.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.21%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy set contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the

OPEB's plan fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.21% which represents the S&P 20 year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the System Net OPEB Liability to Change in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than $1,200 in annual Premium Assistance. As of June 30, 2024, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of $1,200. As of June 30, 2024, 92,149 retirees were receiving the maximum amount allowed of $1,200 per year. As of June 30, 2024, 489 members were receiving less than the maximum amount allowed of $1,200 per year. The actual number of retires receiving less than the $1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2024, calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if its health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	*Current Trend Rate*	*1% Increase*
System net OPEB liability	$ 1,776,302,000	$ 1,776,459,000	$ 1,776,586,000

Sensitivity of District's Proportionate Share of the Net OPEB Liability to Change in Healthcare Cost Trend Rates

The following presents the District's net OPEB liability for June 30, 2024, calculated using current Healthcare cost trends as well as what the District net OPEB liability would be if its health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease	*Current Trend Rate*	*1% Increase*
District's proportionate share of the net OPEB liability	$ 1,696,368	$ 1,696,518	$ 1,696,640

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 4.21%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.21%) or 1-percentage point higher (5.21%) than the current rate:

	1% Decrease 3.21%	*Current Discount Rate 4.21%*	*1% Increase 5.21%*
District's proportionate share of the net OPEB liability	$ 1,916,550	$ 1,696,518	$ 1,512,252

OPEB Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Annual Comprehensive Financial Report which can be found on the System's website at www.pa.gov/PSERS.

Payables Related to the Plan

At June 30, 2025, the District had an accrued balance due to PSERS, including contributions related to pension and OPEB of $1,651,395. This amount represents the District's contractually obligated contributions for wages earned during the 2025 year-end. The balance will be paid in the 2026 year-end.

NOTE J – HEALTH INSURANCE CONSORTIUM

The District is a member of a health care consortium (the Consortium). The Consortium was formed with the intention to provide medical benefits on a collective basis and to provide coverage for school district employees. The Consortium is self-funded and is administered by a healthcare provider for an administrative fee. The District believes a savings of insurance expense will result due to a larger group of insured individuals. Each participating school district makes monthly payments to the Consortium. The Consortium then reimburses a third-party payor for payments made to medical service providers for allowable services provided to eligible individuals covered under the Consortium umbrella. Healthcare costs totaled $4,688,174 for fiscal year 2025. At June 30, 2025, the District's liability was $1,311,831, which represents the District's portion of the consortium fund balance at year-end.

NOTE K – CONTINGENT LIABILITIES

Grant Programs

The District participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for any expenditure which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

A significant portion of revenue from state sources consists of a basic instructional subsidy received from the Commonwealth. The District is audited by the Auditor General's Office of the Commonwealth and from that audit the subsidy could be adjusted. The District's policy is to record adjustments, if any, in the year the Auditor General's audit is completed.

NOTE L – RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has purchased various insurance policies to safeguard its assets from risk of loss. Insurance coverage appears to be consistent with previous years. During the year ended June 30, 2025 and the two previous fiscal years, no settlements exceeded insurance coverage.

NOTE M – TAX ABATEMENT

During the 2017-2018 school year, the District approved a real estate tax abatement program with the Economic Progress Alliance to forego real estate taxes through the 2026-2027 school year. The Economic Progress Alliance of Crawford County has been approved as a Keystone Opportunity Zone which allows for any qualifying business in that zone to receive tax benefits including reductions of state and local taxes. There are certain provisions including that the business(es) must stay in the zone for the entire term of the agreement. Any business(es) that do not meet all of the requirements of the agreement will be subject to pay any real estate taxes it would have been subject to. As of June 30, 2025, there was one business in the zone taking advantage of the abatement. The effects on the financial statements are not readily determinable.

REQUIRED SUPPLEMENTARY INFORMATION

CONNEAUT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS

	2025	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*	*2018*	*2017*	*2016*
District's proportion of the net pension liability	0.0958%	0.1034%	0.0887%	0.0998%	0.0974%	0.0972%	0.0949%	0.0967%	0.0975%	0.0976%
District's proportionate share of the net pension liability	$40,097,035	$45,998,917	$39,434,886	$40,974,617	$47,958,802	$45,472,695	$45,556,712	$47,760,545	$48,318,000	$ 42,276,000
District's covered-employee payroll	$ 15,154,124	$ 15,847,418	$ 13,049,769	$ 14,152,768	$ 13,681,468	$ 13,410,160	$ 12,778,036	$ 12,875,086	$ 12,626,661	$ 12,556,613
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.59%	290.26%	302.19%	289.52%	350.54%	339.09%	356.52%	370.95%	382.67%	336.68%
Plan fiduciary net position as a percentage of the total pension liability	64.63%	61.85%	61.34%	63.37%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

Notes to Schedule:
The data provided in this schedule is based as of the measurement date of PSERS' net pension liability, which is as of the beginning of the District's fiscal year.

