CLARK SCHAEFER HACKETT
BUSINESS ADVISORS

WASHINGTON COURT HOUSE
CITY SCHOOL DISTRICT

FAYETTE COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Washington Court House City School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Court House City School District (the "School District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Court House City School District, as of June 30, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 auditors' 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of proportionate share of the net pension liability and pension contributions, schedules of proportionate share of the net OPEB liability/asset and OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The accompanying 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 19, 2025

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The discussion and analysis of the Washington Court House City 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 basic financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

- In total, the net position of governmental activities increased $7,151,810.

- General revenues accounted for $32,315,392 of all revenues and reflect the School District's continued dependence on property taxes and unrestricted State entitlements.

- The School District had $31,288,192 in expenses related to governmental activities; only $6,124,610 of these expenses were offset by program specific charges for services and sales, and grants and contributions. General revenues (primarily grants and entitlements and property taxes) of $32,315,392 were used to provide for the remaining cost of these programs.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Washington Court House City School District as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2025?" The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District has only one kind of activity:

- Governmental Activities - All of the School District's educational programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds, which are the General Fund, the Bond Retirement Fund, the Permanent Improvement Fund and the Capital Projects Fund.

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

Fiduciary Funds - The School District's fiduciary funds include two private purpose trust funds and two custodial funds. The School District has established private purpose trust funds to account for college scholarship programs for its students. The School District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Fiduciary funds use the accrual basis of accounting.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole.

Table 1 provides a summary of the School District's net position for fiscal years 2024 and 2025:

Table 1

	Governmental Activities		
	FY25	FY24	*Increase/ (Decrease)*
Current and other assets	$ 45,961,947	$ 43,186,220	$ 2,775,727
Capital assets	55,278,057	55,537,110	(259,053)
Total assets	101,240,004	98,723,330	2,516,674
Deferred outflows of resources	6,303,587	7,282,540	(978,953)
Long-term liabilities:			
Net pension liability	20,850,504	23,871,587	(3,021,083)
Net OPEB liability	905,296	1,460,786	(555,490)
Other long-term amounts	11,806,307	12,585,609	(779,302)
Other liabilities	3,671,088	4,050,911	(379,823)
Total liabilities	37,233,195	41,968,893	(4,735,698)
Deferred inflows of resources	9,478,718	9,711,689	(232,971)
Net position:			
Net investment in capital assets	45,985,782	44,823,219	1,162,563
Restricted	16,735,074	16,792,650	(57,576)
Unrestricted (deficit)	(1,889,178)	(7,290,581)	5,401,403
Total net position	$ 60,831,678	$ 54,325,288	$ 6,506,390

The net pension liability is reported pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27,* and the net OPEB asset/liability is reported pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and net OPEB liability to the reported net position and subtracting the net OPEB asset and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Prior accounting for pensions (GASB Statement No. 27) and OPEB (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB Statement Nos. 68 and 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio statewide pension and OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

As required by GASB Statement Nos. 68 and 75, the required net pension liability, net OPEB liability and net OPEB asset to equal the School District's proportionate share of each plan's collective:

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

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

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

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

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

The largest portion of the School District's net position is in net investment in capital assets. The School District uses these capital assets to provide educational services to its students. Accordingly, these assets are not available for future spending. An additional portion of the School District's net position represents resources that are subject to external restrictions on how they may be used.

The unrestricted net position (deficit) at June 30, 2025 was ($1,889,178). However, if the components of recording the net pension and OPEB liabilities are removed from the statement of net position, the School District's unrestricted net position would be a positive $19,505,426. We feel this is important to mention as the management of the School District has no control over the management of the State-wide retirement plans or the benefits offered; both of which control the net pension and OPEB liabilities and net OPEB asset that significantly impact the School District's financial statements.

An increase occurred within total assets when compared to the prior fiscal year. Current and other assets increased primarily due to increases in pooled cash and investments, due to overall positive operating results and better investment returns

Total liabilities decreased primarily due to the School District satisfying its annual debt service requirements on the outstanding bonds and investment gains experienced by the state-wide retirement systems, which lowered the net pension and OPEB liabilities.

Table 2 shows the changes in net position for fiscal years 2024 and 2025.

Table 2

	Governmental Activities		
	FY25	FY24	*Increase/ (Decrease)*
Revenues:			
Program revenues:			
Charges for services and sales	$ 616,685	$ 794,612	$ (177,927)
Operating grants and contributions	5,507,925	5,217,131	290,794
Total program revenues	6,124,610	6,011,743	112,867
General revenues:			
Property taxes	8,616,999	6,576,760	2,040,239
Income taxes	3,244,773	2,793,834	450,939
Grants and entitlements	18,767,199	18,336,229	430,970
Investment earnings	1,507,032	1,352,439	154,593
Other	179,389	199,989	(20,600)
Total general revenues	32,315,392	29,259,251	3,056,141
Total revenues	38,440,002	35,270,994	3,169,008
Expenses:			
Instruction	17,279,188	17,654,110	(374,922)
Support services	10,957,720	10,705,398	252,322
Non-instructional services	1,963,045	1,879,315	83,730
Extracurricular activities	801,480	905,719	(104,239)
Interest on long-term debt	286,759	444,279	(157,520)
Total expenses	31,288,192	31,588,821	(300,629)
Change in net position	7,151,810	3,682,173	3,469,637
Net position beginning of year, *as previously presented*	54,325,288	50,643,115	3,682,173
Change in accounting principle	(645,420)	-	(645,420)
Net position beginning of year, *as restated*	53,679,868	50,643,115	3,036,753
Net position end of year	$ 60,831,678	$ 54,325,288	$ 6,506,390

Of the total governmental activities' revenue of $38,440,002, $6,124,610 is from program revenue. This means that the School District relies on general revenues to fund the majority of the cost of services provided to students. Of those general revenues, 27% ($8,616,999) comes from property taxes and 58% ($18,767,199) is from state funding.

