



OHIO AUDITOR OF STATE
KEITH FABER



**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY
JUNE 30, 2025**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report.....	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position – Cash Basis.....	12
Statement of Activities – Cash Basis.....	13
Fund Financial Statements:	
Statement of Assets and Fund Balances – Cash Basis	
Governmental Funds	14
Statement of Cash Receipts, Disbursements and Changes in Fund Balances – Cash Basis	
Governmental Funds	15
Statement of Cash Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis	
General Fund	16
Statement of Changes in Fiduciary Net Position – Cash Basis – Custodial Fund	17
Notes to the Basic Financial Statements	18
Schedule of Expenditures of Federal Awards.....	49
Notes to the Schedule of Expenditures of Federal Awards	50
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	
53	
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	
55	
Schedule of Findings	59
Summary Schedule of Prior Audit Findings	61
Corrective Action Plan	63

This Page Intentionally Left Blank

OHIO AUDITOR OF STATE

KEITH FABER



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

INDEPENDENT AUDITOR'S REPORT

Pymatuning Valley Local School District
Ashtabula County
5571 U.S. Route 6 West
Andover, Ohio 44003

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 the Pymatuning Valley Local School District, Ashtabula County, Ohio (the District), as of and for the year ended June 30, 2025, 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 District, as of June 30, 2025, and the respective changes in cash-basis financial position thereof and the budgetary comparison for the General fund for the 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.

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 is presented for purposes of additional analysis and is 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 in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is 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 & 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 December 10, 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
Ohio Auditor of State



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

December 10, 2025

(This Page Intentionally Left Blank.)

Pymatuning Valley Local School District

Management's Discussion and Analysis

For the Year Ended June 30, 2025

Unaudited

This discussion and analysis of the Pymatuning Valley Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole, readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Highlights

Key highlights for fiscal year 2025 are as follows:

- Certificated employees received step and 1.5 percent base salary increase and classified employees received step and a 2.0 percent increase in base salaries to offset an increase in employee health insurance contributions from a healthcare premium contribution restructure, per negotiated agreements.
- The School District actively pursues grants and controls expenses while still maintaining the high academic standards the residents expect of the School District.

Using the Basic Financial Statements

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

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the School District as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the School District as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The School District has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the School District's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

Pymatuning Valley Local School District

Management's Discussion and Analysis

For the Year Ended June 30, 2025

Unaudited

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the School District as a Whole

The statement of net position and the statement of activities reflect how the School District did financially during fiscal year 2025, within the limitations of cash basis accounting. The statement of net position presents the cash balances and investments of the governmental activities of the School District at fiscal year end. The statement of activities compares cash disbursements with program receipts for each governmental program. 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. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the School District's general receipts.

These statements report the School District's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the School District's financial health. Over time, increases or decreases in the School District's cash position is one indicator of whether the School District's financial health is improving or declining. When evaluating the School District's financial condition, you should also consider other nonfinancial factors as well such as the School District's property tax base, the condition of the School District's capital assets, the extent of the School District's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property taxes.

In the statement of net position and the statement of activities, all School District activities are classified as governmental. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance, pupil transportation, operation of food service and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund financial statements provide detailed information about the School District's major funds – not the School District as a whole. The School District establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the School District are split into two categories: governmental and fiduciary.

Governmental Funds – Most of the School District's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the School District's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the School District's programs. The School District's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The School District's major governmental funds are the general fund and the capital improvements capital projects fund. The programs reported in governmental funds are closely related to those reported in the governmental activities section of the entity-wide statements. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Pymatuning Valley Local School District
Management's Discussion and Analysis
For the Year Ended June 30, 2025
Unaudited

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the School District-wide financial statements because the resources of these funds are not available to support the School District's programs.

The School District as a Whole

Table 1 provides a summary of the School District's net position for 2025 compared to 2024 on a cash basis:

(Table 1)
Net Position

	Governmental Activities		
	2025	2024	Change
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$9,129,367</u>	<u>\$7,931,345</u>	<u>\$1,198,022</u>
Net Position			
Restricted for:			
Capital Projects	\$344,183	\$176,011	\$168,172
Debt Service	39,533	390,475	(350,942)
Food Service	0	54,439	(54,439)
Classroom Facilities Maintenance	795,698	770,194	25,504
Athletics	93,520	64,345	29,175
Unclaimed Monies	5,020	5,020	0
Other Purposes	124,928	193,473	(68,545)
Unrestricted	<u>7,726,485</u>	<u>6,277,388</u>	<u>1,449,097</u>
Total Net Position	<u>\$9,129,367</u>	<u>\$7,931,345</u>	<u>\$1,198,022</u>

Net position of governmental activities increased during 2025. This increase can mainly be attributed to a increase in cash as receipts exceeded disbursements despite there being a decrease in receipts and a decrease in disbursements. The School District also began improvements to house a new daycare center as well as an indoor air quality project.

Table 2 shows the change in net position for fiscal year 2025 compared to fiscal year 2024 for governmental activities.

(Table 2)
Change in Net Position

	Governmental Activities		
	2025	2024	Change
Receipts			
<i>Program Receipts:</i>			
Charges for Services and Sales	\$1,006,794	\$1,131,213	(\$124,419)
Operating Grants and Contributions	2,916,264	6,459,450	(3,543,186)
Capital Grants and Contributions	0	1,000	(1,000)
Total Program Receipts	<u>\$3,923,058</u>	<u>\$7,591,663</u>	<u>(\$3,668,605)</u>

(continued)

Pymatuning Valley Local School District
Management's Discussion and Analysis
For the Year Ended June 30, 2025
Unaudited

(Table 2)
Change in Net Position

	Governmental Activities		
	2025	2024	Change
Receipts			
<i>General Receipts:</i>			
Property Taxes	\$5,979,468	\$5,489,080	\$490,388
Grants and Entitlements	11,212,008	10,240,024	971,984
Unrestricted Contributions and Donations	0	3,591	(3,591)
Investment Earnings/Interest	314,259	266,344	47,915
Miscellaneous	14,997	49,516	(34,519)
Total General Receipts	17,520,732	16,048,555	1,472,177
Total Receipts	21,443,790	23,640,218	(2,196,428)
Disbursements			
Instruction			
Regular	6,352,865	6,070,567	(282,298)
Special	3,053,882	3,201,744	147,862
Vocational	357,188	328,285	(28,903)
Student Intervention Services	1,387	3,022	1,635
Support Services:			
Pupil	1,193,540	1,159,211	(34,329)
Instructional Staff	723,616	718,175	(5,441)
Board of Education	139,542	53,505	(86,037)
Administration	1,254,158	1,211,957	(42,201)
Fiscal	573,804	522,473	(51,331)
Business	39,305	37,364	(1,941)
Operation and Maintenance of Plant	1,854,080	3,338,016	1,483,936
Pupil Transportation	1,989,021	4,550,265	2,561,244
Central	260,797	240,671	(20,126)
Operation of Non Instructional Services	1,051,755	1,320,862	269,107
Extracurricular Activities	777,854	751,176	(26,678)
Debt Service	622,974	617,943	(5,031)
Total Disbursements	20,245,768	24,125,236	3,879,468
Increase (Decrease) in Net Position	1,198,022	(485,018)	1,683,040
Net Position Beginning of Year	7,931,345	8,416,363	(485,018)
Net Position End of Year	\$9,129,367	\$7,931,345	\$1,198,022