See accompanying notes.

CONNEAUT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS FOR THE PENSION PLAN
LAST TEN FISCAL YEARS

	2025	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*	*2018*	*2017*	*2016*
Contractually required contribution	$ 4,836,897	$ 4,984,964	$ 4,900,634	$ 4,870,270	$ 4,768,484	$ 4,547,446	$ 4,352,293	$ 4,065,749	$ 3,659,833	$ 3,176,507
Contributions in relation to the contractually required contribution	4,836,897	4,984,964	4,900,634	4,870,270	4,768,484	4,547,446	4,352,293	4,065,749	3,659,833	3,176,507
CONTRIBUTION DEFICIENCY (EXCESS)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
District's covered-employee payroll	$14,692,882	$15,154,124	$15,847,418	$13,049,769	$14,152,768	$13,681,468	$13,410,160	$12,778,036	$12,875,086	$12,626,661
Contributions as a percentage of covered-employee payroll	32.92%	32.90%	30.92%	37.32%	33.69%	33.24%	32.46%	31.82%	28.43%	25.16%

Notes to Schedule:

Changes of benefits terms:
With the passage of Act 5 on June 12, 2017, class T-E & T-F members are now permitted to elect a lump sum payment of member contributions upon retirement.

Changes in assumptions used in measurement of the total pension liability beginning June 30, 2022, beginning June 30, 2023, and beginning June 30, 2024:
None.

Changes in assumptions used in measurement of the total pension liability beginning June 30, 2021:
The discount rate decreased from 7.25% to 7.00%. The inflation assumption was decreased from 2.75% to 2.50%. Payroll growth assumption decreased from 3.50% to 3.25%.

Salary growth changed from an effective average of 5.00%, which was comprised of inflation of 2.75%, real wage growth and for merit or seniority increases of 2.25%, to an effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2014 Mortality Tables for Males and Females to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

For disabled annuitants the rates were modified from the RP-2014 Mortality Tables for Males and Females to Pub-2010 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020.

Changes in assumptions used in measurement of the total pension liability beginning June 30, 2017, beginning June 30, 2018, beginning June 30, 2019, and beginning June 30, 2020:
None.

Changes in assumptions used in measurement of the total pension liability beginning June 30, 2016:
The investment rate of return was adjusted from 7.50% to 7.25%. The inflation assumption was decreased from 3.00% to 2.75%.

Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00%, real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back three years for both males and females of the RP-2014 Mortality Tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back seven years for males and three years for females to the RP-2014 Mortality Tables for males and females, adjusted to reflect PSERS's experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

CONNEAUT SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2025	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*	*2018*
TOTAL OPEB LIABILITY								
Service cost	$ 382,310	$ 360,394	$ 817,530	$ 845,928	$ 595,294	$ 612,928	$ 586,099	$ 662,529
Interest	455,386	427,311	399,989	329,879	496,790	441,521	467,436	383,103
Changes of benefit terms	1,620,950	-	133,871	-	-	-	(6,075)	-
Differences between expected and actual experience	(1,094,118)	-	7,191,392	-	(465,855)	-	(820,663)	-
Changes of assumptions	72,287	174,939	(14,589,472)	(771,355)	2,619,018	(581,599)	57,304	(1,047,342)
Benefit payments	(493,483)	(471,017)	(566,201)	(570,360)	(516,958)	(449,218)	(404,796)	(336,412)
NET CHANGE IN TOTAL OPEB LIABILITY	943,332	491,627	(6,612,891)	(165,908)	2,728,289	23,632	(120,695)	(338,122)
TOTAL OPEB LIABILITY - BEGINNING	10,911,297	10,419,670	17,032,561	17,198,469	14,470,180	14,446,548	14,567,243	14,905,365
TOTAL OPEB LIABILITY - ENDING	**$11,854,629**	**$10,911,297**	**$10,419,670**	**$17,032,561**	**$17,198,469**	**$14,470,180**	**$14,446,548**	**$14,567,243**
Covered-employee payroll	$12,335,470	$12,797,162	$12,797,162	$12,092,126	$12,092,126	$11,959,429	$11,959,429	$11,764,604
District's net OPEB liability as a percentage of covered-employee payroll	96.10%	85.26%	81.42%	140.86%	142.23%	120.99%	120.80%	123.82%

Notes to Schedule:
Changes of assumptions: The discount rate changed from 4.13% to 4.29%.

Changes of benefit terms: None.

The District is required to present the information for the last ten fiscal years. Additional years will be displayed as they become available.

See accompanying notes.