In total, revenues increased $3,169,008. This was driven by an increase in general revenues, including property tax, income tax, and grants and entitlements.
The growth in property taxes was driven by a significant increase in assessed property valuations from the County Auditor's reappraisal. The increase in income taxes reflect better local economic conditions. The increase in grants and entitlements is attributable to higher Medicaid reimbursements.

Fiscal year 2025 total expenses decreased by $300,629, due to lower pension and OPEB expenses associated with the related decreases in the liabilities.

The School District's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of $38,540,827 and expenditures of $33,952,772.

General and Capital Projects Funds. Fund balance in the General Fund at June 30, 2025 was $14,381,345 including $13,437,465 of unassigned fund balance that represents 53% of expenditures. The net change in fund balance for the General Fund was a decrease of $3,053,182. This decrease was driven by a $7 million transfer to a newly created Capital Projects Fund for window and roof replacement projects.

Bond Retirement Fund. Fund balance increased by $778,117, due to benefitting from the increase in property taxes, as previously discussed. These resources will be used towards future debt service requirements on outstanding general obligation bonds.

Permanent Improvement Fund. Fund balance decreased $425,532 primarily due to the completion of serval capital projects in the current fiscal year.

General Fund - Budget Highlights

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

During the course of fiscal year 2025, the original and final budgets remained flat. The General Fund's ending unobligated cash balance was $1,139,234 over the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the School District had $55,278,057 invested in capital assets (net of accumulated depreciation), a decrease of $259,053. The decrease was driven by the recognition of depreciation expense on capital assets in service over additions. Current year capital asset activity included completion of HVAC improvements, networking, and PA system

improvements, along with a new restroom facility and a roof replacement at the central office.

	FY25	FY24
Land	$ 590,021	$ 590,021
Construction in progress	-	571,740
Land improvements	4,186,475	4,228,681
Buildings and improvements	48,520,894	48,552,011
Furniture and equipment	1,164,897	621,306
Vehicles	815,770	973,351
Total	$ 55,278,057	$ 55,537,110

For further information regarding the School District's capital assets, refer to Note 8 to the basic financial statements.

Debt

At June 30, 2025, the School District had $10,079,502 in bonds and bond premium outstanding, $1,275,000 of which is due within one year. Debt activity during the fiscal year was limited to annual debt service repayments on outstanding general obligation bonds.

	FY25	FY24
General Obligation Bonds	$ 10,079,502	$ 11,349,635

For further information regarding the School District's long-term obligations, refer to Note 13 to the basic financial statements.

Current Issues

Washington Court House City Schools continues to operate in an environment of changing financial pressures, state-level policy adjustments, and local economic conditions that impact both revenue stability and expenditure needs. Several current issues influence the School District's financial position and will continue to shape future planning and operations.

State Funding and Biennial Budget Impacts

Ohio's school funding framework remains heavily dependent on decisions made through the State's biennial budget process. The "Fair School Funding Plan" continues to be phased in statewide; however, funding levels remain subject to legislative decisions, statewide enrollment shifts, and economic forecasts. Because the state budget is adopted every two years, funding may fluctuate based on State revenue performance, inflationary pressures, and legislative priorities. The School District monitors these changes closely to ensure long-term fiscal stability.

Local Revenue Stability and Property Valuations

Local property tax revenue remains a significant funding source. The County's most recent reappraisal cycle resulted in increased property values; however, due to Ohio's tax reduction factors, the School District does not automatically receive additional revenue from voted operating millage when values rise. Reduction factors over the years have lowered the School District's effective millage to the 20-mill floor, resulting in an increase in revenue for the School District. The School District also continues to evaluate the impact of residential growth, commercial development, and tax incentive arrangements (TIFs, CRA abatements, and other economic-development agreements) that may temporarily limit the amount of new revenue available to support operating needs. In addition, the School District's earned-income tax levy will require voter consideration again in the near future to maintain revenue stability.

Enrollment Trends

The School District has experienced declining enrollment in recent years, consistent with broader rural and small-city population trends in Ohio. Enrollment directly affects the State's funding calculation, and decreased student counts may reduce future revenue. The School District monitors demographic patterns, open enrollment activity, preschool and kindergarten cohorts, and potential future development within Fayette County to anticipate long-term enrollment needs and impacts.

Inflation and Increased Operating Costs

Inflation continues to affect core operating expenditures, including transportation, utilities, insurance, curriculum materials, technology, and employee benefits. The School District does not receive automatic revenue increases tied to inflation, requiring careful budget planning and cost containment. Health-insurance premiums continue to rise at a rate higher than general inflation, and the School District—through its participation in the South Central Ohio Insurance Consortium (SCOIC)—continues to evaluate plan design options and long-term cost mitigation strategies.

Facilities, Capital Planning, and Infrastructure Needs

As the School District's buildings and equipment continue to age, capital needs remain a significant area of focus. The School District maintains a long-term capital improvement plan to prioritize investments in facility maintenance, safety upgrades, instructional technology, and operational infrastructure. Increased costs for materials, utilities, and construction services require ongoing attention to ensure that capital needs are addressed without negatively affecting instructional programs.

Contacting the School District's Financial Management

This financial report is designed to provide our 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 information, contact Becky Mullins, Treasurer at Washington Court House City School District, 306 Highland Avenue, Washington Court House, Ohio 43160 or e-mail becky.mullins@wchcs.org.