Grants and entitlements are the School District's largest source of receipts, followed by property taxes. The School District carefully monitors both these receipts and uses both a five year forecast and a spending plan to predict future receipts and disbursements of the School District. During fiscal year 2025, the School District saw an increase in unrestricted grants and entitlements due to an increase in State funding. Property tax receipts increased during fiscal year 2025 due to an increase in assessed values. Operating grants and contributions decreased due to a decrease in COVID-19 relief funds received during 2025.

Some of the significant disbursements during fiscal year 2025 were in the categories of regular and special instruction, pupils, administration, operation and maintenance of plant, pupil transportation and operation of non-instructional services. Regular and special instruction disbursements are primarily salary and benefit costs for the School District's teachers. The increase in regular instruction is due to additional investments made in procuring new curriculum. The decrease in special instruction is due to a decrease in the number of students enrolled in high-dollar special education classrooms. The decrease in operation and maintenance of plant and pupil transportation disbursements is due to the completion of the School District's bus garage in the prior year.

Pymatuning Valley Local School District
Management's Discussion and Analysis
For the Year Ended June 30, 2025
Unaudited

Governmental Activities

If you look at the statement of activities on page 13, you will see that the first column lists the major services provided by the School District. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for instruction, support services, operation of non-instructional services, extracurricular activities, and debt service. The next two columns of the statement, entitled Program Cash Receipts, identify amounts paid by people who are directly charged for the service and grants received by the School District that must be used to provide a specific service. The Net (Expense) Revenue column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)
Total Cost of Services and Net Cost

	Total Cost of Service 2025	Net Cost of Service 2025	Total Cost of Service 2024	Net Cost of Service 2024
Instruction	\$9,765,322	(\$7,299,753)	\$9,603,618	(\$6,659,629)
Support Services:				
Pupil and Instructional Staff	1,917,156	(1,693,699)	1,877,386	(1,107,889)
Board of Education, Administration, Fiscal and Business	2,006,809	(2,006,809)	1,825,299	(1,825,299)
Operation and Maintenance of Plant	1,854,080	(1,784,952)	3,338,016	(856,743)
Pupil Transportation	1,989,021	(1,863,969)	4,550,265	(4,409,947)
Central	260,797	(254,824)	240,671	(61,405)
Operation of Non Instructional Services	1,051,755	(438,561)	1,320,862	(653,454)
Extracurricular Activities	777,854	(357,169)	751,176	(341,264)
Debt Service	622,974	(622,974)	617,943	(617,943)
Total Disbursements	<u>\$20,245,768</u>	<u>(\$16,322,710)</u>	<u>\$24,125,236</u>	<u>(\$16,533,573)</u>

The School District's Funds

Information about the School District's major funds starts on page 14. All governmental funds had total receipts of \$21,443,790 and disbursements of \$20,245,768. Other financing sources and uses consisted of prior year advances repaid to the general fund and new advances from the general fund to other governmental funds to support programs and projects pending the receipt of outstanding grant money. The net change in fund balances for the year was a increase of \$1,198,022. The general fund saw an increase in fund balance due to an increase in property tax collections as property values increased. In addition, intergovernmental revenue increased due to an increase in State funding. The capital improvements capital project fund had an increase in fund balance due to a transfer from the general fund for future capital improvements.

Pymatuning Valley Local School District
Management's Discussion and Analysis
For the Year Ended June 30, 2025
Unaudited

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the general fund. During fiscal year 2025, the School District amended its general fund budget to allow for changes to the budget. The general fund is often called upon to advance funds to one project or another.

For the general fund, the actual revenues were greater than the final budget basis revenue estimate, which can be mainly attributed to more intergovernmental, tuition and fees and interest revenue received than what the School District anticipated. The final budget appropriations were in line with actual expenditures due to the School District closely monitoring expenditures to keep costs low.

Capital Assets and Debt Administration

Capital Assets

The School District maintains a listing of its capital assets. These records are not required to be presented in the financial statements.

Debt

At June 30, 2025, the School District's outstanding debt consisted of \$50,000 in general obligation bonds issued for improvements to buildings and structures. The School District's overall debt margin was \$23,129,513 with an unvoted debt margin of \$257,111 at June 30, 2025. For further information regarding the School District's debt, refer to Note 12 of the basic financial statements.

Current Issues

The School District is not without its share of challenges. The need for additional funds for operations will continue in the near future due to several variables. The School District forecasted increases in health insurance premiums over the next few years.

School districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Management must plan expenses accordingly, staying within the School District's five-year plan. The Board of Education always keeps the safety and welfare of their students as their number one priority when making all planning decisions.

In conclusion, the School District's systems of budgeting and internal controls are well regarded. All of the School District's financial abilities will be needed to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our parents, citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Thomas Brockway, Treasurer at Pymatuning Valley Local School District, 5571 Route 6 W, Andover, Ohio 44003.

Basic Financial Statements

Pymatuning Valley Local School District

Statement of Net Position - Cash Basis

June 30, 2025

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$9,129,367</u>
 Net Position	
Restricted for:	
Capital Projects	\$344,183
Debt Service	39,533
Classroom Facilities Maintenance	795,698
Athletics	93,520
Unclaimed Monies	5,020
Other Purposes	124,928
Unrestricted	<u>7,726,485</u>
 <i>Total Net Position</i>	 <u>\$9,129,367</u>