CONNEAUT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE PSERS NET OPEB LIABILITY
LAST TEN FISCAL YEARS

	2025	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*	*2018*	*2017*
District's proportion of the net OPEB liability	0.0955%	0.1034%	0.0887%	0.0998%	0.0975%	0.0972%	0.0949%	0.0967%	0.0975%
District's proportionate share of the net OPEB liability	$ 1,696,518	$ 1,870,740	$ 1,632,764	$ 2,365,342	$ 2,106,680	$ 2,067,290	$ 1,978,617	$ 1,970,177	$ 2,100,000
District's covered-employee payroll	$ 15,154,124	$ 15,847,418	$ 13,049,769	$ 14,152,768	$ 13,681,468	$ 13,410,160	$ 12,778,036	$ 12,875,086	$ 12,626,661
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	11.20%	11.80%	12.51%	16.71%	15.40%	15.42%	15.48%	15.30%	16.63%
Plan fiduciary net position as a percentage of the total OPEB liability	7.13%	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%	5.47%

Note to Schedule:
The District is required to present the information for the last ten fiscal years. Additional years will be displayed as they become available.

The data provided in this schedule is based as of the measurement date of PSERS' net OPEB liability, which is as of the beginning of the District's fiscal year.

CONNEAUT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS FOR THE PSERS OPEB PLAN
LAST TEN FISCAL YEARS

	2025	*2024*	*2023*	*2022*	*2021*	*2020*	*2019*	*2018*	*2017*	*2016*
Contractually required contribution	$ 92,565	$ 96,415	$ 107,125	$ 114,628	$ 116,686	$ 114,504	$ 110,810	$ 106,319	$ 104,030	$ 106,731
Contributions in relation to the contractually required contribution	92,565	96,415	107,125	114,628	116,686	114,504	110,810	106,319	104,030	106,731
CONTRIBUTION DEFICIENCY (EXCESS)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
District's covered-employee payroll	$14,692,882	$15,154,124	$15,847,418	$13,049,769	$14,152,768	$13,681,468	$13,410,160	$12,778,036	$12,875,086	$12,626,661
Contributions as a percentage of covered-employee payroll	0.63%	0.64%	0.68%	0.88%	0.82%	0.84%	0.83%	0.83%	0.81%	0.85%

Notes to Schedule:

Changes of benefits terms:
None.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2024:
The Discount Rate increased from 4.13% to 4.21%.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2023:
The Discount Rate increased from 4.09% to 4.13%.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2022:
The Discount Rate increased from 2.18% to 4.09%.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2021:
The Discount Rate decreased from 2.66% to 2.18%. The inflation assumption was decreased from 2.75% to 2.50%. Payroll growth assumption decreased from 3.50% to 3.25%.

Salary growth changed from an effective average of 5.00%, which was comprised of inflation of 2.75%, real wage growth and for merit or seniority increases of 2.25%, to an effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2014 Mortality Tables for Males and Females to a blended table based on 50% PubT-2010 Employee (Total Teacher dataset) and 50% PubG-2010 (Total General Employees data), adjusted to reflect PSERS' experience and projected using a modified version MP-2020.

For disabled annuitants the rates were modified from the RP-2014 Mortality Tables for Males and Females to Pub-2010 Disability Mortality Non-Safety Headcount Weighted table, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2020:
The Discount Rate decreased from 2.79% to 2.66%

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2019:
The Discount Rate decreased from 2.98% to 2.79%.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2018:
The Discount Rate decreased from 3.13% to 2.98%.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2017:
The Discount Rate increased from 2.71% to 3.13%.

Changes in assumptions used in measurement of the total OPEB liability beginning June 30, 2016:
Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00%, real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.

Mortality rates were modified from the RP-2000 Combined Healthy Annuitant Tables (male and female) with age set back three years for both males and females of the RP-2014 Mortality Tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back seven years for males and three years for females to the RP-2014 Mortality Tables for males and females, adjusted to reflect PSERS's experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

SUPPLEMENTARY INFORMATION

CONNEAUT SCHOOL DISTRICT
ACTIVITY FUNDS
SCHEDULE OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Conneaut Area Middle School	*Conneaut Area High School*	*Total*
ASSETS			
Cash	**$ 20,101**	**$ 49,368**	**$ 69,469**
LIABILITIES			
Accounts payable	$ -	$ 2,831	$ 2,831
NET POSITION			
Net position	20,101	46,537	66,638
TOTAL LIABILITIES AND NET POSITION	**$ 20,101**	**$ 49,368**	**$ 69,469**

See independent auditor's report.