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Washington Court House City School District

Statement of Net Position

June 30, 2025

	Governmental Activities
Assets:	
Equity in pooled cash and investments	$ 32,403,943
Cash and cash equivalents with fiscal agent	592,551
Receivables:	
Property taxes	8,682,392
Revenue in lieu of taxes	23,442
Accounts	3,167
Interest	15,174
Intergovernmental	1,360,542
Income Taxes	1,223,704
Prepaid items	25,723
Inventory held for resale	17,189
Net OPEB asset	1,614,120
Nondepreciable capital assets	590,021
Depreciable capital assets, net	54,688,036
Total assets	101,240,004
Deferred Outflows of Resources:	
Deferred loss on bond refunding	596,617
Pension	4,923,355
OPEB	783,615
Total deferred outflows of resources	6,303,587
Liabilities:	
Accounts payable	328,387
Accrued wages and benefits payable	2,423,762
Intergovernmental payable	270,506
Matured compensated absences payable	179,109
Claims payable	449,914
Accrued interest payable	19,410
Noncurrent liabilities:	
Due within one year	2,114,914
Due more than one year:	
Net pension liability	20,850,504
Net OPEB liability	905,296
Other amounts due more than one year	9,691,393
Total liabilities	37,233,195
Deferred Inflows of Resources:	
Taxes levied for next fiscal year	4,109,502
Revenue in lieu of taxes levied for next year	23,442
Pension	2,785,147
OPEB	2,560,627
Total deferred inflows of resources	9,478,718
Net Position:	
Net investment in capital assets	45,985,782
Restricted for:	
Debt service	4,490,805
Capital improvements	8,570,290
Food service operations	759,953
State grant programs	21,951
Federal grant programs	241,182
Post-retirement benefits	1,614,120
Other purposes	1,036,773
Unrestricted (deficit)	(1,889,178)
Total net position	$ 60,831,678

See accompanying notes to the basic financial statements.

Washington Court House City School District

Statement of Activities

For the Fiscal Year Ended June 30, 2025

	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Instruction:				
Regular	$ 12,190,778	$ 243,891	$ 1,031,265	$ (10,915,622)
Special education	5,088,410	-	1,361,003	(3,727,407)
Support services:				
Pupil	2,227,920	-	57,225	(2,170,695)
Instructional staff	1,260,494	-	649,606	(610,888)
Board of education	19,234	-	-	(19,234)
Administration	2,841,559	-	178,961	(2,662,598)
Fiscal	858,280	-	-	(858,280)
Business	7,247	-	-	(7,247)
Operation and maintenance of plant	2,689,813	1,705	111,826	(2,576,282)
Pupil transportation	903,675	-	153,450	(750,225)
Central	149,498	-	7,965	(141,533)
Non-instructional services:				
Community service	125,618	-	42,651	(82,967)
Food service operations	1,837,427	59,814	1,808,974	31,361
Extracurricular activities	801,480	311,275	104,999	(385,206)
Interest on long-term debt	286,759	-	-	(286,759)
Total Governmental Activities	$ 31,288,192	$ 616,685	$ 5,507,925	(25,163,582)

General Revenues:	
Property taxes levied for:	
General purposes	5,989,952
Debt service	1,925,396
Capital outlay	611,218
Classroom maintenance	90,433
Income Taxes	3,244,773
Unrestricted grants and entitlements	18,767,199
Revenue in lieu of taxes	7,813
Contributions and donations	47,790
Investment earnings	1,507,032
Miscellaneous	123,786
Total general revenues	32,315,392
Change in net position	7,151,810
Net position, July 1, *as previously presented*	54,325,288
Change in accounting principle	(645,420)
Net position, July 1, *as restated*	53,679,868
Net position, June 30	$ 60,831,678

See accompanying notes to the basic financial statements.

Washington Court House City School District

Balance Sheet

Governmental Funds

June 30, 2025

	General	Bond Retirement	Permanent Improvement	Capital Projects	Other Governmental Funds
Assets:					
Equity in pooled cash and investments	$ 12,035,132	$ 3,621,999	$ 6,463,400	$ 7,000,000	$ 3,283,412
Cash and cash equivalents with fiscal agent	592,551	-	-	-	-
Receivables:					
Property taxes	6,234,591	1,792,307	563,430	-	92,064
Revenue in lieu of taxes	18,873	3,270	1,038	-	261
Accounts	1,885	-	-	-	1,282
Interest	15,174	-	-	-	-
Intergovernmental	8,655	-	-	-	1,351,887
Income Taxes	1,223,704	-	-	-	-
Interfund	877,597	-	-	-	-
Prepaid items	24,925	-	-	-	798
Inventory held for resale	-	-	-	-	17,189
Total assets	$ 21,033,087	$ 5,417,576	$ 7,027,868	$ 7,000,000	$ 4,746,893
Liabilities:					
Accounts payable	$ 159,487	$ -	$ 671	$ -	$ 168,229
Accrued wages and benefits payable	2,102,796	-	-	-	320,966
Intergovernmental payable	236,346	-	-	-	34,160
Interfund payable	-	-	-	-	877,597
Matured compensated absences payable	179,109	-	-	-	-
Claims payable	449,914	-	-	-	-
Total liabilities	3,127,652	-	671	-	1,400,952
Deferred Inflows of Resources:					
Taxes levied for next year	3,135,622	713,481	220,955	-	39,444
Revenue in lieu of taxes levied for next year	18,873	3,270	1,038	-	261
Unavailable revenue	369,595	42,307	13,430	-	264,617
Total deferred inflows of resources	3,524,090	759,058	235,423	-	304,322
Fund Balances:					
Nonspendable	24,925	-	-	-	201,118
Restricted	-	4,658,518	6,791,774	-	3,359,210
Committed	-	-	-	7,000,000	-
Assigned	918,955	-	-	-	-
Unassigned	13,437,465	-	-	-	(518,709)
Total fund balances	14,381,345	4,658,518	6,791,774	7,000,000	3,041,619
Total liabilities, deferred inflows of resources and fund balances	$ 21,033,087	$ 5,417,576	$ 7,027,868	$ 7,000,000	$ 4,746,893

See accompanying notes to the basic financial statements.