See accompanying notes to the basic financial statements

Pymatuning Valley Local School District

Statement of Activities - Cash Basis
For the Fiscal Year Ended June 30, 2025

	Program Cash Receipts			Net (Disbursement) Receipts and Changes in Net Position	
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions		
Governmental Activities					
Current:					
Instruction:					
Regular	\$6,352,865	\$580,568	\$282,068	(\$5,490,229)	
Special	3,053,882	0	1,495,913	(1,557,969)	
Vocational	357,188	0	107,020	(250,168)	
Student Intervention Services	1,387	0	0	(1,387)	
Support Services:					
Pupil	1,193,540	0	66,444	(1,127,096)	
Instructional Staff	723,616	0	157,013	(566,603)	
Board of Education	139,542	0	0	(139,542)	
Administration	1,254,158	0	0	(1,254,158)	
Fiscal	573,804	0	0	(573,804)	
Business	39,305	0	0	(39,305)	
Operation and Maintenance of Plant	1,854,080	40,400	28,728	(1,784,952)	
Pupil Transportation	1,989,021	0	125,052	(1,863,969)	
Central	260,797	0	5,973	(254,824)	
Operation of Non-Instructional Services	1,051,755	25,501	587,693	(438,561)	
Extracurricular Activities	777,854	360,325	60,360	(357,169)	
Debt Service	622,974	0	0	(622,974)	
<i>Totals</i>	<u>\$20,245,768</u>	<u>\$1,006,794</u>	<u>\$2,916,264</u>	<u>(16,322,710)</u>	
General Receipts					
Property Taxes Levied for:					
General Purposes				5,662,879	
Permanent Improvement				169,287	
Debt Service				124,922	
Classroom Facilities Maintenance				22,380	
Grants and Entitlements not Restricted to Specific Programs					
Investment Earnings/Interest				11,212,008	
Miscellaneous				314,259	
				<u>14,997</u>	
				<u>17,520,732</u>	
<i>Change in Net Position</i>					
				1,198,022	
<i>Net Position Beginning of Year</i>					
				<u>7,931,345</u>	
<i>Net Position End of Year</i>					
				<u>\$9,129,367</u>	

See accompanying notes to the basic financial statements

Pymatuning Valley Local School District
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
June 30, 2025

	General	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,581,943	\$1,130,000	\$1,412,404	\$9,124,347
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	5,020	0	0	5,020
<i>Total Assets</i>	<u><u>\$6,586,963</u></u>	<u><u>\$1,130,000</u></u>	<u><u>\$1,412,404</u></u>	<u><u>\$9,129,367</u></u>
Fund Balances				
Nonspendable	\$5,020	\$0	\$0	\$5,020
Restricted	0	0	1,397,862	1,397,862
Committed	531,786	1,130,000	150,032	1,811,818
Assigned	562,014	0	0	562,014
Unassigned (Deficit)	5,488,143	0	(135,490)	5,352,653
<i>Total Fund Balances</i>	<u><u>\$6,586,963</u></u>	<u><u>\$1,130,000</u></u>	<u><u>\$1,412,404</u></u>	<u><u>\$9,129,367</u></u>

See accompanying notes to the basic financial statements

Pymatuning Valley Local School District
Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	(Formerly Major) Elementary and Secondary Schools Emergency Relief	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Receipts					
Property Taxes	\$5,662,879		\$0	\$316,589	\$5,979,468
Intergovernmental	12,173,510		0	1,862,901	14,036,411
Investment Earnings/Interest	308,851		0	5,408	314,259
Tuition and Fees	580,568		0	0	580,568
Extracurricular Activities	5,762		0	228,283	234,045
Contributions and Donations	4,680		0	87,181	91,861
Charges for Services	126,280		0	25,501	151,781
Rentals	40,400		0	0	40,400
Miscellaneous	14,997		0	0	14,997
<i>Total Receipts</i>	<i>18,917,927</i>		<i>0</i>	<i>2,525,863</i>	<i>21,443,790</i>
Disbursements					
Current:					
Instruction:					
Regular	6,321,594		0	31,271	6,352,865
Special	2,308,885		0	744,997	3,053,882
Vocational	357,188		0	0	357,188
Student Intervention Services	1,387		0	0	1,387
Support Services:					
Pupil	1,178,327		0	15,213	1,193,540
Instructional Staff	597,553		0	126,063	723,616
Board of Education	139,542		0	0	139,542
Administration	1,254,158		0	0	1,254,158
Fiscal	566,008		0	7,796	573,804
Business	39,305		0	0	39,305
Operation and Maintenance of Plant	1,849,262		0	4,818	1,854,080
Pupil Transportation	1,720,746		0	0	1,720,746
Central	254,824		0	5,973	260,797
Operation of Non-Instructional Services	6,464		0	1,045,291	1,051,755
Extracurricular Activities	462,564		0	315,290	777,854
Capital Outlay	268,275		0	0	268,275
Debt Service:					
Principal Retirement	100,000		0	510,000	610,000
Interest	4,686		0	8,288	12,974
<i>Total Disbursements</i>	<i>17,430,768</i>		<i>0</i>	<i>2,815,000</i>	<i>20,245,768</i>
<i>Excess of Receipts Over (Under) Disbursements</i>	<i>1,487,159</i>		<i>0</i>	<i>(289,137)</i>	<i>1,198,022</i>
Other Financing Sources (Uses)					
Transfers In	0		1,000,000	181,560	1,181,560
Transfers Out	(1,050,000)		0	(131,560)	(1,181,560)
Advances In	295,000		0	162,000	457,000
Advances Out	(162,000)		0	(295,000)	(457,000)
<i>Total Other Financing Sources (Uses)</i>	<i>(917,000)</i>		<i>1,000,000</i>	<i>(83,000)</i>	<i>0</i>
<i>Net Change in Fund Balances</i>	<i>570,159</i>		<i>1,000,000</i>	<i>(372,137)</i>	<i>1,198,022</i>
<i>Fund Balances Beginning of Year as Previously Reported</i>	<i>6,016,804</i>		<i>822</i>	<i>-</i>	<i>1,913,719</i>
Changes within Reporting Entity - See Note 21					
Major Fund to Nonmajor Fund Adjustment					
Elementary and Secondary Schools Emergency Relief	0	(822)	0	822	0
Nonmajor Fund to Major Fund Adjustment					
Capital Improvements	0	0	130,000	(130,000)	0
<i>Adjusted Fund Balance Beginning of Year</i>	<i>6,016,804</i>		<i>-</i>	<i>130,000</i>	<i>1,784,541</i>
<i>Fund Balances End of Year</i>	<i>\$6,586,963</i>		<i>\$1,130,000</i>	<i>\$1,412,404</i>	<i>\$9,129,367</i>

See accompanying notes to the basic financial statements

Pymatuning Valley Local School District
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Fiscal Year Ended June 30, 2025