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100 Years and Counting

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors of the
Conneaut School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Conneaut School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Conneaut School District's basic financial statements, and have issued our report thereon dated October 14, 2026.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned cost as items 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Conneaut School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Conneaut School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Conneaut School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

McGill, Power, Bell & Associates, LLP



Meadville, Pennsylvania
October 14, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors of the
Conneaut School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Conneaut School District's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Conneaut School District's major federal programs for the year ended June 30, 2025. Conneaut School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Conneaut School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Conneaut School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Conneaut School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

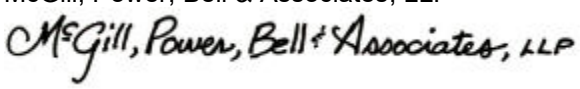
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

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

McGill, Power, Bell & Associates, LLP



Meadville, Pennsylvania
October 14, 2026

CONNEAUT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2025

Grantor Program Title	*Assistance Listing Number*	*Grantor Contract Number*		*Total Received for the Year*	*Revenues*	*Expenditures*
U.S Department of Education						
Passed through PA Dept. of Education						
Title I Grants to Local Educational Agencies	84.010	013-240098		$ 555,204	$ 349,025	$ 349,025
Title I Grants to Local Educational Agencies	84.010	013-250098		506,722	574,364	574,364
			F	1,061,926	923,389	923,389
Rural Education	84.358	007-230098	F	26,517	67,726	67,726
Supporting Effective Instruction State Grants	84.367	020-230098		28,958	(7,240)	(7,240)
Supporting Effective Instruction State Grants	84.367	020-240098		15,641	60,145	60,145
Supporting Effective Instruction State Grants	84.367	020-250098		32,366	32,366	32,366
			F	76,965	85,271	85,271
Student Support and Academic Enrichment Program	84.424	144-240098		9,960	19,919	19,919
Student Support and Academic Enrichment Program	84.424	144-250098		29,011	49,100	49,100
			F	38,971	69,019	69,019
COVID-19 - Education Stabilization Fund						
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER Fund)	84.425D	200-210098		1,502,966	-	-
COVID-19 - American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund	84.425U	223-210098		216,057	-	-
COVID-19 - ARP ESSER 7% SEA Reserve	84.425U	225-210098		28,787	68,940	68,940
COVID-19 - ARP ESSER Homeless Children and Youth	84.425W	181-212101		14,192	16,085	16,085
			F	1,762,002	85,025	85,025
Special Education Cluster (IDEA):						
Passed through Northwest Tri-County Intermediate Unit # 5						
Special Education - Grants to States	84.027	062-24-0005		488,344	488,344	488,344
Total Special Education Cluster (IDEA)			F	488,344	488,344	488,344
Total U.S. Department of Education				3,454,725	1,718,774	1,718,774
U.S. Department of Agriculture						
Child Nutrition Cluster:						
Passed through PA Dept. of Education						
School Breakfast Program (SBP)	10.553	365	F	377,651	386,106	386,106
National School Lunch Program (NSLP)	10.555	362	F	816,983	834,607	834,607
Passed through PA Dept. of Agriculture						
Value of USDA Donated Commodities	10.555	N/A	F	87,669	87,669	87,669
				904,652	922,276	922,276
Total Child Nutrition Cluster				1,282,303	1,308,382	1,308,382
Passed through PA Dept. of Education						
School Breakfast Program	N/A	511		15,435	15,670	15,670

State Breakfast Initiative	N/A	521		60,691	56,698	56,698
National School Lunch Program	N/A	510		29,314	32,589	32,589
			S	105,440	104,957	104,957
Total U.S. Department of Agriculture				1,387,743	1,413,339	1,413,339
U.S. Department of Health and Human Services						
Passed through PA Dept. of Public Welfare						
Medicaid Cluster:						
Medical Assistance Program	93.778	N/A	F	25,037	25,037	25,037
Total Medicaid Cluster				25,037	25,037	25,037
Total U.S. Department of Health and Human Services				25,037	25,037	25,037
Total Expenditures of Federal and State Awards				4,867,505	3,157,150	3,157,150
Less: State Matching Funds				(105,440)	(104,957)	(104,957)
TOTAL FEDERAL AWARDS				**$ 4,762,065**	**$ 3,052,193**	**$ 3,052,193**

F Federal program
S State program

Footnotes to Schedule

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) includes the federal and state grant activity of the Conneaut School District under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Conneaut School District, it is not intended to and does not present the net position or changes in net position of Conneaut School District.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Conneaut School District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C - Federal Revenues

The funds passed through Northwestern Tri-County Intermediate Unit are required to be reported as local revenue source per Pennsylvania Department of Education guidelines and are reported as local on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.

Note D - Food Commodities

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. At June 30, 2025, the District had $2,367 of food commodity inventory.

Note E - Subrecipient Funding

There were no funds passed through to subrecipients from any of the federal programs.