Washington Court House City School District

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2025

Total Governmental Funds			
	Total Governmental Fund Balances		$ 35,873,256
	Amounts reported for governmental activities in the statement of net position are different because:		
$ 32,403,943			
592,551			
	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		55,278,057
8,682,392			
23,442			
3,167	Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds.		689,949
15,174			
1,360,542			
1,223,704	Deferred outflows of resources from losses on refunding are amortized over the the life of the bonds and are not reported in the funds.		596,617
877,597			
25,723			
17,189	Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:		
$ 45,225,424			
	Bonds payable	(9,331,628)	
$ 328,387	Premiums	(747,874)	
2,423,762	Compensated absences	(1,726,805)	
270,506	Accrued interest payable	(19,410)	(11,825,717)
877,597			
179,109	The net pension and OPEB liabilities are not due and payable in the current period. The net OPEB asset is not available to pay for current expenditures. Therefore, the assets, liabilities and related deferred outflows/inflows are not reported in the governmental funds:		
449,914			
4,529,275			
	Deferred outflows - pensions	4,923,355	
4,109,502	Deferred inflows - pensions	(2,785,147)	
23,442	Net pension liability	(20,850,504)	
689,949	Deferred outflows - OPEB	783,615	
4,822,893	Deferred inflows - OPEB	(2,560,627)	
	Net OPEB asset	1,614,120	
	Net OPEB liability	(905,296)	(19,780,484)
226,043			
14,809,502			
7,000,000			
918,955	**Net Position of Governmental Activities**		$ 60,831,678
12,918,756			
35,873,256			
$ 45,225,424			

See accompanying notes to the basic financial statements.

Washington Court House City School District

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2025

	General	Bond Retirement	Permanent Improvement	Capital Projects	Other Governmental Funds
Revenues:					
Property taxes	$ 5,971,360	$ 1,915,770	$ 608,163	$ -	$ 90,414
Income taxes	3,213,007	-	-	-	-
Intergovernmental	18,407,939	332,188	65,464	-	5,477,554
Investment earnings	1,215,844	-	265,472	-	47,359
Tuition and fees	208,655	-	-	-	-
Rent	-	-	1,705	-	-
Extracurricular activities	24,481	-	-	-	264,532
Contributions and donations	38,938	-	-	-	152,789
Customer sales and services	14,900	-	-	-	102,412
Revenue in lieu of taxes	6,290	1,091	346	-	86
Miscellaneous	59,589	-	25,000	-	29,479
Total revenues	29,161,003	2,249,049	966,150	-	6,164,625
Expenditures:					
Current:					
Instruction:					
Regular	10,415,565	-	2,250	-	767,639
Special	4,071,312	-	-	-	1,345,018
Support services:					
Pupil	2,333,788	-	-	-	46,007
Instructional staff	963,282	-	-	-	335,048
Board of education	18,934	-	-	-	161
Administration	2,605,276	-	-	-	167,347
Fiscal	805,760	41,315	18,642	-	2,193
Business	3,114	-	4,133	-	-
Operation and maintenance of plant	2,500,327	-	396,050	-	47,249
Pupil transportation	754,247	-	-	-	10,189
Central	141,840	-	-	-	8,571
Operation of non-instructional services:					
Food service operations	-	-	-	-	1,937,153
Other	28,705	-	-	-	96,913
Extracurricular activities	481,502	-	-	-	453,434
Capital outlay	-	-	1,032,303	-	630,358
Debt Service:					
Principal	50,000	1,180,000	-	-	-
Interest and fiscal charges	7,530	249,617	-	-	-
Total expenditures	25,181,182	1,470,932	1,453,378	-	5,847,280
Excess (deficiency) of revenues over (under) expenditures	3,979,821	778,117	(487,228)	-	317,345
Other financing sources (uses):					
Transfers in	-	-	56,889	7,000,000	-
Transfers out	(7,056,889)	-	-	-	-
Proceeds from sale of assets	-	-	4,807	-	-
Insurance recoveries	23,886	-	-	-	-
Total other financing sources (uses)	(7,033,003)	-	61,696	7,000,000	-
Net change in fund balance	(3,053,182)	778,117	(425,532)	7,000,000	317,345
Fund balance, July 1	17,434,527	3,880,401	7,217,306	-	2,724,274
Fund balance, June 30	$ 14,381,345	$ 4,658,518	$ 6,791,774	$ 7,000,000	$ 3,041,619

See accompanying notes to the basic financial statements.

Washington Court House City School District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2025

Total Governmental Funds		
	Net Change in Fund Balances - Total Governmental Funds	$ 4,616,748
$ 8,585,707	*Amounts reported for governmental activities in the statement of activities are different because:*	
3,213,007		
24,283,145	Governmental funds report capital outlays as expenditures. However, in the	
1,528,675	statement of activities, the cost of those assets is allocated over their estimated	
208,655	useful lives as depreciation expense:	
1,705		
289,013	Capital asset additions	1,682,435
191,727	Depreciation expense	(1,922,513)
117,312		
7,813	In the statement of activities, only the gain or loss on the sale of capital assets is	
114,068	reported, while only proceeds from the sale of assets are reported in the funds.	(18,975)
38,540,827		
	Principal paid on bonds are recorded as an expenditure in the governmental funds, but is recorded as a reduction of the long-term liability on the statement of net position.	1,230,000
11,185,454	Revenues in the statement of activities that do not provide current financial resources	
5,416,330	are not reported as revenues in the funds.	(110,543)
2,379,795	In the statement of activities, interest is accrued on outstanding bonds, whereas in	
1,298,330	the governmental funds, an interest expenditure is reported when due.	4,038
19,095		
2,772,623	Some expenses reported in the statement of activities do not require the use of	
867,910	current financial resources and therefore are not reported as expenditures in	
7,247	the governmental funds:	
2,943,626		
764,436	Compensated absences	154,589
150,411	Amortization of premiums	99,716
	Amortization of deferred losses on refunding	(73,783)
1,937,153	Net change in accretion on capital appreciation bonds	(59,583)
125,618		
934,936	Contractually required contributions are reported as expenditures in the governmental	
1,662,661	funds; however, the statement of activities report these amounts as deferred outflows:	
1,230,000	Pension	2,228,286
257,147	OPEB	67,038
33,952,772		
	Except for amounts reported as deferred outflows or inflows of resources, changes in the net pension and OPEB asset and liabilities are reported as pension and negative	
4,588,055	OPEB expenses in the statement of activities:	
	Pension	(1,182,847)
	OPEB	437,204
7,056,889		
(7,056,889)		
4,807	**Change in Net Position of Governmental Activities**	$ 7,151,810
23,886		
28,693		
4,616,748		
31,256,508		
$ 35,873,256		