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original	Final	Actual	
Receipts				
Property Taxes	\$6,163,319	\$6,463,000	\$5,662,879	(\$800,121)
Intergovernmental	10,833,595	11,060,000	12,173,510	1,113,510
Interest	268,815	250,000	308,851	58,851
Tuition and Fees	556,671	550,000	580,568	30,568
Contributions and Donations	3,672	0	4,241	4,241
Charges for Services	119,880	100,000	126,280	26,280
Rentals	40,121	0	40,400	40,400
Miscellaneous	25,677	275,000	14,997	(260,003)
<i>Total Receipts</i>	<u>18,011,750</u>	<u>18,698,000</u>	<u>18,911,726</u>	<u>213,726</u>
Disbursements				
Current:				
Instruction:				
Regular	6,402,601	6,643,726	6,353,659	290,067
Special	2,338,276	2,823,079	2,314,041	509,038
Vocational	361,735	408,237	357,691	50,546
Student Intervention Services	1,405	1,400	1,387	13
Support Services:				
Pupil	1,193,327	1,196,902	1,196,379	523
Instructional Staff	605,160	515,621	616,870	(101,249)
Board of Education	141,318	140,937	139,542	1,395
Administration	1,270,123	1,294,573	1,271,852	22,721
Fiscal	573,213	582,611	568,044	14,567
Business	39,805	37,361	41,422	(4,061)
Operation and Maintenance of Plant	1,872,802	1,782,338	1,898,236	(115,898)
Pupil Transportation	1,742,650	1,739,177	1,998,542	(259,365)
Central	258,068	249,459	257,898	(8,439)
Operation of Non-Instructional Services	6,546	6,529	68,425	(61,896)
Extracurricular Activities	463,266	455,306	520,245	(64,939)
Capital Outlay	268,275	275,000	268,275	6,725
Debt Service:				
Principal Retirement	100,000	100,000	100,000	0
Interest	4,686	5,000	4,686	314
<i>Total Disbursements</i>	<u>17,643,256</u>	<u>18,257,256</u>	<u>17,977,194</u>	<u>280,062</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>368,494</u>	<u>440,744</u>	<u>934,532</u>	<u>493,788</u>
Other Financing Sources (Uses)				
Transfers Out	(1,050,000)	(1,336,000)	(1,050,000)	286,000
Advances In	61,250	275,000	295,000	20,000
Advances Out	(162,000)	(162,000)	(162,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(1,150,750)</u>	<u>(1,223,000)</u>	<u>(917,000)</u>	<u>306,000</u>
<i>Net Change in Fund Balance</i>	<u>(782,256)</u>	<u>(782,256)</u>	<u>17,532</u>	<u>799,788</u>
<i>Fund Balance Beginning of Year</i>	<u>5,224,817</u>	<u>5,224,817</u>	<u>5,224,817</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>750,256</u>	<u>750,256</u>	<u>750,256</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$5,192,817</u>	<u>\$5,192,817</u>	<u>\$5,992,605</u>	<u>\$799,788</u>

See accompanying notes to the basic financial statements

Pymatuning Valley Local School District
Statement of Changes in Fiduciary Net Position - Cash Basis
Custodial Fund
For the Fiscal Year Ended June 30, 2025

	<u>Custodial</u>
Additions	
Intergovernmental	\$999
Deductions	
Distributions to Ashtabula County YMCA	<u>999</u>
<i>Change in Net Position</i>	0
<i>Net Position Beginning of Year</i>	<u>0</u>
<i>Net Position End of Year</i>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Pymatuning Valley Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

Note 1 - Reporting Entity

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

The Board of Education controls the School District's seven instructional/support facilities staffed by 55 classified employees and 82 certificated employees who provide services to 1,038 students and other community members.

Primary Government

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

Component Units

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

Other Organizations

The School District participates in three jointly governed organizations, a related organization and two insurance purchasing pools. These organizations are the North Eastern Ohio Management Information Network, the Ashtabula County Technical & Career Center, the State Support Team – Region 5, the Andover Public Library, Ohio Schools Council Workers' Compensation Group Rating Program and the Ashtabula County Schools Council of Governments. These organizations are presented in Notes 13, 14 and 15 to the basic financial statements.

The School District's management believes these financial statements present all activities for which the School District is financially accountable.

Pymatuning Valley Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District are presented on a cash basis of accounting. This cash 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 School District's accounting policies.

Basis of Presentation

The School 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 School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental in nature and those that are considered business-type activities. The School District, however, has no business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions.

The statement of net position presents the cash balance of the governmental activities of the School District at fiscal year end. The statement of activities compares disbursements with program receipts for each function or program of the School 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 government is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support 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 School District's general receipts.

Fund Financial Statements During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of 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.

Fund Accounting

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

Governmental Funds The School District classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The School District's major governmental funds are:

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

General Fund The general fund is used to account for and report all financial resources, except those required to be accounted for and reported 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.

Capital Improvements Fund This fund accounts for and reports monies transferred from the general fund that are committed for capital replacements and improvements. In the prior year, this fund was a nonmajor fund; therefore, the fund balance beginning of year as previously reported includes a “-“ to indicate this amount is included with nonmajor governmental funds.

The other governmental funds of the School District account for grants and other resources whose use is restricted, committed or assigned to a particular purpose. The elementary and secondary school emergency relief special revenue fund is presented on the Statement of Cash Receipts, Disbursements and Changes in Fund Balances - Governmental Funds as a formerly major fund as it no longer meets the quantitative threshold to be a major fund. Other than the beginning fund balance, no amounts are presented in the column as this fund's 2025 activity is presented in the other governmental funds column. Information for the beginning balance is presented to reflect the movement from major to nonmajor. The adjusted balance beginning of year includes a “-“ to indicate this amount is included with the nonmajor fund.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The School District has no trust funds. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund.

The School District's fiduciary funds are custodial funds. Custodial funds are used to account for assets held by the School District as fiscal agent for the daycare run by the YMCA.

Basis of Accounting

The School District's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the School 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. Any such modifications made by the School District are described in the appropriate section in this note.

As a result of the use of this 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 these financial statements.

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by the Board.

Pymatuning Valley Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

Although the legal level of budgetary control was established at the fund level of expenditures, the District elected to present budgetary statement comparisons at the fund and function level of expenditures. The Treasurer has been given the authority to allocate Board appropriations to the function and object level within all funds without resolution by the Board of Education.

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

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation 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.

Cash and Investments

To improve cash management, cash received by the School District is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Investments of the School District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School 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.

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.

During fiscal year 2025, investments were limited to nonnegotiable certificates of deposit which are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest receipts credited to the general fund during fiscal year 2025 amounted to \$308,851 which includes \$82,109 assigned from other School District funds.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions. Unclaimed monies that are required to be held for five years before they may be utilized by the School District are reported as restricted.

Inventory and Prepaid Items

The School District reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Pymatuning Valley Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Interfund Receivables/Payables

The School District reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Pensions/Other Postemployment Benefits (OPEB)

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

Accumulated Leave

School District employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement. Employees are entitled to cash payments for unused leave. The School District does not offer noncash settlements. These items are not reflected as liabilities in the accompanying financial statements.

Employer Contributions to Cost-Sharing Pension Plans

The School District recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 17 and 18, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Long-Term Obligations

The School 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, SBITA or 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 payments, SBITA payments, and financed purchase payments are reported when paid.

Leases and SBITAs

The School District is the lessee (as defined by GASB 87) in various leases related to equipment under noncancelable leases. Lease payables are not reflected under the School District's cash basis of accounting. Lease disbursements are recognized when they are paid.

Pymatuning Valley Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

The School District has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems, scheduling, grading systems and various other software. Subscription liabilities are not reflected under the School District's cash basis of accounting. Subscription disbursements are recognized when they are paid.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for student activities and operations of instructional services. The School District's policy is to first apply restricted resources when a cash disbursement is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance

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

Nonspendable The nonspendable fund balance category 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" criterion includes items that are not expected to be converted to cash. Nonspendable fund balance in the general fund includes unclaimed monies legally required to be maintained until the end of a five-year holding period.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education delegated that authority by State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The School District Board of Education assigned fund balance for the underground storage tank.

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.

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

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

Interfund Transactions

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated. Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies 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 cash disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The statement 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 cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).
2. Budgetary revenues and expenditures of the public school support are reclassified to the general fund for cash basis.

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

Net Change in Fund Balance	
	General
Cash Basis	\$570,159
Perspective Differences:	
Public School Support	(1,613)
Adjustment for Encumbrances	<u>(551,014)</u>
Budget Basis	<u><u>\$17,532</u></u>

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Note 4 – Compliance and Accountability

Compliance

Ohio Administrative Code, Section 117-2-03 (B), requires the School District to prepare its annual financial report in accordance with generally accepted accounting principles. However, the School District prepared its 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 financial statements omit assets, liabilities, net position/fund balances, and disclosures that, while material, cannot be determined at this time. The School District can be fined.

Accountability

The food service special revenue fund had a deficit fund balance in the amount of \$135,490, at June 30, 2025. This cash deficit is the result of monies being expended with the expectation that the School District will be reimbursed during fiscal year 2026.

Note 5 – Fund Balance

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

Fund Balances	General	Capital Improvements	Other	
			Governmental Funds	Total
<i>Nonspendable</i>				
Unclaimed Monies	\$5,020	\$0	\$0	\$5,020
<i>Restricted for</i>				
Classroom Maintenance	0	0	795,698	795,698
Athletics	0	0	93,520	93,520
Student Activities	0	0	101,506	101,506
Regular Instruction	0	0	23,422	23,422
Debt Service Payments	0	0	39,533	39,533
Capital Improvements	0	0	344,183	344,183
<i>Total Restricted</i>	0	0	1,397,862	1,397,862
<i>Committed to</i>				
Memorial Scholarships	0	0	150,032	150,032
Capital Improvements	0	1,130,000	0	1,130,000
Severance Payments	531,786	0	0	531,786
<i>Total Committed</i>	\$531,786	\$1,130,000	\$150,032	\$1,811,818

(continued)

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Fund Balances	General	Capital Improvements	Other Governmental Funds	Total
<i>Assigned to</i>				
Underground Storage Tank	\$11,000	\$0	\$0	\$11,000
Purchases on Order:				
Instruction	37,724	0	0	37,724
Support Services	451,021	0	0	451,021
Extracurricular	62,269	0	0	62,269
<i>Total Assigned</i>	<i>562,014</i>	<i>0</i>	<i>0</i>	<i>562,014</i>
<i>Unassigned (Deficit)</i>	<i>5,488,143</i>	<i>0</i>	<i>(135,490)</i>	<i>5,352,653</i>
<i>Total Fund Balances</i>	<u>\$6,586,963</u>	<u>\$1,130,000</u>	<u>\$1,412,404</u>	<u>\$9,129,367</u>

Note 6 – Deposits and Investments

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

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

Inactive deposits are public deposits that the Board 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.

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

Interim monies held by the School District can 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, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Pymatuning Valley Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

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

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

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2025 represents collections of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed value listed as of January 1, 2024, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Public utility property tax revenue received in calendar 2025 represents collections of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2025 became a lien December 31, 2023, were levied after April 1, 2024 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Ashtabula County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2025, are available to finance fiscal year 2025 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

The amount available as an advance at June 30, 2025, was \$362,297 in the general fund, and \$17,390 in the permanent improvements fund. The amount available as an advance at June 30, 2024, was \$475,779 in the general fund, \$4,985 in the classroom facilities maintenance special revenue and \$27,873 in the bond retirement debt service fund.

The assessed values upon which the fiscal year 2025 taxes were collected are:

	2024 Second Half Collections		2025 First Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$234,315,840	92.28%	\$235,390,970	91.55%
Public Utility Personal	19,592,710	7.72	21,719,920	8.45
Total	<u>\$253,908,550</u>	<u>100.00%</u>	<u>\$257,110,890</u>	<u>100.00%</u>
Full Tax Rate per \$1,000 of assessed valuation		\$32.93		\$28.53

During fiscal year 2025, the tax rate decreased due to the expiration of the bond and classroom maintenance levies beginning January 2001.

Note 8 - Interfund Transactions

Interfund Transfers

The general fund made transfers to the capital improvements fund and the other governmental funds in the amount of \$1,050,000 for other capital improvements and to cover fund deficits in the athletics special revenue fund. The other governmental fund transfers to other governmental funds in the amount of \$131,560 to support programs with the same purpose accounted for in other funds.

Interfund Advances

The general fund made advances to the other governmental funds in the amounts of \$162,000. These advances were made to support programs and projects in various special revenue funds pending the receipt of grant money. Other governmental funds made advances to the general fund in the amounts of \$295,000. These advances were made to return prior year advances from the general fund.

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Note 9 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2025, the School District contracted with Love Insurance Agency for buildings and contents, liability and fleet insurance.

Type of Coverage	Coverage Amount
Property Damage Per Occurrence	\$105,024,434
Flood - Per Occurrence and Annual Aggregate	1,000,000
Errors and Omissions	100,000
Employee Theft - Per Loss Coverage	1,000,000
Auto Liability	5,000,000
Violence	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year.

Workers' Compensation

For fiscal year 2025, the School District participated in the Ohio Schools Council Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 15). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Unicomp provides administrative, cost control and actuarial services to the GRP.

Employee Medical Benefits

The School District participates in the Ashtabula County Schools Council of Governments, a shared risk pool (Note 15) to provide employee medical/surgical, prescription drug, dental and vision benefits. Rates are set through an annual calculation process. The School District pays a monthly contribution which is placed in a common fund from which the claim payments are made for all participating districts. The School District's Board of Education pays \$879 for single coverage, \$1,760 for employee plus one coverage and \$2,261, monthly, for family coverage for certified staff. The School District's Board of Education pays \$855 for single coverage and \$2,061, monthly, for family coverage for classified staff.

Note 10 - Contingencies

Litigation

As of June 30, 2025, the School District is not party to legal proceedings.

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Grants

The School District receives financial assistance from Federal and State agencies in the form of grants. The disbursement 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.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional DEW adjustments for fiscal year 2025 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2025 financial statements is not determinable, at this time.

Note 11 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General	\$551,014
Other Governmental Funds	<u>2,709</u>
Total Governmental Funds	<u><u>\$553,723</u></u>

Note 12 – Debt

Changes in long-term obligations of the School District during fiscal year 2025 were as follows:

	Principal Outstanding 6/30/2024			Principal Outstanding 6/30/2025	Amounts Due in One Year			
		Additions	Reductions					
Governmental Activities								
<i>General Obligation Bonds</i>								
2011 Refunding Bonds								
Serial Bonds	\$510,000	\$0	(\$510,000)	\$0	\$0			
Premium	6,595	0	(6,595)	0	0			
Total School Improvement Bonds	516,595	0	(516,595)	0	0			
2010 Energy Conservation Improvement Bonds								
Term Bonds	100,000	0	(50,000)	50,000	50,000			
2009 School Construction Bonds								
Term Bonds	50,000	0	(50,000)	0	0			
<i>Total Governmental Activities</i>	<u><u>\$666,595</u></u>	<u><u>\$0</u></u>	<u><u>(\$616,595)</u></u>	<u><u>\$50,000</u></u>	<u><u>\$50,000</u></u>			
<i>Long-Term Obligations</i>								

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

On October 13, 2011, the School District issued \$5,104,984 in refunding general obligation bonds, which included serial and capital appreciation (deep discount) bonds in the amounts of \$4,990,000 and \$114,984, respectively. The general obligation bonds were issued for the purpose of refunding the 2002 School Improvement Bonds in order to take advantage of lower interest rates.

The bonds were sold at a premium of \$342,917. Proceeds of \$5,351,514 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the bonds. As a result, \$1,255,000 of these bonds are considered defeased and the liability for the refunded portion of these bonds has been removed from the School District's financial statements.

On November 15, 2010, the School District issued \$718,250 in Qualified School Construction Bonds (QSCBs) in accordance with the American Recovery and Reinvestment Act of 2009 (ARRA). These bonds were issued for the purpose of investing in Thin Client computer equipment. These bonds will be paid from the general fund. In accordance with bond covenants, the School District shall deposit in the Sinking Fund for the accumulation of funds necessary to pay the bond at maturity. The School District shall deposit monies annually on December 1 each year as needed so that the balance in the Sinking Fund (taking into account the interest earned on such fund) shall be equal to and not exceed the amount set forth as follows.

The principal (sinking fund deposits) requirements to maturity is \$50,000 for fiscal year 2026.

The bonds are subject to extraordinary mandatory redemption, in whole or in part, on November 15, 2013, or, in the event of an extension negotiated with the IRS, on a credit allowance date that occurs on or before November 15, 2015, in authorized denominations, at a redemption price equal to the principal amount of the bonds called for redemption plus accrued interest thereon to the redemption, in an amount equal to the unexpended proceeds of the sale of the bonds held by the School District, but only to the extent all of the proceeds of the bonds within three years of issuance thereof and no extension of the period for expenditure had been granted by the IRS.

On December 11, 2009, the School District issued \$639,240 in school construction bonds for the purpose of making energy efficiency lighting improvements within the School District. The bonds were issued at a 1.93 percent interest rate for a fifteen year period with a maturity date of September 15, 2024.

As part of the ARRA act of 2009, issuers of QSCBs are eligible to receive direct payments from the federal government which offset interest payments on the bonds. As an alternate, QSCBs may be issued as tax credit bonds under which bond holders receive federal tax credits in lieu of interest as a means to significantly reduce the issuer's interest costs. The School District, under agreement with the federal government, has chosen to receive a thirty-five percent semi-annual direct payment from the federal government to help offset interest expense on the QSCBs. The amount the School District expects to receive for the future direct payments is not available. Therefore this bond will not be included in the following principal and interest requirements.

The School District's overall debt margin was \$23,129,513 with an unvoted debt margin of \$257,111 at June 30, 2025.

Note 13 - Jointly Governed Organizations

North Eastern Ohio Management Information Network (NEOMIN) NEOMIN is a jointly governed organization among thirty school districts in Trumbull and Ashtabula Counties. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the districts supports NEOMIN based upon a per pupil charge. Pymatuning Valley Local School District paid \$51,672 to NEOMIN during fiscal year 2025.

Pymatuning Valley Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

The Governing board consists of ten members: The Trumbull and Ashtabula County superintendents (permanent members), three superintendents from Ashtabula County participating school districts, three superintendents from Trumbull County participating school districts, and a principal and treasurer (non-voting members who must be employed by a participating school district, the fiscal agent or NEOMIN). The Board exercises total control over the operations of NEOMIN including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Governing Board. The Pymatuning Valley Local School District was represented by the Superintendent on the Governing Board during fiscal year 2025. To obtain a copy of NEOMIN's financial statements, write to the Trumbull County Educational Service Center, 6000 Youngstown-Warren Road, Niles, Ohio 44446.

Ashtabula County Technical & Career Center The Ashtabula County Technical & Career Center is a distinct political subdivision of the State of Ohio which provides vocational education to students. The TCC is operated under the direction of a Board consisting of representatives from some of the participating School Districts' elected boards. Each School District's degree of control is limited to its representation on the Governing Board. The Board is its own budgeting and taxing authority. The School District made \$4,104 in contributions for fiscal year 2025. Financial information can be obtained from Lindsey Elly, Treasurer at Ashtabula County Technical & Career Center, 1565 State Route 167, Jefferson, Ohio 44047.

State Support Team (SST) – Region 5 The SST is an Educational Regional Service System whose mission is to provide regional districts with leadership, technical assistance and high quality professional development in the service areas of school improvement, literacy, early learning and school readiness and special education compliance. The 16 State Support Teams are responsible for the regional delivery of school improvement, literacy, special education compliance, and early learning and school readiness services to districts using a differentiated technical assistance structure of support based upon need. The teams work through the Office of Exceptional Children, Office of Literacy, Office of Early Learning and School Readiness and the Office of Field Relations by providing technical assistance and professional development. The SSTs include staff and services formerly provided by the Special Education Regional Resources Centers (SERRCs) and the Regional School Improvement Teams (RSITs). Each School District's degree of control is limited to its representation on the Governing Board. The SST is its own budgeting and taxing authority. The School District made no contributions for fiscal year 2025.

House Bill 115 (HB 115) establishes the Educational Regional Service System (ERSS) and requires the creation of a coordinated, integrated and aligned system to support state and school districts efforts to improve school effectiveness and student achievement. It is the intent of the general assembly that the educational regional service system would reduce the unnecessary duplication of programs and services and provide for a more streamlined and efficient delivery of education services without reducing the availability of the services needed by school districts and school. Financial information can be obtained by contacting the Treasurer at the Mahoning County Educational Service Center, 7320 North Palmyra Road, Canfield, Ohio 44406.

Note 14 – Related Organization

Andover Public Library The Andover Public Library (the Library) is a district political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on the behalf of the Library, its role is limited to a ministerial function. The determination to request approval of tax, the rate and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Andover Public Library, Jennie Drain, Fiscal Officer, at 142 West Main Street, P.O. Box 1210, Andover, Ohio 44003.

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Note 15 – Insurance Purchasing Pools

Ohio Schools Council Workers’ Compensation Group Rating Program The School District participates in the Ohio Schools Council Workers’ Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP’s business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Post President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the cost of administering the program.

Ashtabula County Schools Council of Governments The School District has contracted with the Ashtabula County Schools Council of Governments (“the Council) to provide employee medical/surgical, prescription drug, dental and vision benefits. The Council is organized under Chapter 167 of the Ohio Revised Code and is comprised of eight Ashtabula County school districts. Rates are set by the Council’s board of directors. The School District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating school districts. Claims are paid for all participants regardless of claims flow. The Council is a separate and independent entity governed by its own set of by-laws and constitution. All assets and liabilities are the responsibility of the Council. The program is operated as a full indemnity program with no financial liability (other than monthly premiums) or risk to the School District. The Council shall pay the run out of all claims for a withdrawing Member. Any Member which withdraws from the Council pursuant to the Council Agreement shall have no claim to the Council’s assets.

Note 16 - Set Aside Requirements

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

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

	<u>Capital Improvements</u>
Set-aside Balances as of June 30, 2024	\$0
Current Year Set-aside Requirement	254,575
Current Year Offsets	(1,198,350)
Qualifying Disbursements	(314,825)
Total	<u><u>(\$1,258,600)</u></u>
Set-aside Balance Carried Forward to Future Fiscal Years	\$0
Set-aside Balance as of June 30, 2025	<u><u>\$0</u></u>

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

Pymatuning Valley Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

Note 17 - 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 School 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.

Ohio Revised Code limits the School District's obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the School 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 18 for the required OPEB disclosures.

School Employees Retirement System (SERS)

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

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$320,058 for fiscal year 2025.

State Teachers Retirement System (STRS)

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

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

Pymatuning Valley Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

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, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA 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.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective August 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after August 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

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

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

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 2025 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2025, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$893,246 for fiscal year 2025.

Net Pension Liability

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.05217830%	0.04633905%	
Prior Measurement Date	<u>0.05278680%</u>	<u>0.04529765%</u>	
Change in Proportionate Share	<u>-0.00060850%</u>	<u>0.00104140%</u>	
Proportionate Share of the Net Pension Liability	\$2,669,232	\$8,916,381	\$11,585,613

Actuarial Assumptions - SERS

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

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

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

Pymatuning Valley Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024, are presented below:

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

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

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

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*. ORC 3309.15 and the SERS Board-adopted Investment Policy govern investment activity. 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. As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)	
Cash	3.00 %	0.97	%
US Equity	22.00	4.68	
Non-US Equity Developed	12.00	4.96	
Non-US Equity Emerging	6.00	5.66	
Fixed Income/Global Bonds	18.00	2.38	
Private Equity	14.00	7.10	
Real Estate	13.00	3.64	
Infrastructure	7.00	4.80	
Private Debt/Private Credit	<u>5.00</u>	5.86	
Total	<u>100.00 %</u>		

Discount Rate The total pension liability for 2024 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31 percent.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$4,083,554	\$2,669,232	\$1,478,448

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation are presented below:

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

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

Actuarial assumptions used in the June 30, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Pymatuning Valley Local School District

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u>100.00%</u>	

* Final target weights reflected at October 1, 2022.

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2024.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$14,383,687	\$8,916,381	\$4,291,981

Note 18 - Defined Benefit OPEB Plans

See Note 17 for a description of the net OPEB liability

School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible

Pymatuning Valley Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the School District's surcharge obligation was \$40,318.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$40,318 for fiscal year 2025.

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. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2025, 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, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School 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:			
Current Measurement Date	0.05335630%	0.04633905%	
Prior Measurement Date	<u>0.05216550%</u>	<u>0.04529765%</u>	
Change in Proportionate Share	<u>0.00119080%</u>	<u>0.00104140%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$543,432	\$0	\$543,432
Net OPEB (Asset)	\$0	(\$878,962)	(\$878,962)

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.

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024, are presented below:

<u>June 30, 2024</u>	
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2059
Municipal Bond Index Rate:	
Measurement Date	3.93 percent
Prior Measurement Date	3.86 percent
Single Equivalent Interest Rate,	
Measurement Date	4.88 percent
Prior Measurement Date	4.27 percent
Health Care Cost Trend Rate	
Medical Trend Assumption	
Measurement Date	7.00 to 4.40 percent
Prior Measurement Date	6.75 to 4.40 percent

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

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board 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 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 17.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88 percent. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2059 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, 2023, and the June 30, 2024, 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 3.93 percent at June 30, 2024, and 3.86 percent at June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate.

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
School District's proportionate share of the net OPEB liability	\$724,646	\$543,432	\$399,432
	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$367,339	\$543,432	\$774,890

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation compared to the prior year are presented below:

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

	June 30, 2024	June 30, 2023
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	7.50 percent initial 4.14 percent ultimate
Medicare	-112.22 percent initial 3.94 percent ultimate	-10.94 percent initial 4.14 percent ultimate
Prescription Drug		
Pre-Medicare	8.00 percent initial 3.94 percent ultimate	-11.95 percent initial 4.14 percent ultimate
Medicare	-15.14 percent initial 3.94 percent ultimate	1.33 percent initial 4.14 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2024, 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.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 17.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or

Pymatuning Valley Local School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025*

one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB (asset)	(\$714,655)	(\$878,962)	(\$1,021,947)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB (asset)	(\$1,031,605)	(\$878,962)	(\$695,391)

Note 19 – Asset Retirement Obligations

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a School District classified as an “owner” or “operator,” to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. Due to the School District's application of the cash basis of accounting, this long-term obligation is not reported as a liability in the financial statements.

Note 20 – 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 2025, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Note 21 – Change in Accounting Principles and Changes within the Financial Reporting Entity

Change in Accounting Principles

For fiscal year 2025, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences and Statement 102, Certain Risk Disclosures.

GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. This GASB pronouncement had no effect on beginning net position/fund balance as unpaid leave is not reflected as a liability under the School District's cash basis of accounting.

Pymatuning Valley Local School District

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

GASB 102 will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The School District had no disclosures related to concentrations or constraints. This GASB pronouncement relates to note disclosure only and had no effect on beginning net position/fund balance.

Changes within the Financial Reporting Entity

For fiscal year 2025, the capital improvements capital projects fund presentation was adjusted from nonmajor to major due to meeting the quantitative threshold for a major fund. Inversely, the elementary and secondary school emergency special revenue fund presentation was adjusted from major to nonmajor due to no longer meeting the quantitative threshold for a major fund. These changes are separately displayed in the financial statements.

(This Page Intentionally Left Blank.)

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

FEDERAL GRANTOR <i>Pass Through Grantor</i> <i>Program / Cluster Title</i>	Federal AL Number	Pass Through Entity Identifying Number	Provided Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE <i>Passed Through Ohio Department of Education and Workforce</i>				
<i>Nutrition Cluster:</i>				
School Breakfast Program	10.553	2025		\$195,163
National School Lunch Program	10.555	2025		383,589
Non-Cash Food Commodities	10.555	2025		58,229
Total Nutrition Cluster				636,981
Total U.S. Department of Agriculture				636,981
U.S. DEPARTMENT OF EDUCATION <i>Passed Through Ohio Department of Education and Workforce</i>				
<i>Special Education Cluster:</i>				
IDEA-B - Special Education Grants to State	84.027A	2025	\$244,944	244,944
Special Education - Preschool Grants	84.173A	2025	3,727	3,727
Subtotal - Special Education Cluster			248,671	248,671
Title I - Grants to Local Educational Agencies	84.010A	2024		160,957
Title I - Grants to Local Educational Agencies	84.010A	2025		543,359
Subtotal Title I - Grants to Local Educational Agencies				704,316
Rural Education	84.358B	2024		9,169
Rural Education	84.358B	2025		59,093
Subtotal Rural Education				68,262
Supporting Effective Instruction State Grant	84.371C	2024		23,327
Supporting Effective Instruction State Grant	84.371C	2025		53,956
Subtotal - Supporting Effective Instruction State Grant				77,283
COVID-19 - Higher Education Emergency Relief Fund (HEERF) Institutional Portion	84.425F	2024		41,795
Education for Homeless Children and Youth	84.196A	2025		12,668
Total U.S. Department of Education			248,671	1,152,995
Total Expenditures of Federal Awards			\$248,671	\$1,789,976

The accompanying notes are an integral part of this schedule.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Pymatuning Valley Local School District (the District) under programs of the federal government for the year ended June 30, 2025. 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 cash financial position or changes in cash 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 to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The District passes certain federal awards received from the Special Education Cluster - AL #84.027 and AL #84.173 to the Ashtabula County Educational Service Center (subrecipient). As Note B describes, the District reports expenditures of Federal awards to subrecipients when paid in cash.

As a pass-through entity, the District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

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.

NOTE G - MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

**PYMATUNING VALLEY LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE H - TRANSFERS BETWEEN FEDERAL PROGRAMS

During fiscal year 2025, the District made allowable ESEA flexibility transfers of \$76,734 from Title II-A (#84.367) program to the Title I (#84.010) program and transfers of \$54,827 from Title IV-A (#84.424) program to the Title I (#84.010) program. The District spent approximately \$76,734 on the Title II-A program and \$54,827 on the Title IV-A program. The Title II-A and Title IV-A programs are excluded from the Schedule since they were all transferred to the Title I program. The amount transferred to the Title I program is included as Title I expenditures when disbursed. The following table shows the gross amounts drawn for the Title II-A and Title IV-A programs during fiscal year 2025 and the amounts transferred to the Title I program.

<u>Program Title</u>	<u>AL Number</u>	<u>Amount Transferred</u>
Title II-A	84.367	\$ 76,734
Transfer to Title I	84.010	(76,734)
Total Title II-A	84.367	\$ -
Title IV-A	84.424	\$ 54,827
Transfer to Title I	84.010	(54,827)
Total Title IV-A	84.424	\$ -

This Page Intentionally Left Blank



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

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

Pymatuning Valley Local School District
Ashtabula County
5571 U.S. Route 6 West
Andover, Ohio 44003

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pymatuning Valley Local School District, Ashtabula County, (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 10, 2025, wherein we noted the District uses a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2025-001.

District's Response to Findings

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. 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

This 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
Ohio Auditor of State



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

December 10, 2025



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

**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**

Pymatuning Valley Local School District
Ashtabula County
5571 U.S. Route 6 West
Andover, Ohio 44003

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pymatuning Valley Local School District's, Ashtabula County, (District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Pymatuning Valley Local School District's major federal programs for the year ended June 30, 2025. Pymatuning Valley Local School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Pymatuning Valley Local School District

Ashtabula County

Independent Auditor's Report on Compliance with Requirements

Applicable to Each Major Federal Program and on Internal Control Over Compliance

Required by the Uniform Guidance

Page 3

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
Ohio Auditor of State



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

December 10, 2025

This Page Intentionally Left Blank

PYMATUNING VALLEY LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster; AL# 84.010A – Title I
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	No

PYMATUNING VALLEY LOCAL SCHOOL DISTRICT
ASHTABULA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025

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

Annual Financial Reporting

FINDING NUMBER 2025-001

Noncompliance

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 a form utilized by the public office.

Ohio Admin. Code § 117-2-03(B), which further clarifies the requirements of Ohio Rev. Code § 117.38, 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 Governmental Accounting Standards Board Statement No. 34, report on the basis of cash receipts and cash disbursements, 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 and subject to various other administrative remedies 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 the users with more meaningful financial statements, the District should prepare its annual financial statements according to generally accepted accounting principles.

Officials' Response: See Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Pymatuning Valley Schools

Christopher Edison, Superintendent
Thomas Brockway, Treasurer

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2025

Finding Number	Finding Summary	Status	Additional Information
2024-001	Ohio Administrative Code § 117-2-03 (B) requires the District to prepare its financial report in accordance with generally accepted accounting principles.	Not Corrected	Repeated as Finding 2025-001. Refer to Corrective Action Plan.

5571 U.S. Route 6 W. • P.O. Box 1180 • Andover, Ohio 44003-1180
440-293-6488 (Phone) • 440-293-7654 (Fax)

This Page Intentionally Left Blank



Pymatuning Valley Schools

Christopher Edison, Superintendent
Thomas Brockway, Treasurer

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) JUNE 30, 2025

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2025-001	GAAP Statements have not been filed since the cost of preparing GAAP Statements outweighs the benefit. It is not anticipated that GAAP Statements will be filed in the future.	n/a	Thomas Brockway, Treasurer; Christopher Edison, Superintendent

5571 U.S. Route 6 W. • P.O. Box 1180 • Andover, Ohio 44003-1180
440-293-6488 (Phone) • 440-293-7654 (Fax)

OHIO AUDITOR OF STATE KEITH FABER



PYMATUNING VALLEY LOCAL SCHOOL DISTRICT

ASHTABULA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/30/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov