



OHIO AUDITOR OF STATE  
**KEITH FABER**





**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY  
JUNE 30, 2024**

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HARDIN COUNTY  
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# OHIO AUDITOR OF STATE

## KEITH FABER



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### INDEPENDENT AUDITOR'S REPORT

Kenton City School District  
Hardin County  
222 West Carroll Street  
Kenton, Ohio 43326

To the Board of Education:

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

##### ***Opinions***

We have audited the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Kenton City School District, Hardin County, Ohio (the District), as of and for the fiscal 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 cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kenton City School District, as of June 30, 2024, and the respective changes in cash basis financial position for the fiscal year then ended in accordance with the cash basis of accounting described in Note 2.

##### ***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.

##### ***Emphasis of Matter - Accounting Basis***

Ohio Administrative Code § 117-2-03(B) requires the District to prepare its annual financial report in accordance with accounting principles generally accepted in the United States of America. We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2024, the District adopted new accounting guidance in Governmental Accounting Standards Board Statement (GASB) No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible 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.

***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 and the Schedule of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual (Budgetary Basis) for the General fund are presented for purposes of additional analysis and are not a required part of the 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 to 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, these schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual financial report. The other information comprises the management's discussion and analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 8, 2025

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**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

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

**Financial Highlights**

Key financial highlights for fiscal year 2024 are as follows:

- The total net cash position of the District decreased \$6,705,677 or 12.02% from fiscal year 2023 net cash position.
- General cash receipts accounted for \$35,264,256 or 82.69% of total governmental activities cash receipts. Program specific cash receipts accounted for \$7,382,308 or 17.31% of total governmental activities cash receipts.
- The District had \$49,352,241 in cash disbursements related to governmental activities; \$7,382,308 of these cash disbursements were offset by program specific charges for services, grants or contributions. General cash receipts (primarily taxes and OFCC money) of \$35,264,256 were not adequate to provide for these programs.
- The District's major funds are the general fund, the building fund and the classroom facilities fund. The general fund had cash receipts of \$24,677,037 in fiscal year 2024. The cash disbursements and other financing uses of the general fund totaled \$23,032,266 in fiscal year 2024. The general fund's fund cash balance increased \$1,644,771 from a balance of \$10,641,592 to \$12,286,363.
- The building fund had cash receipts of \$860,944 in fiscal year 2024. The cash disbursements of the building fund totaled \$5,014,709 in fiscal year 2024. The building fund cash balance decreased \$4,153,765 from a balance of \$18,808,250 to \$14,654,485 at the end of fiscal year 2024.
- The classroom facilities fund had cash receipts and of \$10,143,903 in fiscal year 2024. The cash disbursements of the classroom facilities fund totaled \$12,985,263 in fiscal year 2024. The classroom facilities fund cash balance decreased \$2,841,360 from a balance of \$19,172,875 to \$16,331,515 at the end of fiscal year 2024.

**Using this Cash Basis Basic Financial Statements (BFS)**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, as applicable to the District's cash basis of accounting.

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

**Reporting the District as a Whole**

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

The statement of net position - cash basis and the statement of activities - cash basis answer the question, "How did we do financially during 2024?" These statements include *only net cash assets* using the *cash basis of accounting*, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). This basis of accounting takes into account only the current year's receipts and disbursements if the cash is actually received or paid.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

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

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not collected) and liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the cash basis of accounting.

In the statement of net position - cash basis and the statement of activities - cash basis, the governmental activities include District's programs and services including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

The statement of net position - cash basis and the statement of activities - cash basis can be found on pages 15-16 of this report.

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

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 two categories: governmental funds and fiduciary funds.

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

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using the cash basis of accounting, which is a basis of accounting other than GAAP. The governmental fund statements provide a detailed view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer cash basis financial resources that can be readily spent to finance various District programs. Since the District is reporting on the cash basis of accounting, there are no differences in the net cash position and fund cash balances or changes in net cash position and changes in fund cash balances. Therefore, no reconciliation is necessary between such financial statements.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District's only fiduciary funds is a custodial fund.

***Notes to the Financial Statements***

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

***Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District's general fund budgetary information.

**Government-Wide Financial Analysis**

Recall that the statement of net position - cash basis provides the perspective of the District as a whole.

The table below provides a summary of the District's net position at June 30, 2024 and 2023.

	<b>Net Position</b>	
	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>
<b><u>Assets</u></b>		
Equity in pooled cash and cash equivalents	\$ 49,082,906	\$ 55,788,784
Cash in segregated accounts	<u>1,306</u>	<u>1,105</u>
Total assets	<u><u>49,084,212</u></u>	<u><u>55,789,889</u></u>
<b><u>Net Position</u></b>		
Restricted	34,965,277	43,334,853
Unrestricted	<u>14,118,935</u>	<u>12,455,036</u>
Total net position	<u><u>\$ 49,084,212</u></u>	<u><u>\$ 55,789,889</u></u>

The total net position of the District decreased \$6,705,677, which represents a 12.02% decrease below fiscal year 2023's balance.

The balance of government-wide unrestricted net position of \$14,118,935 may be used to meet the District's ongoing obligations to citizens and creditors.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

The table below shows the changes in net cash position for fiscal year 2024 and 2023.

<b>Change in Net Position</b>			
	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>	
<b>Cash Receipts:</b>			
Program cash receipts:			
Charges for services	\$ 981,049	\$ 1,212,482	
Operating grants, contributions and interest	6,348,684	5,844,075	
Capital grants and contributions	<u>52,575</u>	<u>-</u>	
Total program cash receipts	<u>7,382,308</u>	<u>7,056,557</u>	
General cash receipts:			
Property taxes	7,595,320	7,480,298	
Payment in lieu of taxes	91,244	-	
Income taxes	2,808,563	2,807,089	
Unrestricted grants	12,655,692	11,392,128	
Restricted grants	9,320,207	4,499,489	
Investment earnings	2,531,011	1,252,185	
Miscellaneous	<u>262,219</u>	<u>209,530</u>	
Total general cash receipts	<u>35,264,256</u>	<u>27,640,719</u>	
Total cash receipts	<u>\$ 42,646,564</u>	<u>\$ 34,697,276</u>	

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

**Change in Net Position (Continued)**

	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>
<b>Cash Disbursements:</b>		
Instruction:		
Regular	\$ 9,140,466	\$ 8,871,729
Special	5,729,186	5,146,414
Vocational	502,652	375,943
Support services:		
Pupil	1,536,813	1,446,534
Instructional staff	450,029	486,392
Board of education	131,054	130,744
Administration	1,995,714	1,868,175
Fiscal	590,179	580,147
Operations and maintenance	2,422,980	2,139,778
Pupil transportation	1,064,178	1,131,133
Central	916,493	813,307
Operation of non instructional services:		
Other non instructional services	-	7,274
Food service operations	1,273,199	1,141,377
Extracurricular activities	1,040,116	1,109,607
Facilities acquisition and construction	18,997,027	2,959,974
Debt service:		
Principal retirement	1,734,474	1,559,599
Interest and fiscal charges	1,447,155	1,505,855
Accretion on capital appreciation bonds	<u>380,526</u>	<u>310,401</u>
Total cash disbursements	<u><u>\$ 49,352,241</u></u>	<u><u>\$ 31,584,383</u></u>

**Governmental Activities**

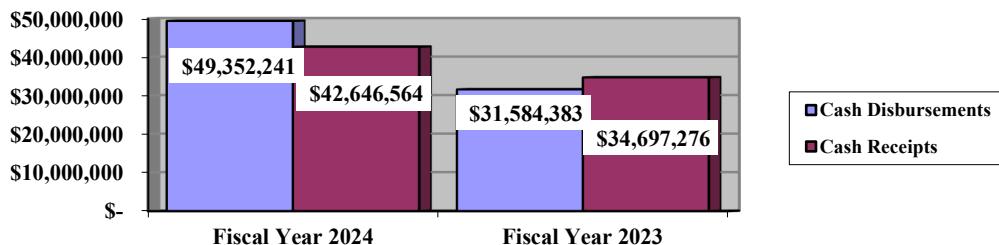
Governmental assets decreased by \$6,705,677 in fiscal year 2024 from fiscal year 2023 net cash position. Total governmental disbursements of \$49,352,241 were offset by program receipts of \$7,382,308 and general receipts of \$35,264,256. Program receipts supported 14.96% of the total governmental disbursements.