See accompanying notes to the basic financial statements.

Washington Court House City School District

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)

General Fund

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes	$ 5,325,379	$ 5,325,379	$ 5,515,848	$ 190,469
Income taxes	2,733,879	2,733,879	3,144,101	410,222
Intergovernmental	18,041,450	18,041,450	18,382,972	341,522
Investment earnings	916,236	916,236	1,070,379	154,143
Tuition and fees	178,434	178,434	208,655	30,221
Extracurricular activities	-	-	4,145	4,145
Customer sales and services	-	-	15,622	15,622
Revenue in lieu of taxes	-	-	12,581	12,581
Miscellaneous	455,607	455,607	45,490	(410,117)
Total revenues	27,650,985	27,650,985	28,399,793	748,808
Expenditures:				
Current:				
Instruction:				
Regular	11,598,521	11,598,521	10,079,195	1,519,326
Special	4,745,350	4,745,350	4,376,120	369,230
Support services:				
Pupil	2,411,146	2,411,146	2,342,998	68,148
Instructional staff	856,100	856,100	963,729	(107,629)
Board of education	23,313	23,313	20,136	3,177
Administration	2,656,507	2,656,507	2,597,804	58,703
Fiscal	859,499	859,499	833,936	25,563
Business	3,500	3,500	3,114	386
Operation and maintenance of plant	2,560,108	2,560,108	2,534,874	25,234
Pupil transportation	941,388	941,388	865,717	75,671
Central	116,191	116,191	176,822	(60,631)
Operation of non-instructional services	5,200	5,200	21,214	(16,014)
Extracurricular activities	514,751	514,751	484,875	29,876
Capital outlay	378,000	378,000	-	378,000
Debt Service:				
Principal	50,000	50,000	50,000	-
Interest and fiscal charges	7,530	7,530	7,530	-
Total expenditures	27,727,104	27,727,104	25,358,064	2,369,040
Excess (deficiency) of revenues over (under) expenditures	(76,119)	(76,119)	3,041,729	3,117,848
Other financing sources (uses):				
Transfers out	(56,889)	(5,056,889)	(7,056,889)	(2,000,000)
Insurance recoveries	2,500	2,500	23,886	21,386
Total other financing sources (uses)	(54,389)	(5,054,389)	(7,033,003)	(1,978,614)
Net change in fund balance	(130,508)	(5,130,508)	(3,991,274)	$ 1,139,234
Fund balance, July 1	14,466,224	14,466,224	14,466,224	
Prior year encumbrances appropriated	1,183,363	1,183,363	1,183,363	
Fund balance, June 30	$ 15,519,079	$ 10,519,079	$ 11,658,313	

See accompanying notes to the basic financial statements.

Washington Court House City School District

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2025

	Private-Purpose Trusts	Custodial Funds
Assets:		
Equity in pooled cash and investments	$ 9,998	$ 593,576
Liabilities:		
Due to student groups	-	4,451
Net Position:		
Restricted	$ 9,998	$ 589,125

See accompanying notes to the basic financial statements.

Washington Court House City School District

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2025

	Private-Purpose Trusts	Custodial Funds
Additions:		
Contributions and donations	$ -	$ 4,384
Investment earnings	501	24,621
Extracurriculars	-	16,456
Total additions	501	45,461
Deductions:		
Payments in accordance with trust agreements	4,577	-
Payments to tournament sponsors	-	14,821
Payments to scholarship recipients	-	27,169
Total deductions	4,577	41,990
Change in net position	(4,076)	3,471
Net position, July 1	14,074	585,654
Net position, June 30	$ 9,998	$ 589,125

See accompanying notes to the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the School District and Reporting Entity

Description of the School District

Washington Court House City 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 statute and federal guidelines.

The heritage of the Washington Court House City Schools began in 1813 when Samuel Loofborrow converted half of his double log cabin at the corner of Hinde and Paint Streets into a subscription school supported by the parents of his pupils.

Numerous one-room schools sprang up throughout the community during the 1800's. By 1856, a site on North Street was purchased and a new two-story eight-room school was built. In 1872, the building was upgraded and shortly thereafter, the system was approved as what was known as a "first grade" school which allowed it to conduct high school level courses.

In 1876, the Washington High School and Fayette County had its first high school graduates when three students, a boy and two girls, received their diplomas after studying Latin, Greek, French, logic, trigonometry, mental and moral philosophy and natural sciences using college textbooks.

The School District owns nine facilities: two elementary buildings (Cherry Hill and Belle Aire), two middle schools (Washington Middle School and historical middle school), one high school (Washington High School), one Educational Service Center (School District office), Gardner Park Sports Complex, High School Athletic Complex, and Liberty Hall.

The School District is located in Fayette County and is staffed by 116 non-certificated employees, 165 of certificated employees who provide services to 1,836 students and other community members.

Reporting Entity

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

During the fiscal year, the School District reported a change in reporting entity, with the newly created Capital Projects fund satisfying the criteria to be reported as a major governmental fund,

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. The School District has no component units.

The School District participates in two jointly governed organizations and two insurance purchasing pools. These organizations are presented in Note 15 to the basic financial statements. These organizations are:

Jointly Governed Organizations:
- Miami Valley Educational Computer Association
- Southwestern Ohio Educational Purchasing Council

Insurance Purchasing Pools:
- South Central Ohio Insurance Consortium
- Ohio School Plan

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

Basis of Presentation

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 government-wide statements ordinarily distinguish between those activities of the School District that are governmental and those that are considered business-type. However, the School District has no activities that are classified as business-type.

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

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into 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 rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

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. All funds of the School District fall within two categories: governmental and fiduciary.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Governmental Funds

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

General Fund - The General Fund is the operating fund of the School District and is used to account for and report all financial resources not accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond Retirement Fund - The Bond Retirement Fund is established to account for and report the accumulation of resources restricted for, and the payment of, general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment.

Permanent Improvement Fund – The Permanent Improvement Fund is established to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements of the School District.

Capital Projects Fund – The Capital Projects Fund is a new fund for fiscal year 2025 established to account for transfers from the General Fund committed to specific capital projects approved by the Board.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Custodial funds are used to account for funds for which the District has custody of, but are not being held for the benefit of others. The School District has four fiduciary funds: two custodial funds, which account for scholarship programs and athletic tournaments, and two private purpose trust funds, which account for college scholarship programs for students.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

The private purpose trust funds and custodial funds are reported using the economic resources measurement focus.

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, revenue in lieu of taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes and revenue in lieu of taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources include a deferred charge on refunding reported in the government-wide Statement of Net Position, as well as for pension and other postemployment benefits (OPEB). A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources until that time. For the School District, deferred inflows of resources included property taxes, revenue in lieu of taxes, unavailable revenue, pension, and OPEB. Property taxes and revenue in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2026 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position (See Notes 10 and 11).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Expenses/Expenditures

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

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liabilities, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, and pension and OPEB expense, information about the fiduciary net position of the pension and 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 and OPEB plans. 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.

Cash, Cash Equivalents, and Investments

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

"Cash and Cash Equivalents with Fiscal Agent" represents monies on hand with the fiscal agent for medical insurance cash balances for the self-insurance program which began on July 1, 2007, with the South Central Ohio Insurance Consortium.

During fiscal year 2025, the School District's investments included State Treasury Asset Reserve of Ohio (STAR Ohio), U.S. Treasuries, commercial paper, brokered certificates of deposit, U.S. Agency securities, and money markets. Investments are reported at fair value.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Investments in STAR Ohio are valued at STAR Ohio's net asset value per share which is the price the investment could be sold for on June 30, 2025. The net asset value per share is calculated on an amortized cost basis that provides a net asset value per share that approximates fair value.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

STAR Ohio reserves the right to limit participant transactions to $250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of $100 million or more. For 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Investments of the 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.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of purchased food held for resale and consumable materials and supplies.

Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the fiscal year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of $5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

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

Interfund Balances

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

Compensated Absences

The School District adopted GASB Statement No. 101, *Compensated Absences*. A liability for compensated absences is recorded for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on this criteria, vacation and sick leave qualify for liability recognition.

A liability for compensated absences is recorded as incurred in the statements of net position using a first-in, first-out flow assumption, where the oldest accumulated leave is the leave used first. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or terminations. The liability for compensated absences includes salary-related benefits, where applicable.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Accrued Liabilities and Long-Term Obligations

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

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

Fund Balance

Fund balance is divided into five classifications 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 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.

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's Board of Education. Those committed amounts cannot be used for any other purpose unless the School District's 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 Board of Education. In the general fund, assigned amounts represent intended uses established by the Board of Education or a School District official delegated that authority by resolution or by State Statute.

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 fund balance.

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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District 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 music and athletic programs, and federal and State grants restricted to expenditures for specified purposes.

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

Internal Activity

Transfers within 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. Payments for interfund services provided and used are not eliminated.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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

Estimates

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

Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, 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 amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Bond Premiums/Issuance Costs/Compounded Interest on Capital Appreciation Bonds

For governmental activities, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Under Ohio law, premiums on the original issuance of debt are to be deposited to the Bond Retirement Fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent. Capital appreciation bonds are accreted each fiscal year for the compounded interest accrued during the fiscal year. Bond premiums and the compounded interest on the capital appreciation bonds are presented as an addition to the face amount of the bonds payable. On the fund financial statements, bond premiums are reported as Other Financing Sources and issuance costs are reported as expenditures when the debt is issued. Accretion on the capital appreciation bonds are not reported.

NOTE 2 – ACCOUNTABILITY

At June 30, 2025, the following funds had a deficit fund balance:

Other Governmental Funds:	
New Building Locally Funded	$ 237,344
Public School Preschool	21,954
IDEA Part B Special Education	87,507
Title III Limited English Proficiency	1,195
Title I	146,896
Title IV-A Student Support	19,900
Miscellaneous Federal Grants	3,913

The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 3 – FUND BALANCES

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 below:

Fund Balances	General Fund	Bond Retirement Fund	Permanent Improvement	Capital Projects	Other Governmental Funds	Total Governmental Funds
Nonspendable						
Prepaid items	$ 24,925	$ -	$ -	$ -	$ 798	$ 25,723
Endowments	-	-	-	-	200,320	200,320
Total Nonspendable	24,925	-	-	-	201,118	226,043
Restricted for						
Debt payments	-	4,658,518	-	-	-	4,658,518
Food service operations	-	-	-	-	759,155	759,155
School facilities maintenance	-	-	-	-	1,703,433	1,703,433
District managed activities	-	-	-	-	276,177	276,177
Federal grant programs	-	-	-	-	580	580
Capital improvements	-	-	6,791,774	-	59,589	6,851,363
Other purposes	-	-	-	-	560,276	560,276
Total Restricted	-	4,658,518	6,791,774	-	3,359,210	14,809,502
Committed for						
Capital improvements	-	-	-	7,000,000	-	7,000,000
Assigned to						
Purchases on order	631,316	-	-	-	-	631,316
Others purposes	287,639	-	-	-	-	287,639
Total Assigned	918,955	-	-	-	-	918,955
Unassigned	13,437,465	-	-	-	(518,709)	12,918,756
Total Fund Balance	$14,381,345	$ 4,658,518	$ 6,791,774	$ 7,000,000	$ 3,041,619	$35,873,256

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

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

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING *(continued)*

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).

4. Certain funds are accounted for as separate funds internally within legally adopted budgets (budget basis) that do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

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

		General
Net change in fund balance - GAAP Basis	$	(3,053,182)
Increase / (decrease):		
Perspective difference		37,733
Due to revenues		(646,526)
Due to expenditures		427,571
Due to encumbrances		(756,870)
Net change in fund balance - Budget Basis	$	(3,991,274)

NOTE 5 – DEPOSITS AND INVESTMENTS

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

Active deposits are public deposits 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.

NOTE 5 – DEPOSITS AND INVESTMENTS *(continued)*

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above;

4. Bonds and other obligations of the State of Ohio;

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) above;

7. The State Treasurer's investment pool (STAR Ohio); and

8. Commercial paper and bankers' acceptances 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. Investments may only be made through specified dealers and institutions.

NOTE 5 – DEPOSITS AND INVESTMENTS *(continued)*

Deposits:

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a custodial credit risk policy. However, protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the financial institution holding the deposits. By Ohio law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 102% of the deposits being secured, if the financial institution participates in the OPCS, or 105% percent of public funds on deposit with that specific financial institution if it does not participate in the OPCS. At fiscal year-end, the School District's bank balance of $20,239,752 was either covered by FDIC or collateralized in the manner described above.

Investments: As of June 30, 2025, the School District had the following investments.

	Balance at 6/30/25	Average Weighted Maturity (Yrs)	Concentration	S&P Ratings
Fair Value				
Level 1				
U.S. Treasury	$ 3,478,478	3.04	25.5%	AA+
Level 2				
Commercial Paper	2,558,315	0.33	18.8%	A-1 -A-1+
Brokered CDs	5,934,325	1.49	43.6%	not rated
U.S. Agency Securities	1,535,770	2.79	11.3%	AA+ - AAA
	13,506,888			
Amortized Cost				
Money Market	100,288	0.13	0.7%	AAAm
STAR Ohio	8,381	0.08	0.1%	AAAm
Total	$ 13,615,557		100.0%	

Interest Rate Risk: As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that, to the extent possible, investments will match anticipated cash flow requirements. No investment shall be made unless the Treasurer, at the time of making the investment, reasonably expects it can be held to its maturity. Unless matched to a specific obligation or debt of the School District, the School District will not directly invest in securities maturing more than five years from the date of investment.

NOTE 5 – DEPOSITS AND INVESTMENTS *(continued)*

Credit Risk: The Standard and Poor's (S&P) ratings of the School District's investments are listed in the table above. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating. The School District's investment policy limits investments to those authorized by State statute which restricts investments to those that are highly rated or issued by United States government sponsored enterprises.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a failure of a counter party, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment securities are registered in the name of the School District.

Fair Value Measurements: The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The School District's recurring fair value measurements, as of June 30, 2025, are valued based on quoted prices in active markets (Level 1 inputs) and price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors (Level 2 inputs). As previously discussed, STAR Ohio is reported at its net asset value per share and money market funds are valued at amortized cost.

At June 30, 2025, the School District had a balance of $592,551 with the SCOIC, a risk sharing, claims servicing, and insurance purchasing pool (See Note 15). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for the SCOIC as a whole may be obtained from their fiscal agent.

NOTE 6 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District's 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 year 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.

NOTE 6 – PROPERTY TAXES *(continued)*

Public utility property tax revenue received in calendar year 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 in calendar year 2025 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 Fayette County Treasurer collects property taxes on behalf of all local governments in the County. The Fayette 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.

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2025, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amounts available as an advance at June 30, 2025, were $4,393,561 and are recognized as revenue: $2,977,441 in the General Fund, $1,036,519 in the Bond Retirement Debt Service Fund, $329,045 in the Permanent Improvement Fund, and $50,556 in the Other Governmental Funds. The amounts available as an advance at June 30, 2024, were $3,626,899 and are recognized as revenue: $2,521,929 in the General Fund, $800,677 in the Bond Retirement Debt Service Fund, $254,180 in the Permanent Improvement Fund, and $50,113 Other Governmental Funds.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

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

	2024 Second-Half Collections		2025 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	$ 253,158,730	96.18%	$ 325,536,780	96.66%
Public Utility Property	10,059,260	3.82%	11,249,500	3.34%
Total Assessed Value	$ 263,217,990	100.00%	$ 336,786,280	100.00%
Tax rate per $1,000 of assessed valuation	$45.15		$45.15	

NOTE 6 – PROPERTY TAXES *(continued)*

Revenue in Lieu of Taxes

The School District is party to Tax Increment Financing (TIF) agreements. Municipalities, townships, and counties can enter into TIF agreements which lock in real property at its unimproved value for up to 30 years in a defined TIF district. Some TIF agreements also require the TIF government to allocate service payments to school districts and other governments to help offset the property taxes these governments would have received had the improvements to real property not been exempted. The service payments that the School District receives as part of TIF agreements are presented on the financial statements as Revenue in Lieu of Taxes.

NOTE 7 – RECEIVABLES

Receivables at June 30, 2025, consisted of property taxes, revenue in lieu of taxes, accounts, intergovernmental grants, income taxes, and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. A summary of intergovernmental receivables follows:

General Fund:	
Medicaid reimbursement	$ 8,655
Other Governmental Funds:	
Federal School Lunch	450,158
State Systemic Improvement	8,316
Public School Preschool	94,671
Special Education, IDEA-Part B	156,767
Title I	426,181
Title IV-A Student Support and Academic Enrichment	65,457
Title II-A Supporting Effective Instruction	23,993
Comprehensive Literacy State Development Subgrant	72,260
Homeless Assistance	5,235
Title V-B Rural and Low Income	48,849
Total Other Governmental Funds	1,351,887
Total Intergovernmental Receivables	$ 1,360,542

NOTE 8 – CAPITAL ASSETS

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

	Balance 7/1/24	Additions	Disposals	Balance 6/30/25
Governmental Activities				
Nondepreciable:				
Land	$ 590,021	$ -	$ -	$ 590,021
Construction in progress	571,740	1,100,507	(1,672,247)	-
	1,161,761	1,100,507	(1,672,247)	590,021
Depreciable:				
Land improvements	8,443,209	108,542	(20,607)	8,531,144
Buildings and improvements	71,177,820	1,490,302	(20,994)	72,647,128
Furniture, fixtures and equipment	2,487,965	655,331	(18,000)	3,125,296
Vehicles	1,896,127	-	(30,000)	1,866,127
Total depreciable	84,005,121	2,254,175	(89,601)	86,169,695
Less accumulated depreciation:				
Land improvements	(4,214,528)	(150,748)	20,607	(4,344,669)
Buildings and improvements	(22,625,809)	(1,520,019)	19,594	(24,126,234)
Furniture, fixtures and equipment	(1,866,659)	(107,915)	14,175	(1,960,399)
Vehicles	(922,776)	(143,831)	16,250	(1,050,357)
Total accumulated depreciation	(29,629,772)	(1,922,513)	70,626	(31,481,659)
Net depreciable	54,375,349	331,662	(18,975)	54,688,036
Capital assets, net	$ 55,537,110	$ 1,432,169	$ (1,691,222)	$ 55,278,057

NOTE 8 – CAPITAL ASSETS *(continued)*

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	$	695,410
Special education		447,106
Support services:		
Pupil		106,568
Instructional staff		36,153
Board of education		350
Administration		152,664
Fiscal		18,320
Operation and maintenance of plant		163,683
Pupil transportation		181,948
Central		6,107
Extracurricular activities		40,212
Food service operations		73,992
Total depreciation expense	$	1,922,513

NOTE 9 – RISK MANAGEMENT

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.

The School District, along with other school districts in Ohio, participates in the Ohio School Plan (OSP), an insurance purchasing pool. Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to Hylant Administrative Services, LLC (See Note 15).

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

The School District's elected and appointed officials are covered by indemnity insurance.

The School District pays the State Workers' Compensation System a premium based on a rate per $100 of salaries. This rate is calculated on accident history and administrative costs.

NOTE 9 – RISK MANAGEMENT *(continued)*

The School District provides a limited medical, surgical, and prescription drug insurance program for its employees. The School District joined the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool (Note 15), on July 1, 2005. As of July 1, 2005, the School District's medical, surgical, and prescription drug was considered traditional premium insurance. Beginning July 1, 2007, medical, surgical, and prescription drug were all considered self-insured programs due to the School District retaining the risk. Claims are paid by the School District to the SCOIC. SCOIC contracts with Employee Benefits Management Corporation (EBMC) to service the claims of SCOIC members. The School District pays 75% of the high deductible insurance premiums and 70% of PPO insurance premiums for certified and classified employees for family and single coverage. The premiums paid are used for claims, claim reserves, and administrative costs. The School District had shared risk pool coverage with SCOIC which covered individual claims in excess of $100,000 up to $500,000 per employee per year for medical claims. The School District also had a stop loss coverage insurance policy through SCOIC which covered individual claims in excess of $500,000 per employee per year for medical claims.

The claims liability at June 30, 2025, reported in the General Fund of $449,914 is based on an estimate provided by an actuary for medical claims. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the past two fiscal years, including medical, surgical, and prescription drug, are as follows:

	Balance at Beginning of Fiscal Year	Current Fiscal Year Claims	Claims Payments	Balance at End of Fiscal Year
2024	$ 386,200	$ 2,461,775	$ (2,486,475)	$ 361,500
2025	361,500	2,659,113	(2,570,699)	449,914

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS *(continued)*

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

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – School Employees Retirement System

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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

NOTE 10 – DEFINED BENEFIT PENSION PLANS *(continued)*

Age and service requirements for retirement are as follows:

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

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

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

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% 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% for plan members and 14% 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, and Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the 14% was allocated to only three of the funds (Pension Trust Fund, Death Benefit Fund and Medicare B Fund).

The School District's contractually required contributions to SERS was $557,717 for fiscal year 2025. Of this amount, $14,047 is reported as an intergovernmental payable.

Plan Description – State Teachers Retirement System of Ohio

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

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

NOTE 10 – DEFINED BENEFIT PENSION PLANS *(continued)*

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. For members who were eligible to retire on July 1, 2015, the annual benefit is the greater of the benefit amount calculated upon retirement under the new benefit formula or the frozen benefit amount as of July 1, 2015. Effective August 1, 2021 to July 1, 2023, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age; or 29 years of service credit and age 55; or 5 years of service credit and age 60. Effective August 1, 2023 to May 31, 2025, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit at age 65. Retirement eligibility for reduced benefits is 29 years of service credit at any age; or 5 years of service credit and age 60. