



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

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HUNTINGTON LOCAL SCHOOL DISTRICT  
ROSS COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2024





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Columbus, Ohio 43215  
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Board of Education  
Huntington Local School District  
188 Huntsman Rd  
Chillicothe, OH 45601

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

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

KEITH FABER  
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

Tiffany L Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 15, 2025

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**Huntington Local School District****Ross County**

For the Year Ended June 30, 2024

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**Huntington Local School District**

**Ross County**

For the Year Ended June 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

Huntington Local School District  
Ross County  
188 Huntsman Road  
Chillicothe, Ohio 45601

To the Board of Education:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

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

***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and 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 Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is 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 July 31, 2025, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*BHM CPA Group*

BHM CPA Group, Inc.  
Portsmouth, Ohio  
July 31, 2025

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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The management discussion and analysis of the Huntington Local School District's financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### **Financial Highlights**

- The assets and deferred outflows of resources of Huntington Local School District exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$9,223,668. Of this amount, \$11,183,036 represents net investment in capital assets and net position amounts restricted for specific purposes. The remaining deficit of \$1,959,368 represents unrestricted net position.
- In total, net position of governmental activities decreased by \$647,840 which represents a 6.56 percent decrease from 2023.
- General revenues accounted for \$15,433,020, or 78.08 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,333,022 or 21.92 percent of total revenues of \$19,766,042.
- The District had \$20,413,882 in expenses related to governmental activities; only \$4,333,022 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) of \$15,433,020 were used to provide for the remainder of these programs.
- The District recognizes two major governmental funds: the General Fund and ESSER Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$16,888,650 in revenues and \$17,970,359 in expenditures and other financing uses in fiscal year 2024.

### **Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand Huntington Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: the government-wide financial statements, fund financial statements and notes to the basic financial statements.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **Reporting the District as a Whole**

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The Statement of Net Position and Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position are important because they serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded educational programs, and other factors. Ultimately, the District's goal is to provide services to our students, not to generate profits as commercial entities do.

The Statement of Activities presents information showing how the District's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In both of the government-wide financial statements, the District activities are shown as governmental activities. All of the District's programs and services are reported here including instructional services, support services and operation of non-instructional services. These services are funded primarily by taxes, tuition and fees, and intergovernmental revenues including federal and state grants and other shared revenues.

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

#### **Fund Financial Statements**

The analysis of the District's major fund begins on page 11. Fund financial reports provide detailed information about the District's major fund. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's only major governmental funds were the General Fund and ESSER Fund.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one of two categories: governmental and fiduciary funds.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

### **Fiduciary Funds**

The District's only fiduciary fund is a private purpose trust fund. The District's fiduciary fund is reported in separate financial statements. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds use the accrual basis of accounting.

### **Notes to the Basic Financial Statements**

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

### **Government-Wide Financial Analysis**

Recall that the Statement of Net Position provides the perspective of the District as a whole, showing assets, deferred outflows of resources, liabilities and deferred inflows of resources, and the difference between them (net position). Table 1 provides a summary of the District's net position for fiscal year 2024 compared to fiscal year 2023:

**HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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Table 1

**Net Position at Year End**

	Governmental Activities		
	2024	2023	Change
<b><u>Assets:</u></b>			
Current and Other Assets	\$18,257,925	\$18,975,446	(\$717,521)
Net OPEB Asset	1,157,196	1,437,720	(280,524)
Capital Assets, Net	11,603,201	11,747,215	(144,014)
<i>Total Assets</i>	<i>31,018,322</i>	<i>32,160,381</i>	<i>(1,142,059)</i>
<b><u>Deferred Outflows of Resources:</u></b>			
Pension	3,850,285	3,697,970	152,315
OPEB	666,760	503,459	163,301
<i>Total Deferred Outflows of Resources</i>	<i>4,517,045</i>	<i>4,201,429</i>	<i>315,616</i>
<b><u>Liabilities:</u></b>			
Current and Other Liabilities	1,999,679	1,990,274	9,405
<i>Long-Term Liabilities:</i>			
Due Within One Year	335,481	315,416	20,065
Due in More than One Year:			
Net Pension Liability	15,564,489	15,114,161	450,328
Net OPEB Liability	843,617	736,566	107,051
Other Amounts	3,176,573	3,274,442	(97,869)
<i>Total Liabilities</i>	<i>21,919,839</i>	<i>21,430,859</i>	<i>488,980</i>
<b><u>Deferred Inflows of Resources:</u></b>			
Property Taxes	1,631,652	1,537,897	93,755
Pension	1,022,157	1,402,392	(380,235)
OPEB	1,738,051	2,119,154	(381,103)
<i>Total Deferred Inflows of Resources</i>	<i>4,391,860</i>	<i>5,059,443</i>	<i>(667,583)</i>
<b><u>Net Position:</u></b>			
Net Investment in Capital Assets	9,201,272	9,122,847	78,425
Restricted	1,981,764	1,669,523	312,241
Unrestricted	(1,959,368)	(920,862)	(1,038,506)
<i>Total Net Position</i>	<i>\$9,223,668</i>	<i>\$9,871,508</i>	<i>(\$647,840)</i>

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

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension/OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension/OPEB liability*. GASB Statements No. 68 and No. 75 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

**HUNTINGTON LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
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(Unaudited)*

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

Current and other assets decreased \$717,521 from fiscal year 2023 due to a decrease in intergovernmental receivable. Capital assets decreased by \$144,014, due primarily to current year depreciation exceeding current year additions.

Current (other) liabilities increased by \$9,405 or 0.47 percent, due to increases in intergovernmental payable with on offset of a decrease in contracts payable.

Long-term liabilities increased by \$479,575 or 2.47 percent, as a result of the increase in net pension liabilities as a result of actuarial measurements done by the retirement systems. Additional information can be found in Note 11.

The District's largest portion of net position is related to amounts net investment in capital assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

The District's smallest portion of net position is unrestricted, and carries a deficit balance of \$1,959,368. Unrestricted net position represents resources that may be used to meet the District's ongoing obligations to its students and creditors.

The remaining balance of \$1,981,764 is restricted net position. The restricted net position is subject to external restrictions on how they may be used.

Table 2 shows the changes in net position for fiscal year 2024 and provides a comparison to fiscal year 2023.

**HUNTINGTON LOCAL SCHOOL DISTRICT**

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

Table 2  
**Changes in Net Position**  
**Governmental Activities**

	2024	2023	Change
<b><u>Revenues:</u></b>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$562,615	\$576,645	(\$14,030)
Operating Grants and Contributions	3,770,407	6,188,111	(2,417,704)
<i>General Revenues:</i>			
Property Taxes	2,416,810	1,708,785	708,025
Unrestricted Grants and Entitlements	12,429,208	12,933,252	(504,044)
Investment Earnings	525,206	(17,354)	542,560
Insurance Recoveries	0	619,085	(619,085)
Miscellaneous	61,796	66,907	(5,111)
<i>Total Revenues</i>	<u>19,766,042</u>	<u>22,075,431</u>	<u>(2,309,389)</u>
<b><u>Expenses:</u></b>			
<i>Instruction:</i>			
Regular	8,849,353	8,904,258	(54,905)
Special	3,274,326	2,954,391	319,935
Vocational	281,388	240,819	40,569
Student Intervention Services	10,585	0	10,585
Other	209,788	357,167	(147,379)
<i>Support Services:</i>			
Pupils	970,861	991,798	(20,937)
Instructional Staff	462,913	425,683	37,230
Board of Education	84,020	63,557	20,463
Administration	1,228,608	1,135,437	93,171
Fiscal	392,444	368,239	24,205
Operation and Maintenance of Plant	1,695,606	2,060,255	(364,649)
Pupil Transportation	1,283,366	1,175,229	108,137
Central	0	564,290	(564,290)
<i>Operation of Non-Instructional Services:</i>			
Food Services	926,642	838,861	87,781
Other	10,702	21,396	(10,694)
Extracurricular Activities	657,471	615,285	42,186
Interest and Fiscal Charges	75,809	82,104	(6,295)
<i>Total Expenses</i>	<u>20,413,882</u>	<u>20,798,769</u>	<u>(384,887)</u>
<i>Change in Net Position</i>	<u>(647,840)</u>	<u>1,276,662</u>	<u>(1,924,502)</u>
Net Position at Beginning of Year	<u>9,871,508</u>	<u>8,594,846</u>	<u>1,276,662</u>
Net Position at End of Year	<u>\$9,223,668</u>	<u>\$9,871,508</u>	<u>(\$647,840)</u>

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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The most significant program expenses for the District are Regular Instruction, Special Instruction, Operation and Maintenance of Plant, Pupil Transportation, and Administration. These programs account for 80.01 percent of the total governmental activities. Regular Instruction, which accounts for 43.35 percent of the total, represents costs associated with providing general educational services. Special Instruction, which represents 16.04 percent of the total, represents costs associated with providing educational services for handicapped, disadvantaged and other special needs students. Operation and Maintenance of Plant, which represents 8.31 percent of the total, represent costs associated with operating and maintaining the District's facilities. Pupil Transportation, which represents 6.29 percent of the total, represents costs associated with providing transportation services for students between home and school and to school activities. Administration, which represents 6.02 percent of the total, represents costs associated with the overall administration responsibility for each building and the District as a whole.

As noted previously, the net position for the governmental activities decreased \$647,840 or 6.56 percent. This is a change from last year when net position increased \$1,276,662 or 14.85 percent. Total revenues decreased \$2,309,389 or 10.46 percent from last year and expenses decreased \$384,887 or 1.85 percent from last year.

The District had a program revenue decrease of \$2,431,734 and an increase in general revenue of \$122,345. The decrease in program revenue is due to a decrease in operating grants and contributions related to ESSER funding and the increase in general revenue is due to increases in property taxes and investment earnings.

The total expenses for governmental activities decreased \$384,887 or 1.85 percent, the decrease in expenses is the result of retirement systems calculations for net pension and OPEB liabilities. The actuarial measurements done by the retirement systems resulted in increases in liabilities and expenses. Additional information can be found in Notes 11 and 12.

### **Governmental Activities**

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through good fiscal management. The District is heavily dependent on intergovernmental revenue and, like most Ohio schools, is hampered by a lack of revenue growth. Intergovernmental revenue made up 81.96 percent of the total revenue for the governmental activities in fiscal year 2024.

The Ohio Legislature passed H.B. 920 (1976) and changed the way property taxes function in the State. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, the District would receive from a home valued at \$100,000 and taxed at 1.0 mill, \$35.00 annually. If three years later the home were reappraised and the value increased to \$200,000 (and this increase in value is comparable to other property owners) the effective tax rate would become 0.5 mill and the District would still receive \$35.00 annually. Therefore, the District must regularly return to the voters to maintain a constant level of service.

The District's intergovernmental revenue consists primarily of school foundation basic allowance, homestead and rollback property tax allocation, and federal and state grants. During fiscal year 2024, the District received \$14,133,248 through the State's foundation program, which represents 71.50 percent of the total revenue for the governmental activities. The District relies heavily on this state funding to operate at the current levels of service.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

Instruction accounts for 61.85 percent of governmental activities program expenses. Support services expenses make up 29.97 percent of governmental activities expenses. The Statement of Activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2024 compared with fiscal year 2023. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3

	<b>Net Cost of Governmental Activities</b>		<b>Total Cost of Services</b> 2023	<b>Net Cost of Services</b> 2023
	<b>Total Cost of Services</b> 2024	<b>Net Cost of Services</b> 2024		
<i>Program Expenses:</i>				
Instruction	\$12,625,440	\$10,485,399	\$12,456,635	\$8,211,567
Support Services	6,117,818	5,032,522	6,784,488	5,277,116
Operation of Non-Instructional Services	937,344	213,665	860,257	175,544
Extracurricular Activities	657,471	273,465	615,285	287,682
Interest and Fiscal Charges	75,809	75,809	82,104	82,104
Total Expenses	<u>\$20,413,882</u>	<u>\$16,080,860</u>	<u>\$20,798,769</u>	<u>\$14,034,013</u>

### **The District's Funds**

The District's governmental funds are accounted for using the modified accrual basis of accounting (See Note 2 for discussion of significant accounting policies). All governmental funds had total revenues and other financing sources of \$21,937,824 and expenditures and other financing uses of \$20,628,574.

The fund balances of the total governmental funds increased by \$1,309,250 or 11.70 percent. The fund balance for the year in the General Fund decreased \$1,081,709 or 8.06 percent, the fund balance for the year in the ESSER fund increased \$2,698,579 or 170.05 percent, the other governmental funds decreased \$307,620 or 48.19 percent.

The District should remain stable in fiscal year 2025. However, projections beyond fiscal year 2025 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a meaningful change in state funding of public schools as directed by the Ohio Supreme Court.

### **Budget Highlights - General Fund**

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

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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During the course of fiscal year 2024, the District did not amend its General Fund budget. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors' flexibility for site management.

The District prepares and monitors a detailed cashflow plan for the General Fund. Actual cashflow is compared to monthly and year-to-date estimates, and a monthly report is prepared for top management and the Board of Education.

For the General Fund, the final budget basis revenue was \$12,809,423, representing no change from the original budget estimate of \$12,809,423. The final budget basis expenditures were \$16,465,739 representing no change from the original budget basis expenditures of \$16,465,739.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

At the end of fiscal year 2024, the District had \$25,023,597 invested in land, land improvements, buildings and improvements, furniture, fixtures, and equipment, capital leased equipment and vehicles, of which all was in governmental activities. That total carries an accumulated depreciation of \$13,420,396. Table 4 shows fiscal year 2024 balances compared to fiscal year 2023.

Table 4  
**Capital Assets & Accumulated Depreciation at Year End**

	<b>Governmental Activities</b>	
	<b>2024</b>	<b>2023</b>
<i>Nondepreciable Capital Assets:</i>		
Land	\$769,307	\$769,307
<i>Depreciable Capital Assets:</i>		
Land Improvements	1,268,469	1,126,585
Buildings and Improvements	20,078,589	20,006,335
Furniture, Fixtures and Equipment	1,673,672	1,225,901
Vehicles	<u>1,233,560</u>	<u>1,233,560</u>
<i>Total Capital Assets</i>	<u>25,023,597</u>	<u>24,361,688</u>
<i>Less Accumulated Depreciation:</i>		
Land Improvements	549,578	483,148
Buildings and Improvements	11,367,651	10,839,493
Furniture, Fixtures and Equipment	737,104	636,107
Vehicles	<u>766,063</u>	<u>655,725</u>
<i>Total Accumulated Depreciation</i>	<u>13,420,396</u>	<u>12,614,473</u>
<i>Capital Assets, Net</i>	<u>\$11,603,201</u>	<u>\$11,747,215</u>

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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More detailed information pertaining to the District's capital asset activity can be found in Note 9 of the notes to the basic financial statements.

### **Debt Administration**

At June 30, 2024, the District had no general obligation debt outstanding.

More detailed information pertaining to the District's long-term debt activity can be found in Note 14 of the notes to the basic financial statements.

### **Current Issues**

Externally, the State of Ohio was found by the Ohio Supreme Court in March, 1997 to be operating an unconstitutional education system, one that was neither "adequate" nor "equitable". Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. Huntington Local School District has benefited drastically.

Although considered one of the lowest wealth districts, the District is financially stable, and has been over the past several years. As indicated in the preceding financial information, the State of Ohio provides the majority of the funding received by the District. Careful financial planning has permitted the District to provide a quality education for our students along with new and renovated facilities for the future, despite our low wealth status.

The financial stability of the District is not without its challenges. The District must rely heavily on State Aide to fund its operations. The State of Ohio enacted an entirely new funding formula for Fiscal Year 2022 and moving forward, changing from the frozen Fiscal Year 2019 budget figures to a fund students where educated model. This is a significant change from previous funding formulas and returning school funding from a frozen formula to a dynamic funding formula based on actual student counts.

During the last several years, the District's enrollment has been declining, which is another cause for concern, as State funding is based on the number of students attending each district. The District continues to utilize and demonstrate fiscal responsibility by adopting balanced budgets and not overspending the budgets.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Lauren Williams, Treasurer at Huntington Local School District, 188 Huntsmen Road, Chillicothe, Ohio 45601 or email at [lauren.williams@huntsmen.org](mailto:lauren.williams@huntsmen.org).

**HUNTINGTON LOCAL SCHOOL DISTRICT**

*Statement of Net Position*

*June 30, 2024*

	Governmental Activities
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents and Investments	\$12,916,196
Property Taxes Receivable	2,090,478
Accounts Receivable	15,941
Intergovernmental Receivable	3,202,999
Prepaid Items	7,912
Materials and Supplies Inventory	24,399
Net OPEB Asset	1,157,196
Nondepreciable Capital Assets	769,307
Depreciable Capital Assets, Net	<u>10,833,894</u>
<i>Total Assets</i>	<u>31,018,322</u>
<b><u>Deferred Outflows of Resources:</u></b>	
Pension	3,850,285
OPEB	<u>666,760</u>
<i>Total Deferred Outflows of Resources</i>	<u>4,517,045</u>
<b><u>Liabilities:</u></b>	
Accounts Payable	15,352
Accrued Wages and Benefits	1,695,313
Intergovernmental Payable	283,564
Matured Compensated Absences Payable	5,450
<i>Long-Term Liabilities:</i>	
Due within One Year	335,481
<i>Due in More Than One Year:</i>	
Net Pension Liability	15,564,489
Net OPEB Liability	843,617
Other Amounts Due in More Than One Year	<u>3,176,573</u>
<i>Total Liabilities</i>	<u>21,919,839</u>
<b><u>Deferred Inflows of Resources:</u></b>	
Property Taxes	1,631,652
Pension	1,022,157
OPEB	<u>1,738,051</u>
<i>Total Deferred Inflows of Resources</i>	<u>4,391,860</u>
<b><u>Net Position:</u></b>	
Net Investment in Capital Assets	9,201,272
<i>Restricted for:</i>	
Debt Service	7,193
Other Purposes	1,974,571
Unrestricted	<u>(1,959,368)</u>
<i>Total Net Position</i>	<u>\$9,223,668</u>

See accompanying notes to the basic financial statements.

**HUNTINGTON LOCAL SCHOOL DISTRICT**

*Statement of Activities*

*For the Fiscal Year Ended June 30, 2024*

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
<b><i>Governmental Activities:</i></b>					
<i>Instruction:</i>					
Regular	\$8,849,353	\$223,584	\$568,452	(\$8,057,317)	
Special	3,274,326	0	1,287,643	(1,986,683)	
Vocational	281,388	0	44,433	(236,955)	
Student Intervention Services	10,585	0	0	(10,585)	
Other	209,788	0	15,929	(193,859)	
<i>Support Services:</i>					
Pupils	970,861	0	40,360	(930,501)	
Instructional Staff	462,913	7,734	5,602	(449,577)	
Board of Education	84,020	0	0	(84,020)	
Administration	1,228,608	20,130	12,115	(1,196,363)	
Fiscal	392,444	0	0	(392,444)	
Operation and Maintenance of Plant	1,695,606	0	20,670	(1,674,936)	
Pupil Transportation	1,283,366	0	978,685	(304,681)	
<i>Operation of Non-Instructional Services:</i>					
Food Service	926,642	28,929	694,750	(202,963)	
Other	10,702	0	0	(10,702)	
Extracurricular Activities	657,471	282,238	101,768	(273,465)	
Interest and Fiscal Charges	75,809	0	0	(75,809)	
<i>Total Governmental Activities</i>	<u>\$20,413,882</u>	<u>\$562,615</u>	<u>\$3,770,407</u>	<u>(16,080,860)</u>	
<b><i>General Revenues:</i></b>					
<i>Property Taxes Levied for:</i>					
General Purposes				2,416,810	
Grants and Entitlements not Restricted to Specific Programs				12,429,208	
Investment Earnings				525,206	
Miscellaneous				61,796	
<i>Total General Revenues</i>				<u>15,433,020</u>	
<i>Change in Net Position</i>				(647,840)	
<i>Net Position at Beginning of Year</i>				<u>9,871,508</u>	
<i>Net Position at End of Year</i>				<u>\$9,223,668</u>	

See accompanying notes to the basic financial statements.

**HUNTINGTON LOCAL SCHOOL DISTRICT**

*Balance Sheet  
Governmental Funds  
June 30, 2024*

	General	ESSER	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents and Investments	\$12,534,648	\$0	\$381,548	\$12,916,196
Property Taxes Receivable	2,090,478	0	0	2,090,478
Accounts Receivable	15,941	0	0	15,941
Interfund Receivable	1,211,976	0	0	1,211,976
Intergovernmental Receivable	75,988	1,972,087	1,154,924	3,202,999
Prepaid Items	7,912	0	0	7,912
Materials and Supplies Inventory	6,807	0	17,592	24,399
<i>Total Assets</i>	<u>\$15,943,750</u>	<u>\$1,972,087</u>	<u>\$1,554,064</u>	<u>\$19,469,901</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$13,355	\$0	\$1,997	\$15,352
Accrued Wages and Benefits	1,547,085	35,118	113,110	1,695,313
Intergovernmental Payable	261,411	4,080	18,073	283,564
Matured Compensated Absences Payable	5,450	0	0	5,450
Interfund Payable	0	0	1,211,976	1,211,976
<i>Total Liabilities</i>	<u>1,827,301</u>	<u>39,198</u>	<u>1,345,156</u>	<u>3,211,655</u>
<b><u>Deferred Inflows of Resources:</u></b>				
Property Taxes	1,778,578	0	0	1,778,578
Unavailable Revenue	0	821,225	1,154,924	1,976,149
<i>Total Deferred Inflows of Resources</i>	<u>1,778,578</u>	<u>821,225</u>	<u>1,154,924</u>	<u>3,754,727</u>
<b><u>Fund Balances:</u></b>				
Nonspendable	14,719	0	17,592	32,311
Restricted	0	1,111,664	303,002	1,414,666
Assigned	1,899,142	0	0	1,899,142
Unassigned	10,424,010	0	(1,266,610)	9,157,400
<i>Total Fund Balances</i>	<u>12,337,871</u>	<u>1,111,664</u>	<u>(946,016)</u>	<u>12,503,519</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u><u>\$15,943,750</u></u>	<u><u>\$1,972,087</u></u>	<u><u>\$1,554,064</u></u>	<u><u>\$19,469,901</u></u>

See accompanying notes to the basic financial statements.

**HUNTINGTON LOCAL SCHOOL DISTRICT**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2024*

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**Total Governmental Funds Balances** \$12,503,519

*Amounts reported for governmental activities in the Statement of  
 Net Position are different because:*

Capital assets used in governmental activities are not financial resources and  
 therefore are not reported in the funds. 11,603,201

Some of the District's receivables will be collected after fiscal year-end, but  
 not available soon enough to pay for the current period's expenditures and  
 therefore are deferred in the funds. These receivables consist of:

Property taxes	146,926
Intergovernmental	<u>1,976,149</u>

Total receivables that are deferred in the funds 2,123,075

Some liabilities are not due and payable in the current period and therefore are  
 not reported in the funds. These liabilities consist of:

Finance Purchases	(2,401,929)
Compensated absences	<u>(1,110,125)</u>

Total liabilities not reported in funds (3,512,054)

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

Deferred Outflows - Pension	3,850,285
Deferred Outflows - OPEB	666,760
Deferred Inflows - Pension	(1,022,157)
Deferred Inflows - OPEB	(1,738,051)
Net OPEB Asset	1,157,196
Net Pension Liability	(15,564,489)
Net OPEB Liability	<u>(843,617)</u>

Total (13,494,073)

*Net Position of Governmental Activities* \$9,223,668

See accompanying notes to the basic financial statements.

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

	General	ESSER	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>				
Property Taxes	\$2,402,939	\$0	\$0	\$2,402,939
Intergovernmental	13,635,682	3,146,730	1,438,895	18,221,307
Interest	468,157	0	0	468,157
Increase (Decrease) in Fair Value of Investment	57,049	0	0	57,049
Tuition and Fees	210,984	0	0	210,984
Rent	12,600	0	0	12,600
Extracurricular Activities	21,482	0	288,620	310,102
Charges for Services	0	0	28,929	28,929
Contributions and Donations	18,186	0	103,924	122,110
Miscellaneous	61,571	0	225	61,796
<i>Total Revenues</i>	<i>16,888,650</i>	<i>3,146,730</i>	<i>1,860,593</i>	<i>21,895,973</i>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	8,015,323	185,323	571,687	8,772,333
Special	2,889,359	1,540	359,536	3,250,435
Vocational	276,859	0	0	276,859
Student Intervention Services	0	10,585	0	10,585
Other	151,916	60,475	9,963	222,354
<i>Support Services:</i>				
Pupils	856,100	67,597	23,448	947,145
Instructional Staff	450,573	2,786	9,201	462,560
Board of Education	84,020	0	0	84,020
Administration	1,184,847	0	14,081	1,198,928
Fiscal	373,192	0	0	373,192
Operation and Maintenance of Plant	1,586,730	77,052	8,997	1,672,779
Pupil Transportation	1,166,015	42,793	0	1,208,808
Operation of Non-Instructional Services	126,267	0	775,954	902,221
Extracurricular Activities	287,263	0	361,420	648,683
Capital Outlay	187,957	0	75,777	263,734
<i>Debt Service:</i>				
Principal Retirement	216,278	0	0	216,278
Interest and Fiscal Charges	75,809	0	0	75,809
<i>Total Expenditures</i>	<i>17,928,508</i>	<i>448,151</i>	<i>2,210,064</i>	<i>20,586,723</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(1,039,858)</i>	<i>2,698,579</i>	<i>(349,471)</i>	<i>1,309,250</i>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	0	0	41,851	41,851
Transfers Out	(41,851)	0	0	(41,851)
<i>Total Other Financing Sources (Uses)</i>	<i>(41,851)</i>	<i>0</i>	<i>41,851</i>	<i>0</i>
<i>Net Change in Fund Balances</i>	<i>(1,081,709)</i>	<i>2,698,579</i>	<i>(307,620)</i>	<i>1,309,250</i>
<i>Fund Balances at Beginning of Year</i>	<i>13,419,580</i>	<i>(1,586,915)</i>	<i>(638,396)</i>	<i>11,194,269</i>
<i>Fund Balances at End of Year</i>	<i>\$12,337,871</i>	<i>\$1,111,664</i>	<i>(\$946,016)</i>	<i>\$12,503,519</i>

See accompanying notes to the basic financial statements.

**HUNTINGTON LOCAL SCHOOL DISTRICT**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2024*

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**Net Change in Fund Balances - Total Governmental Funds** \$1,309,250

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (144,014)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. These revenues consist of:

Property taxes	13,871
Intergovernmental	<u>(2,143,802)</u>

Total revenues not reported in the funds	(2,129,931)
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Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 216,278

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Compensated absences	(138,474)
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Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Activities reports these amounts as deferred outflows. 1,590,398

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities. (1,351,347)

Change in Net Position of Governmental Activities	<u>(\$647,840)</u>
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See accompanying notes to the basic financial statements.

**HUNTINGTON LOCAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2024*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Property Taxes	\$1,875,622	\$1,875,622	\$2,260,661	\$385,039
Intergovernmental	10,287,703	10,287,703	12,399,625	2,111,922
Interest	388,419	388,419	468,157	79,738
Tuition and Fees	174,040	174,040	209,768	35,728
Rent	10,453	10,453	12,600	2,147
Contributions and Donations	2,177	2,177	2,625	448
Miscellaneous	71,009	71,009	85,587	14,578
<i>Total Revenues</i>	<i>12,809,423</i>	<i>12,809,423</i>	<i>15,439,023</i>	<i>2,629,600</i>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	7,818,107	7,818,107	11,030,023	(3,211,916)
Special	2,339,669	2,339,669	3,300,876	(961,207)
Vocational	245,090	245,090	345,781	(100,691)
Other	125,942	125,942	177,683	(51,741)
<i>Support Services:</i>				
Pupils	841,495	841,495	1,187,207	(345,712)
Instructional Staff	394,793	394,793	556,986	(162,193)
Board of Education	61,708	61,708	87,060	(25,352)
Administration	1,047,458	1,047,458	1,477,785	(430,327)
Fiscal	325,226	325,226	458,839	(133,613)
Operation and Maintenance of Plant	1,460,178	1,460,178	2,060,064	(599,886)
Pupil Transportation	989,687	989,687	1,396,280	(406,593)
Operation of Non-Instructional Services	131,590	131,590	185,651	(54,061)
Extracurricular Activities	280,508	280,508	395,749	(115,241)
Capital Outlay	224,743	224,743	317,074	(92,331)
<i>Debt Service:</i>				
Principal	127,584	127,584	180,000	(52,416)
Interest	51,961	51,961	73,308	(21,347)
<i>Total Expenditures</i>	<i>16,465,739</i>	<i>16,465,739</i>	<i>23,230,366</i>	<i>(6,764,627)</i>
<i>Excess of Revenues Over Expenditures</i>	<i>(3,656,316)</i>	<i>(3,656,316)</i>	<i>(7,791,343)</i>	<i>(4,135,027)</i>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers Out	0	0	(41,851)	(41,851)
<i>Total Other Financing Sources (Uses)</i>	<i>0</i>	<i>0</i>	<i>(41,851)</i>	<i>(41,851)</i>
<i>Net Change in Fund Balances</i>	<i>(3,656,316)</i>	<i>(3,656,316)</i>	<i>(7,833,194)</i>	<i>(4,176,878)</i>
<i>Fund Balance at Beginning of Year</i>	<i>17,007,607</i>	<i>17,007,607</i>	<i>17,007,607</i>	<i>0</i>
Prior Year Encumbrances Appropriated	1,499,611	1,499,611	1,499,611	0
<i>Fund Balance at End of Year</i>	<i>\$14,850,902</i>	<i>\$14,850,902</i>	<i>\$10,674,024</i>	<i>(\$4,176,878)</i>

See accompanying notes to the basic financial statements.

**HUNTINGTON LOCAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)*  
**ESSER Fund**  
*For the Fiscal Year Ended June 30, 2024*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Intergovernmental	\$1,782,506	\$1,782,506	\$1,908,182	\$125,676
<i>Total Revenues</i>	<u>1,782,506</u>	<u>1,782,506</u>	<u>1,908,182</u>	<u>125,676</u>
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular	222,837	222,837	201,379	21,458
Special	1,853	1,853	1,675	178
Other	132,725	132,725	119,945	12,780
Support Services:				
Pupils	78,456	78,456	70,901	7,555
Instructional Staff	3,580	3,580	3,235	345
Operation and Maintenance of Plant	90,764	90,764	82,024	8,740
Pupil Transportation	57,109	57,109	51,610	5,499
Capital Outlay	1,921,896	1,921,896	1,736,831	185,065
<i>Total Expenditures</i>	<u>2,509,220</u>	<u>2,509,220</u>	<u>2,267,600</u>	<u>241,620</u>
<i>Net Change in Fund Balances</i>	<u>(726,714)</u>	<u>(726,714)</u>	<u>(359,418)</u>	<u>367,296</u>
<i>Fund Balance at Beginning of Year</i>	<u>(1,459,516)</u>	<u>(1,459,516)</u>	<u>(1,459,516)</u>	<u>0</u>
Prior Year Encumbrances Appropriated	36,430	36,430	36,430	0
<i>Fund Balance at End of Year</i>	<u><u>(\$2,149,800)</u></u>	<u><u>(\$2,149,800)</u></u>	<u><u>(\$1,782,504)</u></u>	<u><u>\$367,296</u></u>

See accompanying notes to the basic financial statements.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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

#### **Description of the School District**

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

The District was established in 1931 through the consolidation of existing land areas and school districts. The District serves an area of approximately 60 square miles. It is located in Ross County, and includes Huntington Township. It is staffed by 53 non-certificated employees, 86 certificated full-time teaching personnel, and 6 administrative employees who provide services to 1,072 students and other community members. The District currently operates three instructional buildings, a bus garage, and an athletic complex.

#### **Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For Huntington Local School District, this includes general operations, food service and student related activities of the District.

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

The District is associated with eight organizations, five of which are defined as jointly governed organizations, two as insurance purchasing pools and one as a claims servicing pool. These organizations are META Solutions, the Pickaway-Ross Career and Technology Center, the Great Seal Education Network of Tomorrow, the Coalition of Rural and Appalachian Schools, the Pilasco-Ross Special Education Regional Resource Center, the Ohio School Boards Association Workers' Compensation Group Rating Plan, the Ohio School Plan and the Ohio School Benefits Cooperative. These organizations are presented in Notes 20 and 21 to the basic financial statements.

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

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

#### **A. Basis of Presentation**

The District's basic financial statement consists of government-wide financial 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.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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

#### **Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

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

#### **Fund Financial Statements**

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

#### **B. Fund Accounting**

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

#### **Governmental Funds**

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

The following is the District's two major governmental funds:

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

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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

**Elementary and Secondary School Emergency Relief Grant (ESSER) Fund** - This fund is used to account for federal monies received as part of CARES ACT relief funding. These funds are to be used for unforeseen costs that are the result of student instruction during the Coronavirus Pandemic.

The other governmental funds of the District account for grants and other resources of the District whose use is restricted to a particular purpose, for financial resources to be used for the acquisition, construction or improvement of capital facilities other than those financed by proprietary and trust funds; and for the accumulation of resources for and the replacement of general long-term debt principal, interest and related costs.

#### **Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's only fiduciary fund is a private purpose trust fund that accounts for a trust held for scholarships, which had no activity during fiscal year 2024.

#### **C. Measurement Focus**

##### **Government-Wide Financial Statements**

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

##### **Fund Financial Statements**

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

The private purpose trust fund is reported using the economic resources measurement focus.

#### **D. Basis of Accounting**

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

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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

#### **Revenues - Exchange and Nonexchange Transactions**

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at the fiscal year-end: property taxes available for advance, accounts receivable, grants and interest.

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to pension/OPEB are explained in Notes 11 and 12.

In addition to the liabilities, the Statements of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the District, deferred inflows of resources include property taxes, pension/OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension/OPEB are reported on the government-wide Statement of Net Position. (See Notes 11 and 12)

#### **Expenses/Expenditures**

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

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

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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

#### **E. Cash and Cash Equivalents**

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

During the fiscal year 2024, investments were limited to federal agency securities, negotiable certificates of deposit, and U.S. treasury money market funds.

Except for nonparticipating investment contracts, the District reports investments at fair value. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2024 amounted to \$468,157, which includes \$79,260 assigned from other District funds.

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

#### **F. Inventory**

On government-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable materials and supplies held for consumption and donated and purchased food. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed or used.

#### **G. Prepaid Items**

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

#### **H. Capital Assets**

General capital assets are associated with and generally arise from governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition cost as of the date received. The District maintains a capitalization threshold of one thousand dollars. The District does not possess any infrastructure. Improvements are capitalized; the normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Any interest incurred during the construction of capital assets is also capitalized.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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

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

Description	Estimated Lives
Land Improvements	5 -7 years
Buildings and Improvements	20 - 50 years
Furniture, Fixtures and Equipment	3 - 20 years
Vehicles	3 - 10 years

#### **I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable” and “Interfund Payable”. These amounts are eliminated in the governmental activities column of the Statement of Net Position.

#### **J. Compensated Absences**

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payments in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy. The District records a liability for accumulated unused sick leave for classified and certified employees and administrators who have at least 10 years of service with the District.

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

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees will be paid.

#### **K. Pensions**

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

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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

#### **L. Accrued Liabilities and Long-Term Liabilities**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and capital leases are recognized as a liability on the fund financial statements when due.

#### **M. Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position invested in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. Net position restricted for other purposes include federal and state grants restricted to expenses for specified purposes.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the District's \$3,217,821 in total restricted net position, none is restricted by enabling legislation.

#### **N. Fund Balance Classifications**

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

**Nonspendable** – amounts that cannot be spent because they are either not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted** – amounts that can be spent only for specific purposes because either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

**Committed** – amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinances or resolutions of the Board of Education – the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action as when 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.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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

**Assigned** – amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Education, Superintendent and Treasurer have the authority to assign amount to be used for specific purposes. 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 non-spendable and are neither restricted nor committed.

**Unassigned** – this is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

#### **O. Interfund Transactions**

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

#### **P. Estimates**

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

#### **Q. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Any revisions that alter the total of any object appropriations must be approved by the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2024.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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

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

### **NOTE 3 - IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES**

For the fiscal year ended June 30, 2024, the District has implemented GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. This statement enhances accounting and financial reporting requirements for accounting and error corrections to provide more understandable, reliable, relevant, consistent, and compatible information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the School District.

### **NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed or assigned fund balance (GAAP basis).
4. Advances-in and advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Certain funds are maintained as separate funds for accounting and budgetary purposes (budget basis) but do not meet the criteria for separate reporting in the financial statements (GAAP basis) and are reported in the General Fund in accordance with GASB Statement No. 54.

**HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** - (Continued)

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

Net Change in Fund Balance	General	ESSER
GAAP Basis	(\$1,081,709)	\$2,698,579
<i>Adjustments:</i>		
Revenue Accruals	(1,436,600)	(1,238,548)
Expenditure Accruals	(3,295,060)	(36,943)
Encumbrances	(1,610,520)	(1,782,506)
<i>Prospective Difference:</i>		
Activity of Funds Reclassified For GAAP Reporting Purposes	<u>(409,305)</u>	<u>0</u>
Budget Basis	<u><u>(\$7,833,194)</u></u>	<u><u>(\$359,418)</u></u>

**NOTE 5 -ACCOUNTABILITY**

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

Fund	Amount
<i>Nonmajor Special Revenue Funds:</i>	
Construction Project	\$56,899
Classroom Facilities	19,864
Title VI-B	433,376
Chapter I	642,308
Title VI-R	83,141
Intervention Grant	31,022

The deficits in these funds are the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur. These deficits do not exist on the cash basis.

**NOTE 6 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

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

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

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 6 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS** - (Continued)

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

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

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

- (1) United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
- (2) Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- (3) Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
- (4) Bonds and other obligations of the State of Ohio;
- (5) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
- (6) The State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and bankers' acceptances (if authorized by the Board of Education).

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

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

The following information is presented in accordance with GASB Statement No. 40, "Deposit and Investment Risk Disclosures."

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

### **NOTE 6 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS** - (Continued)

#### **Deposits with Financial Institutions**

**Deposits:** Custodial credit risk is the risk that, in the event of a bank failure, the District may not be able to recover deposits on collateral securities that are the possession of an outside party. As of June 30, 2024, all of the District's bank balance of \$2,300,494 was either covered by Federal Deposit Insurance or collateral was held by the pledging banks trust department not in the District's name.

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

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

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

All of the District's financial institutions are enrolled in the OPCS.

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

Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	One to Two Years	Three to Five Years
FFCB	\$331,836	\$95,923	\$235,913	\$0
FNMA	318,032	0	318,032	0
FHLB	1,112,276	502,204	610,072	0
Negotiable CD's	3,737,240	2,082,582	1,654,658	0
U.S. Treasury Money Market Fund	5,192,306	5,192,306	0	0
	<u>\$10,691,690</u>	<u>\$7,873,015</u>	<u>\$2,818,675</u>	<u>\$0</u>

***Interest Rate Risk:*** Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

***Credit Risk:*** The District's investments in Federal Farm Credit Bank, Federal National Mortgage Association, Federal Home Loan Bank, and U.S. Treasury Money Market Funds were rated AA+ and AAA by Standard & Poor's and Aaa and Aaa-mf by Moody's Investor Services, respectively. Credit ratings for the District's investments in negotiable certificates of deposit are not rated. The District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

### **NOTE 6 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS AND INVESTMENTS** - (Continued)

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

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

Investment Type	Fair Value	% of Total
FFCB	\$331,836	3.10%
FNMA	318,032	2.97%
FHLB	1,112,276	10.42%
Negotiable CD's	3,737,240	34.95%
U.S. Treasury Money Market Fund	5,192,306	48.56%
	<u>\$10,691,690</u>	<u>100.00%</u>

The District has categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the District's recurring fair value measurements as of June 30, 2024. All of the District's investments are valued using pricing sources as provided by the investments managers (Level 2).

### **NOTE 7 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31, of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property are required to be revalued every six years.

Real property taxes are paid by taxpayers annually or semi-annually. If paid annually, payment is due December 31, unless extended; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20, unless extended. Under certain circumstances, State statute permits earlier or later payment dates to be established.

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

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

### **NOTE 7 - PROPERTY TAXES** - (Continued)

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

Accrued property taxes receivables represent delinquent taxes outstanding and real property and public utility taxes which became measurable as of June 30, 2024. Although total property tax collections for the fiscal year are measurable, only the amount available as an advance at June 30, 2024 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amounts available as an advance at June 30, 2024 were \$311,900 for the General Fund.

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

	2023 Second Half Collections		2024 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$97,273,180	93.73%	\$97,038,600	94.20%
Public Utility Personal	6,511,370	6.27%	5,974,670	5.80%
Total Assessed Value	\$103,784,550	100.00%	\$103,013,270	100.00%
Tax rate per \$1,000 of assessed valuation		\$28.50		\$28.50

### **NOTE 8-RECEIVABLES**

Receivables at June 30, 2024, consisted of property taxes, intergovernmental grants, accounts (student fees) and interfund. The District believes that all receivables are considered fully collectible within one year due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

#### Governmental Activities

General Fund	\$75,988
ESSER Fund	1,972,087
<i>Nonmajor Special Revenue Funds:</i>	
Title VI-B	320,222
Chapter I	495,372
Title I	159,317
IDEA	10,393
Drug Free Grant	64,579
Title VI-R	55,515
Intervention Grant	49,526
Total Nonmajor Special Revenue Funds	1,154,924
<i>Total Intergovernmental Receivable</i>	
	<u><u>\$3,202,999</u></u>

**HUNTINGTON LOCAL SCHOOL DISTRICT**

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

**NOTE 9 - CAPITAL ASSETS**

Capital asset governmental activity for the fiscal year ended June 30, 2023 was as follows:

Asset Category	Balance at June 30, 2023	Additions	Deductions	Balance at June 30, 2024
<i>Nondepreciable Capital Assets:</i>				
Land	\$769,307	\$0	\$0	\$769,307
Total Nondepreciable Capital Assets	<u>769,307</u>	<u>0</u>	<u>0</u>	<u>769,307</u>
<i>Depreciable Capital Assets:</i>				
Land Improvements	1,126,585	141,884	0	1,268,469
Buildings and Improvements	20,006,335	72,254	0	20,078,589
Furniture, Fixtures and Equipment	1,225,901	447,771	0	1,673,672
Vehicles	<u>1,233,560</u>	<u>0</u>	<u>0</u>	<u>1,233,560</u>
Total Depreciable Capital Assets	<u>23,592,381</u>	<u>661,909</u>	<u>0</u>	<u>24,254,290</u>
Total Capital Assets	<u>24,361,688</u>	<u>661,909</u>	<u>0</u>	<u>25,023,597</u>
<i>Accumulated Depreciation:</i>				
Land Improvements	(483,148)	(66,430)	0	(549,578)
Buildings and Improvements	(10,839,493)	(528,158)	0	(11,367,651)
Furniture, Fixtures and Equipment	(636,107)	(100,997)	0	(737,104)
Vehicles	<u>(655,725)</u>	<u>(110,338)</u>	<u>0</u>	<u>(766,063)</u>
Total Accumulated Depreciation	<u>(12,614,473)</u>	<u>(805,923)</u>	<u>0</u>	<u>(13,420,396)</u>
Total Net Depreciable Capital Assets	<u>10,977,908</u>	<u>(144,014)</u>	<u>0</u>	<u>10,833,894</u>
Total Net Capital Assets	<u>\$11,747,215</u>	<u>(\$144,014)</u>	<u>\$0</u>	<u>\$11,603,201</u>

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 9 - CAPITAL ASSETS** - (Continued)

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$466,674
Special	41,593
Vocational	4,860
<i>Support Services:</i>	
Pupils	27,873
Instructional Staff	7,212
Administration	28,471
Fiscal	7,944
Operations and Maintenance	55,116
Pupil Transportation	124,752
<i>Operation of Non-Instructional Services:</i>	
Food Service	26,354
Extracurricular Activities	<u>15,074</u>
Total Depreciation Expense	<u><u>\$805,923</u></u>

### **NOTE 10 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2024, the District contracted with Neil Coleman Insurance Agency for property and fleet insurance, liability insurance, inland marine coverage, and public official bonds. Coverage's provided are as follows:

Building and Contents - replacement cost (\$2,500 deductible)	\$ 59,441,345
School Band Uniforms (\$500 deductible)	50,000
School Athletic Equipment (\$500 deductible)	50,000
School Musical Instruments (\$500 deductible)	50,000
School Cameras, Projection Machines, Films (\$500 deductible)	50,000
Fine Arts (\$500 deductible)	100,000
Signs that are attached and not attached to Buildings (\$500 deductible)	50,000
Dwellings Under Construction (\$500 deductible)	100,000
Computer Fraud Coverage (\$500 1,000 deductible)	25,000
Public Employee Dishonesty Coverage (\$1,000 deductible)	25,000
Funds Transfer Fraud Coverage (\$1,000 deductible)	25,000
Deception Fraud Coverage (\$1,000 deductible)	25,000

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

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### **NOTE 10 - RISK MANAGEMENT** - (Continued)

During fiscal year 2024, the District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that is selected. The District pays this annual premium to the OSP. (See Note 21).

Automobile Liability (\$1,000 deductible)	1,000,000
Uninsured Motorists	1,000,000
Underinsured Motorists	1,000,000
Cyber Incident Response (\$5,000 deductible)	1,000,000
Cyber Crime (\$5,000 deductible)	250,000
System Damage & Business Interruption (\$5,000 deductible)	1,000,000
Network Security & Privacy Liability (\$5,000 deductible)	1,000,000
Media Liability (\$5,000 deductible)	1,000,000
General Liability:	
Bodily Injury and Property Damage - Each Occurrence Limit and	1,000,000
Sexual Abuse Injury - Each Sexual Abuse Offense Limit	1,000,000
Personal and Advertising Injury – Each Offense Limit	1,000,000
Fire Damage - Any One Event Limit	500,000
Medical Expense - Any One Person Limit	10,000
Medical Expense - Each Accident Limit	10,000
General Aggregate Limit	3,000,000
Products - Completed Operations Limit	1,000,000
Employer's Liability and Stop Gap Endorsement:	
Bodily Injury by Accident - Each Accident Limit	1,000,000
Bodily Injury by Disease - Endorsement Limit	1,000,000
Bodily Injury by Disease - Each Employee Limit	1,000,000
Fiduciary Liability - Claims Made:	
Fiduciary Liability - Each Fiduciary Claim Limit	1,000,000
Fiduciary Liability Aggregate Limit	3,000,000
Security and Law Enforcement Liability	
Each Occurrence, Offense or Sexual Abuse Offense	1,000,000
Aggregate	3,000,000
Educational Legal Liability Coverage (\$2,500 deductible):	
Errors and Omissions Injury Limit - Each Wrongful Act	1,000,000
Errors and Omissions Injury Aggregate Limit	3,000,000
Employment Practices Injury Limit - Each Wrongful Act	1,000,000
Employment Practices Injury Aggregate Limit	3,000,000
Declaratory, Equitable and Injunctive Relieve Defense Aggregate	100,000

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 10 - RISK MANAGEMENT** - (Continued)

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

The District participates in the Comp Management Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The third party administrator, Comp Management, reviews each participant's claims experience and determines the rating tier for that participant.

The firm Comp Management, LLC. provides administrative, cost control and actuarial services to the Plan. Each year the District pays an enrollment fee to the Plan to cover costs of administering the program.

### **NOTE 11 - DEFINED BENEFIT PENSION PLANS**

#### ***Net Pension Liability***

Pensions are a component of exchange transactions--between an employer and its employees--of salaries and benefits for employee services. Pensions are provided to an employee--on a deferred-payment basis--as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

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

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

### **NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

#### ***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The District's contractually required contribution to SERS was \$293,352 for fiscal year 2024. Of this amount, none is reported as an intergovernmental payable.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

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

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

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### **NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

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

**Funding Policy** – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2024, plan members were required to contribute 14 percent of their annual covered salary. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2024 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$1,261,982 for fiscal year 2024. Of this amount, \$193,160 is reported as an intergovernmental payable.

#### ***Net Pension Liability***

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

	SERS	STRS	Total
<i>Proportion of the Net Pension Liability:</i>			
Current Measurement Date	0.04979030%	0.05950014%	
Prior Measurement Date	0.05123070%	0.05552468%	
Change in Proportionate Share	-0.00144040%	-0.00397546%	
Proportionate Share of the Net Pension Liability	2,751,171	12,813,318	15,564,489
Pension Expense	308,439	1,164,673	1,473,112

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

### **NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$118,251	\$467,146	\$585,397
Changes of Assumptions	19,488	1,055,246	1,074,734
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	0	634,820	634,820
District Contributions Subsequent to the Measurement Date	<u>293,352</u>	<u>1,261,982</u>	<u>1,555,334</u>
<b>Total Deferred Outflows of Resources</b>	<b><u>\$431,091</u></b>	<b><u>\$3,419,194</u></b>	<b><u>\$3,850,285</u></b>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$0	\$28,433	\$28,433
Net Difference between Projected and Actual Investment Earnings	38,669	38,401	77,070
Changes of Assumptions	0	794,296	794,296
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	<u>57,465</u>	<u>64,893</u>	<u>122,358</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>\$96,134</u></b>	<b><u>\$926,023</u></b>	<b><u>\$1,022,157</u></b>

\$1,555,334 reported as deferred outflows of resources related to pension resulting from College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
<b>Fiscal Year Ending June 30:</b>			
2025	(\$3,916)	\$7,225	\$3,309
2026	(134,978)	(277,550)	(412,528)
2027	178,448	1,421,469	1,599,917
2028	<u>2,051</u>	<u>80,045</u>	<u>82,096</u>
	<b><u>\$41,605</u></b>	<b><u>\$1,231,189</u></b>	<b><u>\$1,272,794</u></b>

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

### **NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

#### ***Actuarial Assumptions - SERS***

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

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

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

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

	June 30, 2023	June 30, 2022
Inflation	2.40 percent	2.40 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of investment expenses	7.00 percent net of system expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

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

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

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

### **NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. ORC 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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

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

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

	Current		
	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
District's Proportionate Share of the Net Pension Liability	\$4,060,587	\$2,751,171	\$1,648,236

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

### **NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

#### **Actuarial Assumptions - STRS**

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

	June 30, 2023	June 30, 2022
Inflation	2.50 percent	2.50 percent
Projected salary increases	8.50 percent at age 20 to 2.50 percent at age 65	8.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.00 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent	0.0 percent,

Post-Retirement mortality rates for 2023 and 2022 are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

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

\* Final target weights reflected at October 1, 2022.

\*\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and does not include investment expenses. Over a 30 year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

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### **NOTE 11 - DEFINED BENEFIT PENSION PLANS** – (Continued)

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023, and was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

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

	1% Decrease (6.45%)	Current		1% Increase (8.45%)
		Discount Rate (7.45%)		
District's Proportionate Share of the Net Pension Liability		\$19,704,047	\$12,813,318	\$6,985,647

**Assumption and Benefit Changes Since the Prior Measurement Date** – Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

### **NOTE 12 - DEFINED BENEFIT OPEB PLANS**

#### ***Net OPEB Liability***

OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

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### **NOTE 12 - DEFINED BENEFIT OPEB PLANS**– (Continued)

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

#### **Plan Description - School Employees Retirement System (SERS)**

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

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

**Funding Policy** - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$35,064.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 12 - DEFINED BENEFIT OPEB PLANS**– (Continued)

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$35,064 for fiscal year 2024, which is reported as an intergovernmental payable.

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

**Plan Description** – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements was discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

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

#### ***Net OPEB Liability***

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

	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
<i>Proportion of the Net OPEB Liability:</i>			
Current Measurement Date	0.05120760%	0.05950014%	
Prior Measurement Date	0.05246160%	0.05552468%	
Change in Proportionate Share	0.00125400%	-0.00397546%	
Proportionate Share of the Net OPEB Liability/Asset	\$843,617	(\$1,157,196)	(\$313,579)
OPEB Expense	(\$64,579)	(\$57,186)	(\$121,765)

**HUNTINGTON LOCAL SCHOOL DISTRICT**

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

**NOTE 12 - DEFINED BENEFIT OPEB PLANS**—(Continued)

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$1,760	\$1,804	\$3,564
Net Difference between Projected and Actual Investment Earnings	6,541	2,065	8,606
Changes of Assumptions	285,248	170,473	455,721
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	153,101	10,704	163,805
District Contributions Subsequent to the Measurement Date	<u>35,064</u>	<u>0</u>	<u>35,064</u>
<b>Total Deferred Outflows of Resources</b>	<b>\$481,714</b>	<b">\$185,046</b">	<b>\$666,760</b>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$435,085	\$176,504	\$611,589
Changes of Assumptions	239,599	763,503	1,003,102
Changes in Proportion and Differences between Districts Contributions and Proportionate Share of Contributions	107,002	16,358	123,360
<b>Total Deferred Inflows of Resources</b>	<b>\$781,686</b>	<b>\$956,365</b>	<b">\$1,738,051</b">

\$35,064 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$102,734)	(\$332,093)	(\$434,827)
2026	(96,547)	(157,691)	(254,238)
2027	(53,633)	(61,671)	(115,304)
2028	(30,964)	(82,707)	(113,671)
2029	(38,734)	(76,124)	(114,858)
Thereafter	<u>(12,694)</u>	<u>(61,033)</u>	<u>(73,727)</u>
	<b><u>(\$335,306)</u></b>	<b><u>(\$771,319)</u></b>	<b><u>(\$1,106,625)</u></b>

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

### **NOTE 12 - DEFINED BENEFIT OPEB PLANS**– (Continued)

#### **Actuarial Assumptions - SERS**

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

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

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

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

	June 30, 2023	June 30, 2022
Inflation	2.40 percent	2.40 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense	7.00 percent net of investment expense, including inflation
Municipal Bond Index Rate:		
Measurement Date	3.86 percent	3.69 percent
Prior Measurement Date	3.69 percent	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation		
Measurement Date	4.27 percent	4.08 percent
Prior Measurement Date	4.08 percent	2.27 percent
Medical Trend Assumption		
Medicare	6.75 to 4.40 percent	7.00 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent	7.00 to 4.40 percent

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 12 - DEFINED BENEFIT OPEB PLANS**– (Continued)

For 2023 and 2022, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

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

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

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

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

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

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

### **NOTE 12 - DEFINED BENEFIT OPEB PLANS**– (Continued)

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	\$1,078,384	\$843,617	\$658,494
<hr/>			
	Current		
	1% Decrease	Trend Rate	1% increase
District's Proportionate Share of the Net OPEB Liability	\$619,776	\$843,617	\$1,140,237

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 12 - DEFINED BENEFIT OPEB PLANS** – (Continued)

#### **Actuarial Assumptions - STRS**

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

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 8.50 percent at age 20 to 2.50 percent at age 65	Varies by service from 8.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medical	7.50 percent initial, 4.14 percent ultimate	7.50 percent initial, 3.94 percent ultimate
Medicare	-10.94 percent initial, 4.14 percent ultimate	-68.78 percent initial, 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	11.95 percent initial, 4.14 percent ultimate	9.00 percent initial, 3.94 percent ultimate
Medicare	1.33 percent initial, 4.14 percent ultimate	-5.47 percent initial, 3.94 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2023; valuation is based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021.

## HUNTINGTON LOCAL SCHOOL DISTRICT

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

### **NOTE 12 - DEFINED BENEFIT OPEB PLANS** – (Continued)

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

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

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

\*\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023, and was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan assets of 7.00 percent was used to measure the total OPEB liability as of June 30, 2023.

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Asset	(\$979,415)	(\$1,157,196)	(\$1,312,024)
Current			
District's Proportionate Share of the Net OPEB Asset	1% Decrease	Discount Rate	1% Increase
	(\$1,319,209)	(\$1,157,196)	(\$962,054)

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 12 - DEFINED BENEFIT OPEB PLANS** – (Continued)

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

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

### **NOTE 13 - EMPLOYEE BENEFITS**

#### **Compensated Absences**

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-half days per month. Sick leave may be accumulated without limitation for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 55 days for classified employees and 57 days for certified employees.

#### **Insurance Benefits**

The District provides life insurance and accidental death and dismemberment insurance to most employees through U.S. Life Insurance.

#### **Special Termination Benefit**

The Board of Education approved a Special Termination Benefit program. All individuals with 30 years of STRS Ohio retirement credit are eligible for a one-time \$15,000 severance bonus. For the bonus to be collected, an individual's retirement must be completed no later than August 1 following the school year in which the individual first becomes eligible to retire. The individual must submit a written notification to the Superintendent by March 1 in order to receive the incentive.

#### **Deferred Compensation**

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

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

### **NOTE 14- LONG-TERM OBLIGATIONS**

Changes in the long-term obligations of the District during the 2023 fiscal year were as follows:

	Issue Date	Interest Rate	Principal Outstanding at June 30, 2023	Principal Additions	Principal Deductions	Principal Outstanding at June 30, 2024	Amount Due In One Year
<i><u>Governmental Activities:</u></i>							
<i><u>Net Pension Liability:</u></i>							
STRS	N/A		\$12,343,206	\$470,112	\$0	\$12,813,318	\$0
SERS	N/A		2,770,955	0	19,784	2,751,171	0
Total Net Pension Liability			<u>15,114,161</u>	<u>470,112</u>	<u>19,784</u>	<u>15,564,489</u>	<u>0</u>
<i><u>Net OPEB Liability:</u></i>							
SERS	N/A		736,566	107,051	0	843,617	0
Total Net Pension Liability			<u>736,566</u>	<u>107,051</u>	<u>0</u>	<u>843,617</u>	<u>0</u>
Financed Purchases	7.5-10%		2,618,207	0	216,278	2,401,929	216,929
Compensated Absences	N/A		971,651	443,014	304,540	1,110,125	118,552
Total Governmental Activities Long-Term Obligations			<u>\$19,440,585</u>	<u>\$1,020,177</u>	<u>\$540,602</u>	<u>\$19,920,160</u>	<u>\$335,481</u>

The District pays obligations related to employee compensation from the fund benefitting from their service. Compensated absences payable are paid from the fund from which the person is paid. The financed purchases are paid from the General Fund.

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that un-voted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The District's voted legal debt margin was \$9,340,610 with an unvoted debt margin of \$103,785 at June 30, 2023.

### **NOTE 15- FINANCED PURCHASES**

During fiscal year 2020, the District entered into a finance purchase agreement in the amount of \$163,202 for 10 Digital Copiers. These copiers will be used throughout the District. The finance purchase will be paid in 60 monthly payments, concluding on November 15, 2024, with an interest rate of 7%.

During fiscal year 2020, the District entered into a finance purchase agreement in the amount of \$3,060,000 for an energy project. The energy project includes upgrades to the lighting and HVAC systems throughout the District. The finance purchase will be paid in 15 annual payments, concluding on December 1, 2034, with an interest rate of 2.98%.

Capital assets acquired by finance purchase were initially capitalized in the Statement of Net Position for governmental activities in the amount of \$3,223,202 which is equal to the present value of the minimum finance purchase payments at the time of acquisition. A corresponding liability was recorded on the Statement of Net Position for governmental activities. Principal payments in fiscal year 2024 totaled \$216,278 and were paid from the General Fund.

**HUNTINGTON LOCAL SCHOOL DISTRICT**

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

**NOTE 15- FINANCED PURCHASES** – (Continued)

The capital assets acquired through finance purchase agreements as of June 30, 2024, are as follows:

	Asset Value	Accumulated Depreciation	Net Book Value
<i>Capital Assets:</i>			
Energy Systems Equipment	\$3,060,000	\$1,326,000	\$1,734,000
10 Digital Copiers	163,202	163,202	0

The following is a schedule of the future long-term finance purchase payments:

Fiscal Year Ending June 30,	Energy Systems		Copiers	
	Principal	Interest	Principal	Interest
2025	\$185,000	\$67,870	\$31,929	\$3,619
2026	190,000	62,282	0	0
2027	195,000	56,545	0	0
2028	200,000	50,660	0	0
2029	210,000	44,551	0	0
2030-2034	1,140,000	124,118	0	0
2035-2037	250,000	3,725	0	0
Total Future Minimum Lease Payments	<u><u>\$2,370,000</u></u>	<u><u>\$409,751</u></u>	<u><u>\$31,929</u></u>	<u><u>\$3,619</u></u>

**NOTE 16- INTERFUND ACTIVITY**

As of June 30, 2024, receivables and payables that resulted from various interfund transactions were as follows:

	Interfund Receivable	Interfund Payable
General	\$1,211,976	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Construction Project	0	56,899
Classroom Facilities Maintenance	0	19,089
Title VI-B	0	404,693
Chapter I	0	632,635
Title VI-R	0	70,946
Intervention Grant	0	27,714
Total Non-Major Funds	0	1,211,976
Total	<u><u>\$1,211,976</u></u>	<u><u>\$1,211,976</u></u>

All balances are scheduled to be collected in the subsequent year. All balances resulted from the time between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balance of \$89,375 due to the General Fund from the funds listed is a result of negative cash balances.

**HUNTINGTON LOCAL SCHOOL DISTRICT**

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

**NOTE 17- FUND BALANCES**

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

	General	ESSER	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>				
Prepays	\$7,912	\$0	\$0	\$7,912
Inventory	6,807	0	17,592	24,399
<i>Total Nonspendable</i>	<u>14,719</u>	<u>0</u>	<u>17,592</u>	<u>32,311</u>
<i>Restricted:</i>				
<i>Special Revenues:</i>				
Food Service	0	0	82,388	82,388
Student Activities	0	0	75,071	75,071
Athletics	0	0	79,508	79,508
Local Grants	0	0	31,414	31,414
State Grants	0	0	27,428	27,428
Federal Grants	0	1,111,664	0	1,111,664
Debt Service	0	0	7,193	7,193
<i>Total Restricted</i>	<u>0</u>	<u>1,111,664</u>	<u>303,002</u>	<u>1,414,666</u>
<i>Assigned:</i>				
<i>Encumbrances:</i>				
Instruction	895,504	0	0	895,504
Support Services	555,069	0	0	555,069
Extracurricular Activities	30,611	0	0	30,611
Capital Outlay	129,336	0	0	129,336
Public School Support	49,133	0	0	49,133
Sick Leave Support	239,489	0	0	239,489
<i>Total Assigned</i>	<u>1,899,142</u>	<u>0</u>	<u>0</u>	<u>1,899,142</u>
<i>Unassigned</i>	<u>10,424,010</u>	<u>0</u>	<u>(1,266,610)</u>	<u>9,157,400</u>
<b>Total Fund Balance</b>	<b><u>\$12,337,871</u></b>	<b><u>\$1,111,664</u></b>	<b><u>(\$946,016)</u></b>	<b><u>\$12,503,519</u></b>

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 18 - STATUTORY SET-ASIDES**

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

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2024:

	<u>Capital Improvements</u>
Set Aside Balance June 30, 2023	\$0
Current Year Set Aside Requirement	224,038
Qualifying Disbursements	<u>(1,857,304)</u>
Total	<u>(1,633,266)</u>
Set Aside Reserved Balance as of June 30, 2024	<u><u>\$0</u></u>

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

### **NOTE 19- ENCUMBRANCE COMMITMENTS**

At June 30, 2024, the District had encumbrance commitments in the Governmental Funds as follows:

<u>Major Funds</u>	
General	\$1,610,520
ESSER	1,782,506
<u>Nonmajor Funds</u>	
Permanent Improvement	291,519
Food Service	64,491
Public School Support	293
IDEA-B	31,944
Classroom Facilities Maintenance	775
Student Activities	628
Athletics	32,570
Miscellaneous Local Grants	1,120
Employee Benefits STRS/SERS	436,935
Title V-B	2,262
Title I	<u>38,552</u>
<i>Total Nonmajor Funds</i>	<u>901,089</u>
Total Encumbrances	<u><u>\$4,294,115</u></u>

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 20- JOINTLY GOVERNED ORGANIZATIONS**

#### **META Solutions**

Meta Solutions is a jointly governed organization as a regional council of governments pursuant to State statutes. Meta Solutions develops, implements, and supports the technology and instructional needs of member districts including financial accounting services, educational management information services, and cooperative purchasing services. META Solutions membership consists of 152 public schools, 11 educational service centers, 15 career technology centers, and more than 200 non-public chartered schools. Non-public charter schools are not members but receive services based on contractual agreements and are not eligible for seats on the board of directors. Each member district pays an annual fee for services provided by META Solutions. META Solutions is governed by an 11-member board of directors made up of Superintendents and School Business Officials selected from the 178 member public school districts. The board of directors controls the budget and finances of META Solutions. The continued existence of META Solutions is not dependent on the District's continued participation and no equity interest exists. Financial statements for META Solutions can be obtained from the META Solutions office, 2100 Citygate Drive, Columbus, Ohio 43219. The District made payments of \$50,935 to META Solutions for fiscal year 2023.

#### **Pickaway-Ross County Career and Technology Center**

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

#### **Great Seal Education Network of Tomorrow**

The Great Seal Education Network of Tomorrow is a regional council of governments (the "Council") consisting of twelve city, local, and joint vocational school districts, two educational service centers and the Ohio University-Chillicothe Campus for the purpose of promoting the use of advanced telecommunications and technology to provide enhanced educational opportunities to the communities of Ross and Pickaway Counties. The Council is operated under the direction of a Board of Directors consisting of one representative (the superintendent or another person appointed by the board of education) of each of the members. The Council possesses its own budgeting and taxing authority. To obtain financial information, write to the Ohio University-Chillicothe Campus, who acts as fiscal agent, at 571 West Fifth Street, Chillicothe, Ohio 45601.

#### **Coalition of Rural and Appalachian Schools**

The Coalition of Rural and Appalachian Schools is a jointly governed organization of over one hundred school districts in southeastern Ohio. The Coalition is operated by a Board which is composed of fourteen members. The Board members are composed of one superintendent from each county elected by the school districts within that county. The Council provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or a financial responsibility for the Council. The District made payments of \$5,000 to the Coalition for services in fiscal year 2024.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 21- INSURANCE PURCHASING AND CLAIMS SERVICING POOLS**

#### **Pilasco-Ross Special Education Regional Resource Center**

The Pilasco-Ross Special Education Regional Resource Center (SERRC) is a special education service center which represents Lawrence, Pike, Ross and Scioto Counties. The SERRC selects its own governing board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly-governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

The SERRC is governed by a Board composed of superintendents of participating schools, parents of children with disabilities, representatives of county boards of MR/DD, Joint Vocational Schools, Pickaway-Ross County Career and Technology Center, Shawnee State University, and Ross-Pike, Lawrence and South Central Ohio Educational Service Centers, whose terms rotate every year. The degree of control exercised by any participating school district is limited to its representation on the Board. The fiscal agent for the SERRC is Dawson-Bryant Local School District. Financial information can be obtained by contacting Donald Washburn, Director of Pilasco-Ross, at the South Central Ohio Educational Service Center, 411 Court Street, Portsmouth, Ohio 45662.

#### **SchoolComp Worker's Compensation Group Rating Plan**

The District participates in a workers' compensation program jointly sponsored by the Ohio Association of School Business Officials (OASBO) and the Ohio School Board Association (OSBA), known as SchoolComp. CompManagement, Inc. (CMI) is the program's third party administrator. SchoolComp serves to group its members' risks for the purpose of obtaining a favorable experience rating to determine its premium liability to the Ohio Bureau of Workers' Compensation (OBWC) and the Ohio Workers' Compensation Fund. This may be accomplished through participation in a group rating program or through group retrospective rating. The District has chosen to participate in the group rating program for 2024. Participation in SchoolComp is restricted to members who meet enrollment criteria and are jointly in good standing with OASBO and OSBA. OASBO and OSBA are certified sponsors recognized by OBWC.

#### **Ohio School Plan**

#### **Risk Pool Membership**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omission, injuries to employees, and natural disasters. During fiscal year 2024, the School District contracted with the Ohio School Plan for liability, property insurance and fleet insurance. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

*Ohio School Plan* - The District belongs to the Ohio School Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 307 Ohio schools ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, general liability, educator's legal liability, automobile and violence coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's specific deductible.

## **HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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### **NOTE 21- INSURANCE PURCHASING AND CLAIMS SERVICING POOLS** - (Continued)

The Plan issues its own policies and reinsurance the Plan with reinsurance carriers. The Plan retains the first \$150,000 of property losses subject to an annual aggregate. The Plan retains the first \$150,000 of casualty losses. (See the Plan's audited financial statements on the Auditor of State of Ohio's website for more details.) The individual members are responsible for their self-retention (deductible) amounts, which vary from member to member.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2023 and 2022.

	<u>2023</u>	<u>2022</u>
Assets	\$19,048,264	\$17,878,913
Liabilities	<u>13,713,334</u>	<u>11,253,693</u>
Members Equity	<u>\$5,334,930</u>	<u>\$6,625,220</u>

You can read the complete audited financial statements for The Ohio School Plan at Auditor of State of Ohio's website, <https://ohioauditor.gov/> under "Audit Search".

### **Ohio School Benefits Cooperative**

The District participates in the Ohio School Benefits Cooperative, a claims servicing and group purchasing pool comprised of thirty-four members. The Ohio School Benefits Cooperative (OSBC) is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. OSBC is governed by a nine member Board of Directors, all of whom must be school district and/or educational service center administrator. The Muskingum Valley Educational Service Center serves as the fiscal agent for OSBC. OSBC is an unincorporated, non-profit association of its members which was created for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs if medical, prescription drug, vision, dental, life and/or other group insurance coverage for their employees, and the eligible dependents and designated beneficiaries of such employees.

Participants pay a \$500 membership fee to OSBC. OSBC offers two options to participants. Participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision, dental, and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OSBC's third party administrator. Medical Mutual/Antares is the Administrator of the OSBC. During fiscal year 2023, the District elected to participate in the joint insurance purchasing program for medical, prescription drug, dental and vision coverage.

Accordingly, the Ohio School Benefits Cooperative is not part of the District and its operations are not included as part of the reporting entity. To obtain financial information, write to the Muskingum Valley Educational Service Center, Christine Wagner, who serves as Treasurer, at 205 North 7<sup>th</sup> Street, Zanesville, Ohio 43701.

**HUNTINGTON LOCAL SCHOOL DISTRICT**

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

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**NOTE 22 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is involved in no pending litigation that would have a material effect on the financial condition of the District.

**C. School Foundation**

School district Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2024 are finalized. As a result, the net impact of the FTE adjustments on the fiscal year 2024 financial statements was insignificant.

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**HUNTINGTON LOCAL SCHOOL DISTRICT**  
*Schedule of the District's Proportionate Share of Net Pension Liability*  
*Last Ten Measurement Periods*

	2023	2022	2021	2020
<b><u>School Employees Retirement System of Ohio</u></b>				
District's Proportion of the Net Pension Liability	0.0497903%	0.0512307%	0.0517788%	0.0468043%
District's Proportionate Share of the Net Pension Liability	\$2,751,171	\$2,770,955	\$1,910,488	\$3,095,735
District's Covered Payroll	\$2,034,343	\$1,976,914	\$1,938,171	\$1,903,714
District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	135.24%	140.17%	98.57%	162.62%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%
<b><u>State Teachers Retirement System of Ohio</u></b>				
District's Proportion of the Net Pension Liability	0.05950014%	0.05552468%	0.05604749%	0.05549909%
District's Proportionate Share of the Net Pension Liability	\$12,813,318	\$12,343,206	\$7,166,176	\$13,428,805
District's Covered Payroll	\$7,499,843	\$7,509,957	\$6,771,943	\$6,845,279
District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	170.85%	164.36%	105.82%	196.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.88%	87.80%	75.48%

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

2019	2018	2017	2016	2015	2014
0.0502108%	0.0447208%	0.0470363%	0.0514699%	0.0534460%	0.0476270%
\$3,004,200	\$2,561,243	\$2,810,315	\$3,767,122	\$2,872,712	\$2,410,375
\$1,898,400	\$1,843,886	\$1,801,543	\$1,904,400	\$1,904,036	\$1,710,101
158.25%	138.90%	155.99%	197.81%	150.87%	140.95%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%
0.05640819%	0.05591158%	0.05440926%	0.05376910%	0.05394574%	0.05450682%
\$12,474,332	\$12,293,701	\$12,925,036	\$17,998,139	\$14,909,025	\$13,257,945
\$6,818,221	\$6,389,943	\$5,849,371	\$5,780,057	\$5,913,614	\$5,827,331
182.96%	192.39%	220.96%	311.38%	252.11%	227.51%
77.40%	77.31%	75.30%	66.80%	72.10%	74.70%

**HUNTINGTON LOCAL SCHOOL DISTRICT**

*Schedule of the District's Proportionate Share of Net OPEB Liability/Asset  
Last Eight Measurement Periods (1)*

	2023	2022	2021	2020
<b><u>School Employees Retirement System of Ohio</u></b>				
District's Proportion of the Net OPEB Liability	0.05120760%	0.05246160%	0.05337520%	0.04625210%
District's Proportionate Share of the Net OPEB Liability	\$843,617	\$736,566	\$1,010,169	\$1,005,210
District's Covered-Employee Payroll	\$2,034,343	\$1,976,914	\$1,938,171	\$1,903,714
District's Proportionate Share of the Net OPEB Liability as a Percentage of it's Covered-Employee Payroll	41.47%	37.26%	52.12%	52.80%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%
<b><u>State Teachers Retirement System of Ohio</u></b>				
District's Proportion of the Net OPEB Liability	0.05950014%	0.05552468%	0.05604749%	0.05549909%
District's Proportionate Share of the Net OPEB Asset	\$1,157,196	\$1,437,719	\$1,181,715	\$975,395
District's Proportionate Share of the Net OPEB Liability	\$0	\$0	\$0	\$0
District's Covered-Employee Payroll	\$7,499,843	\$7,509,957	\$6,771,943	\$6,845,279
District's Proportionate Share of the Net OPEB Liability as a Percentage of it's Covered-Employee Payroll	(15.43%)	(19.14%)	(17.45%)	(14.25%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.50%	230.73%	174.70%	182.13%

(1) Information prior to 2016 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

2019	2018	2017	2016
0.05106690%	0.04541490%	0.04761270%	0.04761270%
\$1,284,225	\$1,259,932	\$1,277,800	\$1,357,138
\$1,898,400	\$1,843,886	\$1,801,543	\$1,904,400
67.65%	68.33%	70.93%	71.26%
15.57%	13.57%	12.46%	11.49%
0.05640819%	0.05591158%	0.05440926%	0.05440926%
\$934,255	\$898,442	\$0	\$0
\$0	\$0	\$2,122,849	\$2,909,821
\$6,818,221	\$6,389,943	\$5,849,371	\$5,780,057
(13.70%)	(14.06%)	36.29%	50.34%
174.74%	176.00%	47.10%	37.30%

**HUNTINGTON LOCAL SCHOOL DISTRICT**

*Schedule of the District's Contributions  
School Employees Retirement Systems of Ohio  
Last Ten Fiscal Years*

	2024	2023	2022	2021
<b><u>Pension</u></b>				
Contractually Required Contributions	\$293,352	\$284,808	\$276,768	\$271,344
Contributions in Relation to the Contractually Required Contributions	<u>(293,352)</u>	<u>(284,808)</u>	<u>(276,768)</u>	<u>(271,344)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
 District Covered-Employee Payroll	 \$2,095,371	 \$2,034,343	 \$1,976,914	 \$1,938,171
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%
 <b><u>OPEB</u></b>	 	 	 	 
Contractually Required Contributions (1)	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
 District Covered-Employee Payroll	 \$2,095,371	 \$2,034,343	 \$1,976,914	 \$1,938,171
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

(1) Excludes surcharge amount

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
\$266,520	\$256,284	\$248,925	\$252,216	\$266,616	\$250,952
(266,520)	(256,284)	(248,925)	(252,216)	(266,616)	(250,952)
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$1,903,714	\$1,898,400	\$1,843,886	\$1,801,543	\$1,904,400	\$1,904,036
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%
\$0	\$9,492	\$9,219	\$0	\$0	\$15,613
0	(9,492)	(9,219)	0	0	(15,613)
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$1,903,714	\$1,898,400	\$1,843,886	\$1,801,543	\$1,904,400	\$1,904,036
0.00%	0.50%	0.50%	0.00%	0.00%	0.82%

**HUNTINGTON LOCAL SCHOOL DISTRICT**

*Schedule of the District's Contributions  
State Teachers Retirement System of Ohio  
Last Ten Fiscal Years*

	2024	2023	2022	2021
<b><u>Pension</u></b>				
Contractually Required Contributions	\$1,261,982	\$1,049,978	\$1,051,394	\$948,072
Contributions in Relation to the Contractually Required Contributions	<u>(1,261,982)</u>	<u>(1,049,978)</u>	<u>(1,051,394)</u>	<u>(948,072)</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
 District Covered-Employee Payroll	 \$9,014,157	 \$7,499,843	 \$7,509,957	 \$6,771,943
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%	14.00%
 <b><u>OPEB</u></b>				
Contractually Required Contributions	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contributions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
 District Covered-Employee Payroll	 \$9,014,157	 \$7,499,843	 \$7,509,957	 \$6,771,943
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

2020	2019	2018	2017	2016	2015
\$958,339	\$954,551	\$894,592	\$818,912	\$809,208	\$827,906
(958,339)	(954,551)	(894,592)	(818,912)	(809,208)	(827,906)
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$6,845,279	\$6,818,221	\$6,389,943	\$5,849,371	\$5,780,057	\$5,913,614
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
\$6,845,279	\$6,818,221	\$6,389,943	\$5,849,371	\$5,780,057	\$5,913,614
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**HUNTINGTON LOCAL SCHOOL DISTRICT**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

**Pension**

*Changes in benefit terms:*

2014-2017: There were no changes in benefit terms for the period.

2018: The following were the most significant changes in benefit terms:

- The cost-of-living adjustment was changed from a fixed 3.00% to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018.
- Under HB 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar year 2018, 2019 and 2020.

2019: The following were the most significant changes in benefit terms:

- Under Senate Bill 8, the Board enacted a three-year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2020-2024: There were no changes in benefit terms for the period.

*Changes in assumptions:*

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

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

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.

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

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

- Assumed rate of inflation was reduced from 3.00% to 2.4%
- Payroll Growth Assumption was reduced from 3.5% to 3.25%

**HUNTINGTON LOCAL SCHOOL DISTRICT**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO (Continued)**

- Mortality among active members was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection and a five year age set-forward for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection with Scale BB, 105.5% of male rates, and 122.5% of female rates.

2023: The following changes were made to the actuarial assumptions as identified:

- Cost-of-Living Adjustments was increased from 2.00% to 2.50% for calendar year 2023.

2024: The following changes were made to the actuarial assumptions as identified:

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

**Other Postemployment Benefits**

*Changes in benefit terms:*

2017-2024: There were no changes in benefit terms for the period.

*Changes in assumptions:*

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

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

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

- Discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent.
- Discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent.

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

**HUNTINGTON LOCAL SCHOOL DISTRICT**

*Notes to the Required Supplementary Information*

*For the Fiscal Year Ended June 30, 2024*

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**NOTE 1 – SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO (Continued)**

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

- Assumed rate of inflation was reduced from 3.00% to 2.4%
- Payroll Growth Assumption was reduced from 3.5% to 1.75%
- Mortality among active members was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection and a five year age set-forward for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
  - PUB 2010 General Employee Amount Weighted Below Medium Healthy Retiree Mortality Table with fully generational projection with Scale BB, 105.5% of male rates, and 122.5% of female rates.

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

2024: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- The assumption for percent of pre-Medicare eligible retirees who chose the Wraparound plan increased from 10% to 20%.
- The health care trend assumption on retiree premiums was updated to not apply trend to the \$35 surcharge.
- An assumption was added to assume that 15% of pre-65 retirees who waive will elect coverage upon Medicare eligibility.

**NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

**Pension**

*Changes in benefit terms:*

2017-2024: There were no changes in benefit terms for the period.

*Changes in assumptions:*

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

- Long term expected rate of return was reduced from 7.75% to 7.45%,
- Inflation assumption was lowered from 2.75% to 2.50%,
- Payroll growth assumption was lowered to 3.00%,
- Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation.
- Healthy and disabled mortality assumptions were updated to the following:
  - RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

**HUNTINGTON LOCAL SCHOOL DISTRICT**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO (Continued)**

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

2022: Long term expected rate of return was reduced from 7.45% to 7.00%.

2023: Projected salary increases beginning rate changed from 12.50% to 8.50%.

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

**Other Postemployment Benefits**

*Changes in benefit terms:*

2017: There were no changes in benefit terms for the period.

2018: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service.
- Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries
- All remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements is extended to January 2020.

2019: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019.
- The non-Medicare frozen subsidy base premium was increased effective January 1, 2019.
- All remaining Medicare Part B premium reimbursements will be discontinued beginning January 2021.

2020: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was increased from 1.944% to 1.984% per year of service effective January 1, 2020.
- The non-Medicare frozen subsidy base premium was increased effective January 1, 2020.
- Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare Plan.
- Medicare Part B monthly reimbursements elimination date was postponed to January 1, 2021.

2021: The following were the most significant changes in benefit terms:

- The subsidy multiplier for non-Medicare benefit recipients was increased from 1.984% to 2.055% per year of service effective January 1, 2021.
- The non-Medicare frozen subsidy base premium was increased effective January 1, 2021.
- Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare Plan.

**HUNTINGTON LOCAL SCHOOL DISTRICT**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 2 - STATE TEACHERS RETIREMENT SYSTEM OF OHIO (Continued)**

- Medicare Part B monthly reimbursements elimination date was postponed indefinitely.

2022 - 2024: There were no changes in benefit terms for the period.

*Changes in assumptions:*

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

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

- Discount rate was increased from 3.26% to 4.13%
- Long term expected rate of return was reduced from 7.75% to 7.45%.
- Valuation year per capita health care costs were updated, and the salary scale was modified.
- The percentage of future retirees electing each option was updated
- The percentage of future disabled retirees and terminated vested participants electing health coverage were decreased.
- The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

2019: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45%
- Valuation year per capita health care costs were updated

2020-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions.

2022: Discount rate was reduced from 7.45% to 7.00%.

2023: The following were the most significant changes of assumptions that affected total pension liability since the prior measurement date:

- Projected salary increases beginning rate changed from 12.50% to 8.50%.
- Health care cost trend rates were modified for medical and prescription drug costs.

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

**HUNTINGTON LOCAL SCHOOL DISTRICT  
ROSS COUNTY**

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

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Donation)	10.555	N/A	\$ 63,693
Cash Assistance:			
School Breakfast Program	10.553	3L70	156,949
National School Lunch Program	10.555	3L60	433,578
Covid-19 National School Lunch Program	10.555	3L60	<u>30,308</u>
Total Child Nutrition Cluster			<u>684,527</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>684,527</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	3M00	606,229
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027	3M20	<u>436,109</u>
Special Education Cluster (IDEA) Total			<u>436,109</u>
Elementary and Secondary School Emergency Relief Fund	84.425	3HS0	485,096
Supporting Effective Instruction State Grants	84.367	3Y60	66,456
Rural and Low-Income School Program	84.358B	3Y80	<u>29,708</u>
Total U.S. Department of Education			<b><u>1,623,598</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 2,308,125</u></b>

*The accompanying notes are an integral part of this schedule.*

**HUNTINGTON LOCAL SCHOOL DISTRICT  
ROSS COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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



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

Huntington Local School District  
Ross County  
188 Huntsman Road  
Chillicothe, Ohio 45601

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Huntington Local School District, Ross County, Ohio (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 31, 2025.

***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a material weakness.

Huntington Local School District  
Ross County  
Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Required by *Government Auditing Standards*  
Page 2

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-002 and 2024-003.

***District's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying schedule of findings and corrective action plan. The Authority's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

***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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BHM CPA Group*

BHM CPA Group, Inc.  
Portsmouth, Ohio  
July 31, 2025



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

Huntington Local School District  
Ross County  
188 Huntsman Road  
Chillicothe, Ohio 45601

To the Board of Education:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

***Report on Internal Control Over Compliance***

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

Huntington Local School District

Ross County

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

Page 2

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

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

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

*BHM CPA Group*

BHM CPA Group, Inc.

Portsmouth, Ohio

July 31, 2025

**Huntington Local School District**

**Ross County**

**Schedule of Findings**

*2 CFR § 200.515*

June 30, 2024

**1. SUMMARY OF AUDITOR'S RESULTS**

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2CFR § 200.515(a)?	No
(d)(1)(vii)	Major Programs (list):	Education Stabilization Fund AL # 84.425 Title I Grants to Local Educational Agencies AL # 84.010
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

**Huntington Local School District**

**Ross County**

**Schedule of Findings**

**2 CFR § 200.515**

**June 30, 2024**

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

**FINDING NUMBER 2024-001**

**Material Weakness - Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

The District's financial statements included misclassifications related to intergovernmental revenues. When posting revenues related to property taxes, the District recorded a portion of the related intergovernmental revenue in the Debt Service fund instead of the General Fund. Additionally, the District improperly recorded intergovernmental revenue and advance activity between the General Fund and several special revenue funds. These errors resulted in audit adjustments to intergovernmental revenues, advances in, advances out, interfund receivable, interfund payable, and fund balance in the General Fund and Other Governmental Funds.

To ensure the District's financial statements and notes to the financial statements are complete and accurate, the Treasurer should follow the USAS Accounting Manual when posting transactions to ensure proper posting to correct funds and line items. The Treasurer should also review GAAP conversion entries and the final report to ensure amounts have been properly recorded. Further, the District should review the basic financial statements compiled by their contracted Independent Public Accounting firm prior to filing those statements in the Hinkle System.

**Official's Response:** See response in corrective action plan.

**FINDING NUMBER 2024-002**

**Material Noncompliance**

Ohio Rev. Code § 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded estimated resources in the General fund, Permanent Improvement fund, and the Classroom Facilities fund by \$3,656,312, \$1,052,851 and \$1,438, respectively.

Appropriations in excess of estimated resources can lead to overspending, which can result in negative fund balances. This could cause noncompliance with other areas of the Ohio Rev. Code as well as lead to fiscal insolvency in future years.

**Huntington Local School District**

**Ross County**

Schedule of Findings

*2 CFR § 200.515*

June 30, 2024

**FINDING NUMBER 2024-002**

**(continued)**

The District should implement monitoring procedures to ensure compliance and it is recommended the Board of Education only adopt appropriations that do not exceed estimated resources.

**Official's Response:** See response in corrective action plan.

**FINDING NUMBER 2024-003**

**Material Noncompliance**

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code. The total expenditures from each fund shall not exceed the total of the appropriations. Appropriations shall be made from each fund only for the purposes for which such fund is established. No subdivision or taxing unit is to expend money unless it has been appropriated.

Upon comparison of appropriations to actual expenditures the auditor noted expenditures in excess of appropriations. Noncompliance was noted in the General fund, Food Service fund, and Classroom facilities fund in the amount of \$8,147,803, \$229,115 and \$3,832, respectively.

Failure to limit spending to established appropriations could allow for deficit spending practices, resulting in deficit fund balances.

We recommend that the District periodically make amendments to the appropriations throughout the year when appropriations need to be increased as to not allow actual expenditures to exceed appropriations.

**Official's Response:** See response in corrective action plan.

**3. FINDINGS FOR FEDERAL AWARDS AND QUESTIONED COSTS**

**None**

**Huntington Local School District  
Ross County, Ohio**

**Summary Schedule of Prior Audit Findings**  
2 CFR §200.511(b)  
June 30, 2024

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<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2023-001	Material Weakness: Internal Controls Related to Financial Reporting	Not Corrected	Reissued as finding 2024-001

**Huntington Local School District  
Ross County, Ohio**

Corrective Action Plan  
2 CFR § 200.511(c)  
June 30, 2024

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**Corrective Action Plan for Finding 2024-001:**

**Finding Control Number: 2024-001**

**Summary of Finding:** In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Material errors were noted in the audit of the financial statements.

**Corrective Action:** The District will work closely with GAAP-converter and will closely review the financial statements to ensure the proper reporting process to try to eliminate financial reporting errors.

**Contact Person:** The official responsible for completing the corrective action is listed below:

Lauren Williams  
Huntington Local School District Treasurer  
Phone: (740) 663-2562  
Email: [lauren.williams@huntsmen.org](mailto:lauren.williams@huntsmen.org)

**Corrective Action Plan for Finding 2024-002:**

**Finding Control Number: 2024-002**

**Summary of Finding:** Ohio Rev. Code § 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources. No appropriation measure is effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate. Appropriations exceeded estimated resources in the General fund, Permanent Improvement fund, and the Classroom Facilities fund by \$3,656,312, \$1,052,851 and \$1,438, respectively.

**Corrective Action:** The Treasurer will review appropriations and estimated resources throughout the year and recommend appropriation amendments to the Board as necessary.

**Contact Person:** The official responsible for completing the corrective action is listed below:

Lauren Williams  
Huntington Local School District Treasurer  
Phone: (740) 663-2562  
Email: [lauren.williams@huntsmen.org](mailto:lauren.williams@huntsmen.org)

**Huntington Local School District  
Ross County, Ohio**

Corrective Action Plan  
2 CFR § 200.511(c)  
June 30, 2024

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**Corrective Action Plan for Finding 2024-003:**

**Finding Control Number: 2024-003**

**Summary of Finding:** Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code. The total expenditures from each fund shall not exceed the total of the appropriations. Appropriations shall be made from each fund only for the purposes for which such fund is established. No subdivision or taxing unit is to expend money unless it has been appropriated. Upon comparison of appropriations to actual expenditures the auditor noted expenditures in excess of appropriations. Noncompliance was noted in the General fund, Food Service fund, and Classroom facilities fund in the amount of \$8,147,803, \$229,115 and \$3,832, respectively.

**Corrective Action:** The Treasurer will review appropriations and expenditures throughout the year and recommend appropriation amendments to the Board as necessary.

**Contact Person:** The official responsible for completing the corrective action is listed below:

Lauren Williams  
Huntington Local School District Treasurer  
Phone: (740) 663-2562  
Email: [lauren.williams@huntsmen.org](mailto:lauren.williams@huntsmen.org)

# OHIO AUDITOR OF STATE KEITH FABER



HUNTINGTON LOCAL SCHOOL DISTRICT

ROSS COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/30/2025

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

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