The primary sources of receipts for governmental activities are derived from property taxes, payment in lieu of taxes, income taxes, and grants and entitlements. These receipt sources represent 76.14% of total governmental receipts. Real estate property is reappraised every six years.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

**Governmental Activities - Total Cash Receipts vs. Total Cash Disbursements**



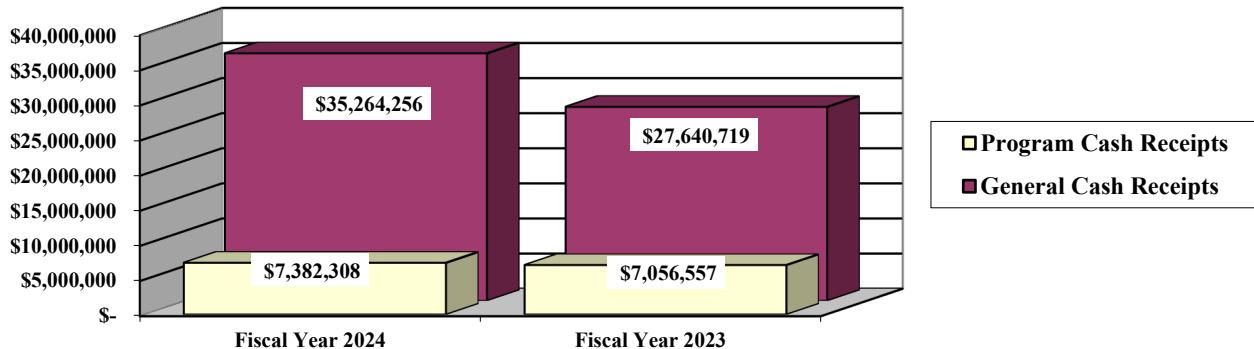
	<b>Governmental Activities</b>		<b>Governmental Activities</b>	
	Total Cost of Services <u>2024</u>	Net Cost of Services <u>2024</u>	Total Cost of Services <u>2023</u>	Net Cost of Services <u>2023</u>
<b>Cash disbursements:</b>				
Instruction:				
Regular	\$ 9,140,466	\$ 8,084,570	\$ 8,871,729	\$ 8,351,951
Special	5,729,186	2,084,439	5,146,414	2,143,692
Vocational	502,652	447,598	375,943	335,899
Support services:				
Pupil	1,536,813	1,131,070	1,446,534	900,969
Instructional staff	450,029	319,829	486,392	121,499
Board of education	131,054	131,054	130,744	130,744
Administration	1,995,714	1,974,330	1,868,175	1,658,417
Fiscal	590,179	589,551	580,147	578,737
Operations and maintenance	2,422,980	2,315,836	2,139,778	1,911,842
Pupil transportation	1,064,178	939,633	1,131,133	842,978
Central	916,493	884,126	813,307	807,907
Operation of non instructional services:				
Other non instructional services	-	-	7,274	(161,234)
Food service operations	1,273,199	(46,578)	1,141,377	(44,736)
Extracurricular activities	1,040,116	555,293	1,109,607	613,332
Facilities acquisition and construction	18,997,027	18,997,027	2,959,974	2,959,974
Debt service:				
Principal retirement	1,734,474	1,734,474	1,559,599	1,559,599
Interest and fiscal charges	1,447,155	1,447,155	1,505,855	1,505,855
Accretion on capital appreciation bonds	380,526	380,526	310,401	310,401
<b>Total</b>	<b>\$ 49,352,241</b>	<b>\$ 41,969,933</b>	<b>\$ 31,584,383</b>	<b>\$ 24,527,826</b>

The dependence upon general cash receipts for governmental activities is apparent; with 85.04% of cash disbursements supported through taxes and other general cash receipts during fiscal year 2024.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

**Governmental Activities - General and Program Cash Receipts**



**Financial Analysis of the Government's Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental Funds***

The District's governmental funds are accounted for using the cash basis of accounting.

The District's governmental funds reported a combined fund cash balance of \$49,084,212, which is \$6,705,677 lower than last year's total balance of \$55,789,889. The schedule below indicates the fund cash balance and the total change in fund cash balance as of June 30, 2024 and June 30, 2023, for all major and nonmajor governmental funds.

	<u>Fund Balance</u> <u>June 30, 2024</u>	<u>Fund Balance</u> <u>June 30, 2023</u>	<u>Change</u>
<b>Major funds:</b>			
General	\$ 12,286,363	\$ 10,641,592	\$ 1,644,771
Building	14,654,485	18,808,250	(4,153,765)
Classroom facilities	16,331,515	19,172,875	(2,841,360)
Other nonmajor governmental funds	<u>5,811,849</u>	<u>7,167,172</u>	<u>(1,355,323)</u>
<b>Total</b>	<b><u>\$ 49,084,212</u></b>	<b><u>\$ 55,789,889</u></b>	<b><u>\$ (6,705,677)</u></b>

***General Fund***

The general fund had cash receipts of \$24,677,037 in fiscal year 2024. The cash disbursements and other financing uses of the general fund totaled \$23,032,266 in fiscal year 2024. The general fund's cash balance increased \$1,644,771 from a balance of \$10,641,592 to \$12,286,363 primarily due to an increase in cash receipts.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

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

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Cash Receipts:</u></b>			
Taxes	\$ 8,209,591	\$ 7,992,923	2.71 %
Tuition	415,505	409,249	1.53 %
Earnings on investments	708,815	314,662	125.26 %
Other revenues	342,981	375,534	(8.67) %
Intergovernmental	<u>15,000,145</u>	<u>13,254,063</u>	13.17 %
Total	<u><u>\$ 24,677,037</u></u>	<u><u>\$ 22,346,431</u></u>	10.43 %

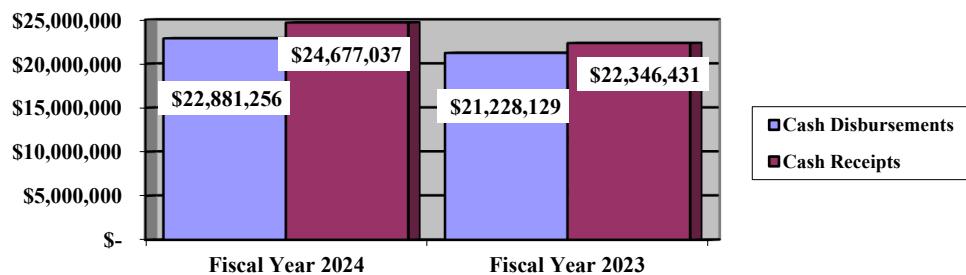
The District's general fund cash receipts increased \$2,330,606 or 10.43%. Taxes increased \$216,668 or 2.71% due to an increase in property and income taxes. Earnings and investment receipts increased \$394,153 or 125.26% due to an increase in the amount invested and the earnings on those investments. Tuition receipts increased \$6,256 or 1.53% due to an increase in tuition related to special education.

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

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Cash Disbursements</u></b>			
Instruction	\$ 13,813,819	\$ 13,050,025	5.85 %
Support services	8,502,745	7,666,216	10.91 %
Extracurricular	562,192	510,339	10.16 %
Facilities acquisition and construction	<u>2,500</u>	<u>1,549</u>	61.39 %
Total	<u><u>\$ 22,881,256</u></u>	<u><u>\$ 21,228,129</u></u>	7.79 %

The District's general fund cash disbursements increased \$1,653,127 or 7.79%. The largest increase was in the area of instruction and support services, which increased \$1,600,323. This increase was primarily due in wage and benefit fluctuations.

**General Fund - Total Cash Receipts vs. Total Cash Disbursements**



**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

***Building Fund***

The building fund had cash receipts of \$860,944 in fiscal year 2024. The cash disbursements of the building fund totaled \$5,014,709 in fiscal year 2024. The building fund cash balance decreased \$4,153,765 from a balance of \$18,808,250 to \$14,654,485 at the end of fiscal year 2024.

***Classroom Facilities Fund***

The classroom facilities fund had cash receipts of \$10,143,903 in fiscal year 2024. The cash disbursements of the classroom facilities fund totaled \$12,985,263 in fiscal year 2024. The classroom facilities fund cash balance decreased \$2,841,360 from a balance of \$19,172,875 to \$16,331,515 at the end of fiscal year 2024.

***Budgeting Highlights - General Fund***

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

For the general fund, final budget basis receipts and other financing sources were \$24,785,300 which were \$2,068,800 more than the original budget estimates of \$22,716,500. Actual cash receipts and other financing sources of \$24,647,313 were less than final budget estimates by \$137,987. The final budget basis disbursements and other financing uses of \$23,313,111 were \$868,000 more than the original budget basis disbursements and other financing uses. The actual budgetary basis disbursements and other financing uses of \$23,273,251 were \$39,860 less than the final budget estimates.

***Capital Assets and Debt Administration***

***Capital Assets***

The District does not record capital assets in the accompanying cash basis basic financial statements, but records payments for capital assets as disbursements.

***Debt Administration***

The District had the following long-term obligations outstanding at June 30, 2024 and 2023:

	<b>Governmental Activities</b>	<b>Governmental Activities</b>
	<b><u>2024</u></b>	<b><u>2023</u></b>
FY 2021 refunding bonds		
Serial, term and capital appreciation bonds	\$ 9,455,000	\$ 9,885,839
Premiums	592,859	631,315
FY 2022 school facilities construction and		
Serial, term and capital appreciation bonds	32,065,000	33,655,000
Premiums	<u>3,356,670</u>	<u>3,454,201</u>
Total long-term obligations	<u>\$ 45,469,529</u>	<u>\$ 47,626,355</u>

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024  
(UNAUDITED)**

**Current Issues**

The District continues to partner with Health Partners of Northwest Ohio to make health clinics and social workers accessible at each building. The Wildcat Clinics are open to students, staff and the community.

Through the District's grant writing efforts, Kenton Elementary School has become a "Leader in Me" building. The program includes professional development and programming for students, staff and parents. The District has also been able to make Kenton Middle and High School a "Leader in Me" building.

Design labs and innovation opportunities continue to be developed for our students in grades 7-12. Our Art Department has expanded to include graphic design. We are working Ohio Hi-Point Career Center to develop this into another of our career tech pathways.

The District has become a site for Inventionland. This curriculum is taught in grades 4-8 and pathways are being developed this year for students in grades 9-12 support entrepreneurial innovation.

Health insurance costs will continue to be minimized. In July 2024, health insurance premiums stayed the same, there was a 0% increase as well as dental and vision had a zero percent increase. The District will have these rates in effect for 12 months, through June 30, 2025. Effective, January 1, 2021, Hardin County Health Insurance Consortium joined the Jefferson Health Plan Consortium. We will monitor for any future impact that it may have on staffing levels and whether or not hiring replacement staff will be possible.

**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 questions about this report or need additional financial information, contact Ms. Jill Smith, Treasurer, Kenton City School District, 222 West Carroll Street, Kenton, Ohio 43326.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

STATEMENT OF NET POSITION - CASH BASIS  
JUNE 30, 2024

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 49,082,906
Cash in segregated accounts	1,306
Total assets	<u>49,084,212</u>
<b>Net cash position:</b>	
Restricted for:	
Capital projects	30,986,000
Classroom facilities maintenance	825,652
Debt service	2,234,645
Locally funded programs	4,753
State funded programs	15,355
Federally funded programs	8,630
Food service operations	633,579
Student activities	253,171
Other purposes	3,492
Unrestricted	<u>14,118,935</u>
Total net cash position	<u><u>\$ 49,084,212</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Cash Disbursements</b>	<b>Program Receipts</b>				<b>Net (Disbursements) Receipts and Changes in Net Position</b>
	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>			<b>Governmental Activities</b>
<b>Governmental activities:</b>						
Instruction:						
Regular	\$ 9,140,466	\$ 163,550	\$ 892,346	\$ -	\$ -	(8,084,570)
Special	5,729,186	248,887	3,395,860	-	-	(2,084,439)
Vocational	502,652	-	55,054	-	-	(447,598)
Support services:						
Pupil	1,536,813	-	405,743	-	-	(1,131,070)
Instructional staff	450,029	-	130,200	-	-	(319,829)
Board of education	131,054	-	-	-	-	(131,054)
Administration	1,995,714	-	21,384	-	-	(1,974,330)
Fiscal	590,179	-	628	-	-	(589,551)
Operations and maintenance	2,422,980	1,850	82,959	22,335	-	(2,315,836)
Pupil transportation	1,064,178	-	105,697	18,848	-	(939,633)
Central	916,493	-	32,367	-	-	(884,126)
Operation of non-instructional services:						
Food service operations	1,273,199	216,908	1,102,869	-	-	46,578
Extracurricular activities	1,040,116	349,854	123,577	11,392	-	(555,293)
Facilities acquisition and construction	18,997,027	-	-	-	-	(18,997,027)
Debt service:						
Principal retirement	1,734,474	-	-	-	-	(1,734,474)
Interest and fiscal charges	1,447,155	-	-	-	-	(1,447,155)
Accretion on capital appreciation bonds	380,526	-	-	-	-	(380,526)
<b>Total governmental activities</b>	<b>\$ 49,352,241</b>	<b>\$ 981,049</b>	<b>\$ 6,348,684</b>	<b>\$ 52,575</b>		<b>(41,969,933)</b>

**General receipts:**

Property taxes levied for:

General purposes	5,401,028
Classroom facilities maintenance	89,811
Debt service	2,104,481
Payments in lieu of taxes	91,244
Income taxes levied for:	
General purposes	2,808,563
Grants and entitlements not restricted to specific programs	12,655,692
Grants and entitlements restricted for	
Ohio Facilities Construction Commission	9,320,207
Investment earnings	2,531,011
Miscellaneous	262,219
<b>Total general receipts</b>	<b>35,264,256</b>

Change in net position

(6,705,677)

**Net cash position at beginning of year**

**55,789,889**

**Net cash position at end of year**

**\$ 49,084,212**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**STATEMENT OF ASSETS AND FUND CASH BALANCES - CASH BASIS  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<b>General</b>	<b>Building</b>	<b>Classroom Facilities</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents	\$ 12,285,057	\$ 14,654,485	\$ 16,331,515	\$ 5,811,849	\$ 49,082,906
Cash in segregated accounts	1,306	-	-	-	1,306
<b>Total assets</b>	<b><u>\$ 12,286,363</u></b>	<b><u>\$ 14,654,485</u></b>	<b><u>\$ 16,331,515</u></b>	<b><u>\$ 5,811,849</u></b>	<b><u>\$ 49,084,212</u></b>
<b>Fund cash balances:</b>					
Restricted:					
Debt service	-	-	-	2,234,645	2,234,645
Capital improvements	-	14,654,485	16,331,515	-	30,986,000
Classroom facilities maintenance	-	-	-	825,652	825,652
Food service operations	-	-	-	633,579	633,579
State funded programs	-	-	-	15,355	15,355
Federally funded programs	-	-	-	8,630	8,630
Extracurricular	-	-	-	253,171	253,171
Other purposes	-	-	-	8,245	8,245
Committed:					
FSA accounts	1,306	-	-	-	1,306
Assigned:					
Student instruction	20,694	-	-	-	20,694
Student and staff support	233,169	-	-	-	233,169
Extracurricular activities	43,264	-	-	-	43,264
Capital improvements	-	-	-	1,832,572	1,832,572
Unassigned	<u>11,987,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,987,930</u>
<b>Total fund cash balances</b>	<b><u>\$ 12,286,363</u></b>	<b><u>\$ 14,654,485</u></b>	<b><u>\$ 16,331,515</u></b>	<b><u>\$ 5,811,849</u></b>	<b><u>\$ 49,084,212</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN  
FUND CASH BALANCES - CASH BASIS GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>General</b>	<b>Building</b>	<b>Classroom Facilities</b>	<b>(Formerly Major) Bond Retirement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Cash receipts:</b>						
Property taxes	\$ 5,401,028	\$ -	\$ -		\$ 2,194,292	\$ 7,595,320
Income taxes	2,808,563	-	-			2,808,563
Intergovernmental	15,000,145	-	9,320,207		3,881,888	28,202,240
Investment earnings	708,815	860,944	823,696		137,556	2,531,011
Tuition and fees	415,505	-	-			415,505
Extracurricular	1,312	-	-		345,474	346,786
Rental income	1,850	-	-			1,850
Charges for services	207,949	-	-		216,908	424,857
Contributions and donations	10,857	-	-		151,972	162,829
Payment in lieu of taxes	77,600	-	-		13,644	91,244
Miscellaneous	43,413	-	-		22,946	66,359
<b>Total receipts</b>	<b>24,677,037</b>	<b>860,944</b>	<b>10,143,903</b>		<b>6,964,680</b>	<b>42,646,564</b>
<b>Cash disbursements:</b>						
Current:						
Instruction:						
Regular	9,048,607	-	-		91,859	9,140,466
Special	4,262,560	-	-		1,466,626	5,729,186
Vocational	502,652	-	-			502,652
Support services:						
Pupil	1,505,313	-	-		31,500	1,536,813
Instructional staff	282,512	-	-		167,517	450,029
Board of education	131,054	-	-			131,054
Administration	1,974,330	-	-		21,384	1,995,714
Fiscal	520,651	26,227	-		43,301	590,179
Operations and maintenance	2,131,242	-	-		291,738	2,422,980
Pupil transportation	1,049,193	-	-		14,985	1,064,178
Central	908,450	-	-		8,043	916,493
Operation of non-instructional services:						
Food service operations	-	-	-		1,273,199	1,273,199
Extracurricular activities	562,192	-	-		477,924	1,040,116
Facilities acquisition and construction	2,500	4,988,482	12,985,263		1,020,782	18,997,027
Debt service:						
Principal retirement	-	-	-		1,734,474	1,734,474
Interest and fiscal charges	-	-	-		1,447,155	1,447,155
Accretion on capital appreciation bonds	-	-	-		380,526	380,526
<b>Total disbursements</b>	<b>22,881,256</b>	<b>5,014,709</b>	<b>12,985,263</b>		<b>8,471,013</b>	<b>49,352,241</b>
Excess of receipts over (under) disbursements	<b>1,795,781</b>	<b>(4,153,765)</b>	<b>(2,841,360)</b>		<b>(1,506,333)</b>	<b>(6,705,677)</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-		151,010	151,010
Transfers (out)	(151,010)	-	-			(151,010)
<b>Total other financing sources (uses)</b>	<b>(151,010)</b>	<b>-</b>	<b>-</b>		<b>151,010</b>	<b>-</b>
Net change in fund cash balances	1,644,771	(4,153,765)	(2,841,360)		(1,355,323)	(6,705,677)
Fund balances as previously reported	10,641,592	18,808,250	19,172,875	3,463,507	3,703,665	55,789,889
Adjustment - changes in major fund to nonmajor fund	-	-	-	(3,463,507)	3,463,507	-
<b>Fund cash balances at beginning of year, as adjusted</b>	<b>10,641,592</b>	<b>18,808,250</b>	<b>19,172,875</b>		<b>7,167,172</b>	<b>55,789,889</b>
<b>Fund cash balances at end of year</b>	<b>\$ 12,286,363</b>	<b>\$ 14,654,485</b>	<b>\$ 16,331,515</b>		<b>\$ 5,811,849</b>	<b>\$ 49,084,212</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO

STATEMENT OF CASH BASIS FIDUCIARY NET CASH POSITION  
FIDUCIARY FUND  
JUNE 30, 2024

	<u>Custodial</u>
<b>Assets:</b>	
Current assets:	
Equity in pooled cash and cash equivalents	\$ <u>50,320</u>
Total assets	<u>50,320</u>
<b>Net cash position:</b>	
Restricted for individuals, organizations and other governments	<u>50,320</u>
Total cash net position	<u>\$ 50,320</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**STATEMENT OF CASH BASIS CHANGE IN FIDUCIARY NET CASH POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Custodial</u>
<b>Additions:</b>	
Contributions and donations	14,250
Total additions	<u>14,250</u>
<b>Deductions:</b>	
Scholarships awarded	8,850
Total deductions	<u>8,850</u>
Excess of additions over deductions	5,400
<b>Net cash position at beginning of year</b>	<u>44,920</u>
<b>Net cash position at end of year</b>	<u>\$ 50,320</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 1 - DESCRIPTION OF THE DISTRICT**

Kenton City School District (the “District”) is organized under Article VI, Sections 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 and federal guidelines.

The District was established in 1888. The District serves an area of approximately one-hundred- twelve square miles. It is located in Hardin and Wyandot Counties and includes all of Pleasant Township, portions of Cessna, Dudley, Goshen, Lynn, McDonald, and Taylor Creek Townships, and the City of Kenton. The District is staffed by 102 classified employees, 140 certified teaching personnel, and 23 administrative employees who provide services to 1,807 students and other community members. The District currently operates eight instructional/support buildings.

**Reporting Entity**

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Kenton City 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, and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District. There are no component units of the Kenton City School District.

The District participates in two jointly governed organizations and three insurance pools. These organizations are the Ohio Hi-Point Career Center, Western Ohio Computer Organization, Ohio School Plan, Hardin County School Employees’ Health and Welfare Benefit Plan and Trust, and the Better Business Bureau of Central Ohio Workers’ Compensation Group Rating Plan. These organizations are presented in Notes 14 and 15 to the basic financial statements.

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

These financial statements are presented on a cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the District’s accounting policies.

**A. Basis of Presentation**

The District’s basic financial statements consist 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.

*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.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

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

The statement of net position presents the cash balance of the governmental activities of the District at fiscal year-end. The statement of activities compares disbursements with program receipts for each function or program of the District's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the District is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the District's general receipts.

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

**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 are divided into two categories, governmental and fiduciary.

*GOVERNMENTAL FUNDS*

The District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The District's major governmental funds are the General Fund, Building Fund and the Classroom Facilities fund.

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

*Building Fund* - The building fund is used to account for resources that are restricted for capital outlays including the acquisition or construction of capital facilities and other capital assets. This fund accounts for receipts and expenditures related to all special bond funds in the District. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

*Classroom Facilities Fund* - A fund provided to account for monies received and expended in connection with contracts entered into by the school district for the building and equipping of classroom facilities.

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

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

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

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

***Nonmajor debt service funds*** - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

***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 not available to support the District's own programs. Custodial funds are custodial in nature. The District's custodial fund account for scholarship programs for students.

**C. Basis of Accounting**

The District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the District's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of the cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received, but not yet paid, and accrued expenses and liabilities) are not recorded in the financial statements.

**D. Budgetary Process**

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are an alternative tax budget (consists of a five-year forecast), the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund level for all funds. The Board approves subsequent appropriation modifications at the object level for all funds.

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

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

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

**E. Cash and Investments**

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 District records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During the fiscal year, the District had investments in federal agency securities, the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit, commercial paper, U.S. Government money market, U.S. Treasury Bills and U.S. Treasury Notes.

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 was \$708,815, which includes \$172,542 assigned from other District funds. Investments of the District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts (contra revenue), respectively.

**F. Capital Assets**

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. The financial statements do not report these assets.

**G. Compensated Absences**

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the District.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

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

**H. Long-Term Obligations**

The District's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset (including the intangible right to use) when entering into a lease, financed purchase transaction is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease and financed purchase payments are reported when paid. The District did not have any leases.

**I. Subscription Based Information Technology Arrangements (SBITAs)**

The District has Subscription Based Information Technology Arrangements (SBITAs) under noncancelable arrangements. SBITA payables are not reflected under the District's cash basis of accounting. SBITA disbursements are recognized when they are received/paid.

**J. Net Position**

Net position is reported as restricted when there are limitations imposed on its use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for food service operations, music and athletic programs, and federal and state grants. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**K. Interfund Activity**

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

**L. Fund Balance**

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

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

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

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

**KENTON CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*Assigned* - Amounts in the assigned classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Board of Education. Fund balance policy of the Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated. The Board may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriation budget.

*Unassigned* - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

**M. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability and net OPEB asset, 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.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

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

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

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

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The financial statements reflect the movement of the Bond Retirement fund to a nonmajor fund from major fund as previously reported on the financial statements.

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (Continued)**

**B. Compliance**

Ohio Administrative Code Section 117-2-03(B) requires the District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the District prepared its basic financial statements on a cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The accompanying basic financial statements omit assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The District can be fined and various other administrative remedies may be taken against the District.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

Active monies are public monies determined to be necessary to meet current demands upon the District treasury. Active 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 the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Interim monies held by the District 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**KENTON CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

**A. Cash in Segregated Accounts**

At June 30, 2024, the District had \$1,306 in cash in segregated accounts held for a flex spending account and a health reimbursement account. These amounts are included in "deposits with financial institutions" below.

**B. Deposits**

At June 30, 2024, the carrying amount of all District deposits was \$5,786,636 and the bank balance of all District deposits was \$6,090,122. Of the bank balance, \$4,671,009 was covered by the FDIC and \$1,419,113 was covered by collateral as described below.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State.

**C. Investments**

As of June 30, 2024, the District has the following investments:

<u>Investment type</u>	<u>Market Value</u>	Investment Maturities			
		<u>6 months or less</u>	<u>7 to 12 months</u>	<u>13 to 18 months</u>	<u>19 to 24 months</u>
FFCB	\$ 3,726,405	\$ 1,734,737	\$ 1,991,668	\$ -	\$ -
FHLB	3,519,949	2,771,281	-	-	748,668
FHLMC	1,725,676	-	1,725,676	-	-
U.S. Treasury Note	5,363,256	3,600,997	1,762,259	-	-
U.S. Treasury Bill	1,897,800	1,897,800	-	-	-
Commercial Paper	10,907,980	7,783,059	3,124,921	-	-
U.S. Government money market	125,606	125,606	-	-	-
Negotiable CD's	978,510	735,947	-	-	242,563
STAR Ohio	15,102,714	15,102,714	-	-	-
<b>Total</b>	<b>\$ 43,347,896</b>	<b>\$ 33,752,141</b>	<b>\$ 8,604,524</b>	<b>\$ -</b>	<b>\$ 991,231</b>

The weighted average maturity of investments is 0.26 years.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Interest Rate Risk:* 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:* STAR Ohio carried a rating of AAA by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not address credit risk beyond the adherence to Chapter 135 of the Ohio Revised Code. The federal agency securities, the U.S. Government money market and the U.S. Treasury notes have been assigned a rating of AA+ by Standard & Poor's and a rating of Aaa by Moody's. The District's investments in commercial paper were rated A-1+ and P-1 by Standard & Poor's and Moody's Investor Services, respectively. The negotiable CDs are covered by FDIC.

*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 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 other than for commercial paper and banker's acceptances. The following table includes the percentage of each investment type held by the District at June 30, 2024:

<u>Investment type</u>	<u>Market Value</u>	<u>% of Total</u>
FFCB	\$ 3,726,405	8.60
FHLB	3,519,949	8.12
FHLMC	1,725,676	3.98
U.S. Treasury Note	5,363,256	12.37
U.S. Treasury Bill	1,897,800	4.38
Commercial Paper	10,907,980	25.16
U.S. Government money market	125,606	0.29
Negotiable CD's	978,510	2.26
STAR Ohio	<u>15,102,714</u>	<u>34.84</u>
Total	<u>\$ 43,347,896</u>	<u>100.00</u>

**D. Reconciliation of Cash and Investments to the Statement of Net Position - Cash Basis**

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 5,786,636
Investments	<u>43,347,896</u>
Total	<u>\$ 49,134,532</u>

<u>Cash and investments per financial statement</u>	
Governmental activities	\$ 49,084,212
Custodial fund	<u>50,320</u>
Total	<u>\$ 49,134,532</u>

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 5 - PROPERTY TAXES**

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

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

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

The District receives property taxes from Hardin and Wyandot Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the counties 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.

The assessed values upon which 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	\$ 222,436,690	89.55	\$ 287,425,110	91.24
Public utility personal	<u>25,963,410</u>	<u>10.45</u>	<u>27,587,990</u>	<u>8.76</u>
Total	<u>\$ 248,400,100</u>	<u>100.00</u>	<u>\$ 315,013,100</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation for:				
General operations	34.2		34.2	
Bond retirement	9.4		7.4	
Classroom facilities maintenance	0.5		0.5	

**NOTE 6 - INCOME TAXES**

The District levies a voted tax of 1.0 percent for general operations on the income of residents and of estates. A portion of the tax (1 percent) was effective on January 1, 1996, and is for a continuing period. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

**KENTON CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 7 - INTERFUND TRANSACTIONS**

Interfund transfers for the year ended June 30, 2024, consisted of the following, as reported on the fund financial statement:

	<u>Amount</u>
<u>Transfers from the general fund to:</u>	
Nonmajor governmental fund	<u>\$ 151,010</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or (1) budget requires to expend them and (2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated for reporting purposes in the statement of activities - cash basis. All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

**NOTE 8 - 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 for the following insurance coverage.

Coverage provided by the Ohio School Plan is as follows:

Property	\$ 117,352,692
General Liability	
Per Occurrence	3,000,000
Aggregate	5,000,000
Automobile Liability	3,000,000
Uninsured Motorists	1,000,000

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

For fiscal year 2024, the District participated in the Ohio School Plan (OSP) an insurance purchasing pool and is administered by Hylant Administrative Services, LLC (HAS). Each participant enters into an individual agreement with OSP for insurance coverage and pays annual premiums to OSP based on the types and limits of coverage and deductibles selected by the participant.

The District participates in the Hardin County School Employees' Health and Welfare Benefit Plan and Trust (Trust), a public entity shared risk pool consisting of six Districts, the Hardin County Educational Service Center, and the Ada Public Library. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

The District participates in the Better Business Bureau of Central Ohio Workers' Compensation Group Rating Plan (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, CompManagement, a Sedgwick Company, reviews each participants' claims experience and determines the rating tier for that participant. A common premium rate is applied to all participants in a given rating tier. Each participant pays its workers' compensation premium to the State based on the rate for their rating tier rather than its individual rate. CompManagement provides administrative, cost control, and actuarial services to the Plan.

**KENTON CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability/Asset***

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

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

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

The net pension/net OPEB liability (asset) are not reported on the face of the financial statements, but rather are disclosed in the notes because of the use of the cash basis framework.

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

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

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

**KENTON CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Age and service requirements for retirement are as follows:

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

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

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

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

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

The District's contractually required contribution to SERS was \$491,406 for fiscal year 2024.

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

**Plan Description** - Licensed teachers participate in STRS, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS website at [www.strsoh.org](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 (CO) Plan. Benefits are established by Ohio Revised Code Chapter 3307.

**KENTON CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

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

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

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

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

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

The District's contractually required contribution to STRS was \$1,497,821 for fiscal year 2024.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***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 contributions of all participating entities.

Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.087157400%	0.075874760%	
Proportion of the net pension liability current measurement date	<u>0.081087400%</u>	<u>0.073813340%</u>	
Change in proportionate share	<u>-0.006070000%</u>	<u>-0.002061420%</u>	
Proportionate share of the net pension liability	\$ 4,480,494	\$ 15,895,657	\$ 20,376,151

***Actuarial Assumptions - SERS***

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

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

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

**Wage inflation:**

Current measurement date	2.40%
Prior measurement date	2.40%

**Future salary increases, including inflation:**

Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%

**COLA or ad hoc COLA:**

Current measurement date	2.00%
Prior measurement date	2.00%

**Investment rate of return:**

Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses

**Discount rate:**

Current measurement date	7.00%
Prior measurement date	7.00%

Actuarial cost method	Entry age normal (level percent of payroll)
-----------------------	---------------------------------------------

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

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

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

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 6,612,984	\$ 4,480,494	\$ 2,684,282

**Actuarial Assumptions - STRS**

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

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

STRS's 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><u>100.00 %</u></u>	

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

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS'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.

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 24,444,002	\$ 15,895,657	\$ 8,666,096

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

See Note 9 for a description of the net OPEB liability (asset).

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

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

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. 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.

**KENTON CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$59,342.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$59,342 for fiscal year 2024.

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

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

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

***Net OPEB Liability/Asset***

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

Following is information related to the proportionate share:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.088985700%	0.075874760%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.083169200%</u>	<u>0.073813340%</u>	
Change in proportionate share	<u>-0.005816500%</u>	<u>-0.002061420%</u>	
Proportionate share of the net OPEB liability	\$ 1,370,168	\$ -	\$ 1,370,168
Proportionate share of the net OPEB asset	\$ -	\$ (1,435,567)	\$ (1,435,567)

**KENTON CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - 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 and June 30, 2022 are presented below:

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%

Investment rate of return:

Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation

Municipal bond index rate:

Current measurement date	3.86%
Prior measurement date	3.69%

Single equivalent interest rate, net of plan investment expense, including price inflation:

Current measurement date	4.27%
Prior measurement date	4.08%

Medical trend assumption:

Current measurement date	6.75 to 4.40%
Prior measurement date	7.00 to 4.40%

In 2023, the following mortality assumptions were used:

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

**KENTON CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

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

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

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

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

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

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

**KENTON CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,751,465	\$ 1,370,168	\$ 1,069,498
<hr/>			
District's proportionate share of the net OPEB liability	Current		
	1% Decrease	Trend Rate	1% Increase
	\$ 1,006,614	\$ 1,370,168	\$ 1,851,923

**Actuarial Assumptions - STRS**

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

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

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

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

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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
<b>Total</b>	<b><u>100.00 %</u></b>	

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

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS'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.

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,215,020	\$ 1,435,567	\$ 1,627,641
	Current Trend Rate		
	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,636,554	\$ 1,435,567	\$ 1,193,483

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 11 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators, except for the superintendent and treasurer, do not earn vacation time.

Teachers, administrators and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to two hundred twenty five days for teachers and two-hundred-fifty days for classified employees. Sick leave for administrators may be accumulated to a maximum of 15 days beyond the employee's contract year. Upon retirement, teachers and administrative staff will be paid one-fourth of the total sick leave accumulation, not to exceed forty days with five years of service, forty-one days with ten years of service, forty-two days with twenty years of service, and forty-three days with thirty years of service. Payment is made for one-fourth of the total sick leave accumulation, not to exceed thirty-eight days for classified employees. In addition all employees will be paid for a maximum of five days for sick leave accumulated beyond one-hundred-ninety-nine days. Payment is based upon the employee's salary at the time of retirement.

**B. Health Care Benefits**

The District offers medical, dental, vision, and life insurance benefits to most employees through the Hardin County School Employees' Health and Welfare Benefit Plan and Trust. Depending upon the plan chosen, the employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract.

**NOTE 12 - LONG-TERM OBLIGATIONS**

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

	Balance 06/30/23	Additions	Reductions	Balance 06/30/24	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Bonds					
FY2021 Refunding Bonds					
Serial Bonds 0.931 - 2.143%	\$ 6,175,000	\$ -	\$ -	\$ 6,175,000	\$ 525,000
Term Bonds 2.5%	3,280,000	- -	- -	3,280,000	-
Capital Appreciation Bonds	144,474	- -	(144,474)	-	-
Accreted interest	286,365	94,161	(380,526)	-	-
Premium	631,315	- -	(38,456)	592,859	-
FY2022 School Facilities Construction					
Serial Bonds 4%	\$ 8,790,000	\$ -	\$ (1,590,000)	\$ 7,200,000	\$ 1,335,000
Term Bonds 3 - 4%	24,865,000	- -	- -	24,865,000	-
Premium	3,454,201	- -	(97,531)	3,356,670	-
Total General Obligation Bonds	<u>\$ 47,626,355</u>	<u>\$ 94,161</u>	<u>\$ (2,250,987)</u>	<u>\$ 45,469,529</u>	<u>\$ 1,860,000</u>

FY 2021 Refunding Bonds - On August 27, 2020, the District issued bonds, in the amount of \$10,023,403, to refund bonds previously issued in fiscal year 2012 for constructing and equipping school facilities. The bond issue consists of serial, term, and capital appreciation bonds, in the original amount of \$6,175,000, \$3,280,000, and \$568,404, respectively. The bonds were issued for a twenty fiscal year period, with final maturity in fiscal year 2040. The bonds are being repaid from the bond retirement fund.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 12 - LONG-TERM OBLIGATIONS (Continued)**

FY 2022 School Facilities Construction and Improvement Bonds - On March 1, 2022, the District issued \$35,000,000 in voted general obligation bonds for constructing and equipping school facilities. The bond issue consists of serial and term bonds, in the original amount of \$10,135,000 and \$24,865,000, respectively. The bonds were issued for a thirty-six-year period, with final maturity in fiscal year 2058. The bonds are being repaid from the bond retirement fund.

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2024, were as follows:

Fiscal Year Ending June 30,	General Obligation Bonds		
	Serial and Term		
	Principal	Interest	Total
2025	\$ 1,860,000	\$ 1,386,211	\$ 3,246,211
2026	940,000	1,346,343	2,286,343
2027	955,000	1,324,137	2,279,137
2028	980,000	1,300,475	2,280,475
2029	1,000,000	1,275,263	2,275,263
2030 - 2034	5,685,000	5,924,681	11,609,681
2035 - 2039	6,755,000	4,986,861	11,741,861
2040 - 2044	4,850,000	4,097,700	8,947,700
2045 - 2049	5,005,000	3,214,100	8,219,100
2050 - 2054	6,090,000	2,108,000	8,198,000
2055 - 2059	7,400,000	763,400	8,163,400
Total	\$ 41,520,000	\$ 27,727,171	\$ 69,247,171

**NOTE 13 - SET-ASIDES**

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

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 13 - SET-ASIDES (Continued)**

	<u>Capital Improvements</u>
Set-aside balance June 30, 2023	\$ -
Current year set-aside requirement	367,537
Contributions in excess of the current fiscal year set-aside requirement	-
Current year qualifying expenditures	-
Excess qualified expenditures from prior years	-
Current year offsets	(100,272)
Waiver granted by ODE	-
Prior year offset from bond proceeds	<u>(267,265)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2025	<u>\$ -</u>
Set-aside balance June 30, 2024	<u>\$ -</u>

During prior fiscal years, the District issued a total of \$48,604,587 in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount presented for Prior Year Offset from Bond Proceeds is limited to an amount needed to reduce the reserve for capital improvement to \$0. The District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$46,707,439 at June 30, 2024.

**NOTE 14 - JOINTLY GOVERNED ORGANIZATIONS**

**A. Ohio Hi-Point Career Center**

The Ohio Hi-Point Career Center (Career Center) (formerly the Ohio Hi-Point Joint Vocational School) is a distinct political subdivision of the State of Ohio which provides vocational education to students. The Career Center is operated under the direction of a Board consisting of one representative from each of the eleven participating Districts' elected boards. The Board possesses its own budgeting and taxing authority. The degree of control exercised by the District is limited to its representation on the Board. Financial information can be obtained from the Ohio Hi-Point Career Center, 2280 State Route 540, Bellefontaine, Ohio 43311.

**B. Western Ohio Computer Organization**

The District is a participant in the Western Ohio Computer Organization (WOCO). WOCO is a council of governments within the boundaries of Auglaize, Champaign, Hardin, Logan, Miami, and Shelby Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member Districts. The governing board of WOCO consists of two representatives from each county elected by majority vote of all charter member Districts within each county plus a representative from the fiscal agent District. During fiscal year 2024, the District paid \$147,290 to WOCO for various services. Financial information can be obtained from WOCO, 129 East Court Street, Sidney, Ohio 45365.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 15 - INSURANCE POOLS**

**A. Ohio School Plan**

The District participates in the Ohio School Plan (OSP), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. OSP is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. OSP's business and affairs are conducted by a board consisting of thirteen superintendents, treasurers and business managers, representing a diverse group of school districts throughout the state. Hylant Administrative Services, LLC (HAS) is responsible for processing claims and establishes agreements between OSP and its members. Financial information can be obtained from Ohio School Plan c/o Hylant Administrative Services, PO Box 2083, 811 Madison Avenue, Toledo, Ohio 43603-2083.

**B. Hardin County School Employees' Health and Welfare Benefit Plan and Trust**

The Hardin County School Employees' Health and Welfare Benefit Plan and Trust (Trust) is a public entity shared risk pool consisting of seven school districts and the Ada Public Library. The Trust is organized as a Voluntary Employee Benefit Association under Section 501 (c)(9) of the Internal Revenue Code and provides medical, dental, vision, and life insurance benefits to the employees of the participants. Each participant appoints an individual to an Administrative Committee which advises the Trustee, Huntington Bank, concerning aspects of the administration of the Trust.

Each participant decides which plans offered by the Administrative Committee will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Administrative Committee and payment of the monthly premiums. Financial information can be obtained from the Jefferson Health Plan. Contact Mark Schlagheck, Chief Fiscal Officer, 2023 Sunset Boulevard, Steubenville, OH 43952, or visit [thejeffersonhealthplan.org](http://thejeffersonhealthplan.org) or call (740) 381-8204.

**C. Better Business Bureau of Central Ohio Workers' Compensation Group Rating Plan**

The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Better Business Bureau of Central Ohio Workers' Compensation Group Rating Plan (Plan) was established through the Better Business Bureau of Ohio as an insurance purchasing pool. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program.

**NOTE 16 - 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 is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

**B. Litigation**

There are currently no matters in litigation with the District as defendant.

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

**NOTE 16 – CONTINGENCIES (Continued)**

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. The net impact of adjustments for fiscal year 2024 foundation funding resulted in a liability to ODEW in the amount of \$3,087. This amount is not recorded in the accompanying financial statements.

**NOTE 17 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

The City of Kenton entered into a tax abatement agreement with International Paper for the abatement of property taxes to bring jobs and economic development into the City. The agreement affects the property tax receipts collected and distributed to the District. Under the agreement, the District property taxes were reduced by \$139,925 during fiscal year 2024.

The Hardin County Board of Commissioners entered into a tax abatement agreement with Stillwater Properties for the abatement of property taxes to bring jobs and economic development into the Township. The agreement affects the property tax receipts collected and distributed to the District. Under the agreement, the District property taxes were reduced by \$17,252 during fiscal year 2024.

**NOTE 18 - COVID-19**

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL (BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>		<b>Variance with Final Budget - Over (Under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>	<b>Budgetary Basis</b>		
Budgetary receipts and other financing sources	\$ 22,716,500	\$ 24,785,300	\$ 24,647,313	\$ (137,987)	
Budgetary disbursements and other financing uses	<u>22,445,111</u>	<u>23,313,111</u>	<u>23,273,251</u>	<u>(39,860)</u>	
Net change in fund balance	271,389	1,472,189	1,374,062	(98,127)	
<b>Budgetary fund balance at beginning of year</b>	10,143,269	10,143,269	10,143,269	-	
<b>Prior year encumbrances appropriated</b>	377,411	377,411	377,411	-	
<b>Budgetary fund balance at end of year</b>	<u>\$ 10,792,069</u>	<u>\$ 11,992,869</u>	<u>\$ 11,894,742</u>	<u>\$ (98,127)</u>	

SEE ACCOMPANYING NOTES TO THE SUPPLEMENTARY INFORMATION

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

**NOTES TO THE SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 - BUDGETARY PROCESS**

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Schedule of Receipts, Disbursements and Changes in Fund Balance - Budget and Actual - Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis are as follows:

1. Outstanding year end encumbrances are treated as a cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).
2. Some funds are included in the general fund (cash basis) but have separate legally adopted budgets (budgetary basis).

Adjustments necessary to convert the results of operations at the end of the year on the budgetary basis to the cash basis are as follows:

	<u>General</u>
Budgetary basis	\$ 1,374,062
Funds budgeted elsewhere	19,127
Encumbrances	<u>251,582</u>
Cash basis	<u><u>\$ 1,644,771</u></u>

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY, OHIO**

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

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b> <i>Passed Through Ohio Department of Education and Workforce</i>		
Child Nutrition Cluster:		
Non-Cash Assistance (Food Distribution)	10.553	\$6,506
School Breakfast Program	10.555	58,557
National School Lunch Program		
Total Non-Cash Assistance (Food Distribution)		65,063
Cash Assistance:		
School Breakfast Program	10.553	288,386
National School Lunch Program	10.555	783,260
COVID-19 National School Lunch Program	10.555	52,889
Summer Food Service Program for Children	10.559	157,646
Total Cash Assistance		1,282,181
Total Child Nutrition Cluster		1,347,244
Total U.S. Department of Agriculture		1,347,244
<b>U.S. DEPARTMENT OF THE TREASURY</b> <i>Passed Through Ohio Facilities Construction Commission</i>		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	181,170
Total U.S. Department of the Treasury		181,170
<b>U.S. DEPARTMENT OF EDUCATION</b> <i>Passed Through Ohio Department of Education and Workforce</i>		
Title 1 Grants to Local Educational Agencies	84.010	742,269
Special Education Cluster (IDEA):		
Special Education Grants to States	84.027	509,097
Special Education Preschool Grants	84.173	12,635
COVID-19 Special Education Preschool Grants	84.173X	5,813
Total Special Education Cluster (IDEA)		527,545
Rural Education	84.358	78,932
Supporting Effective Instruction State Grants	84.367	70,234
Student Support and Academic Enrichment Program	84.424	108,949
COVID-19 Education Stabilization Fund		
COVID-19 Elementary and Secondary School Emergency Relief (ESSER I & II) Fund	84.425D	2,050
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund (ARP-ESSER)	84.425U	894,618
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	5,171
Total COVID-19 Education Stabilization Fund		901,839
Total U.S. Department of Education		2,429,768
Total Expenditures of Federal Awards		3,958,182

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR § 200.510(b)(6)  
FOR THE FISCAL 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 Kenton City School District (the District) under programs of the federal government for the fiscal year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements 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 - SUBRECIPIENTS**

The District did not provide funds to subrecipients during the fiscal year ended June 30, 2024.

**NOTE E - 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 F – FOOD DONATION PROGRAM**

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

**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY**

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

**NOTE G – TRANFERS BETWEEN FEDERAL PROGRAM YEARS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with The Ohio Department of Education and Workforce's consent, schools can transfer unobligated amounts to the subsequent year's program. The District transferred the following amounts from 2024 to 2025 programs:

<b>Program Title</b>	<b>AL Number</b>	<b>Amount Transferred</b>
Title I Grants to Local Educational Agencies	84.010	\$106,023.32
Special Education Grants to States	84.027	\$17,259.16
Rural Education	84.358	\$16,405.39
Supporting Effective Instruction State Grants	84.367	\$58,495.37
Student Support and Academic Enrichment Program	84.424	\$11,101.54

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

Kenton City School District  
Hardin County  
222 West Carroll Street  
Kenton, Ohio 43326

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the cash-basis financial statements of the governmental activities each major fund, and the aggregate remaining fund information of the Kenton City School District, Hardin County, (the District) as of and for the fiscal 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 May 8, 2025, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles. We also noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement (GASB) No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*.

***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 purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Kenton City School District  
Hardin County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Governmental 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2024-001.

***District's Response to Finding***

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

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 8, 2025

# OHIO AUDITOR OF STATE KEITH FABER



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## 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

Kenton City School District  
Hardin County  
222 West Carroll Street  
Kenton, Ohio 43326

To the Board of Education

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

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

We have audited Kenton City School District's, Hardin County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Kenton City School District's major federal programs for the fiscal year ended June 30, 2024. Kenton City 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, Kenton City 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 fiscal 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.

Kenton City School District

Hardin 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

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### ***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.

Kenton City School District

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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

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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.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 8, 2025

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**KENTON CITY SCHOOL DISTRICT  
HARDIN COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2024**

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Child Nutrition Cluster (ALN 10.553, 10.555, 10.559) Special Education Cluster (IDEA) (ALN 84.027 and 84.173)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	No

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

**FINDING NUMBER 2024-001**

**Noncompliance Citation**

**Ohio Rev. Code § 117.38** provides that each public office shall file a financial report for each fiscal year. The Auditor of State may prescribe forms by rule or may issue guidelines, or both, for such reports. If the Auditor of State has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

**FINDING NUMBER 2024-001**  
**(Continued)**

**Ohio Admin. Code 117-2-03(B)** requires the District to file annual financial reports which are prepared using generally accepted accounting principles (GAAP).

The District prepared financial statements that, although formatted similar to financial statements prescribed by the Governmental Accounting Standards Board, report on the cash basis of accounting rather than GAAP. The accompanying financial statements and notes omit certain assets, liabilities, deferred inflows/outflows of resources, fund equities/net position, and disclosures that, while presumed material, cannot be determined at this time.

Pursuant to Ohio Rev. Code § 117.38 the District may be fined for its failure to file the required financial report. Failure to report on a GAAP basis compromises the District's ability to evaluate and monitor the overall financial condition of the District. To help provide users with more meaningful financial statements, the District should prepare its annual financial statements according to generally accepted accounting principles.

**OFFICIALS' RESPONSE:**

GAAP statements have not been filed since the Board agreed with the Treasurer to suspend such preparation due to its high cost and limited usage. It is not anticipated that GAAP statements will be filed in the future.

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

None



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## KENTON CITY SCHOOL DISTRICT HARDIN COUNTY

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2 CFR § 200.511(b)

JUNE 30, 2024

(Prepared by Management)

Finding Number	Finding Summary	Status	Additional Information
2023-001	<b>Noncompliance</b> <b>Finding- Ohio Rev. Code § 117.38</b> – The Financial statements were not prepared in accordance with accounting principles general accepted in the United States of America. First reported in the audit for the fiscal year ended June 30, 2013	Not Corrected. Repeated as Finding 2024-001.	See Corrective Action Plan



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## KENTON CITY SCHOOL DISTRICT HARDIN COUNTY

### CORRECTIVE ACTION PLAN 2 CFR § 200.511(C) JUNE 30, 2024 (Prepared by Management)

Finding Number	Planned Corrective Plan	Anticipated Completion Date	Responsible Contact Person
2024-001	GAAP statements have not been filed since the Board agreed with the Treasurer to suspend such preparation due to its high cost and limited usage. It is not anticipated that GAAP statements will be filed in the future	N/A	Jill Smith, Treasurer

# OHIO AUDITOR OF STATE KEITH FABER



KENTON CITY SCHOOL DISTRICT

HARDIN 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 6/3/2025

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)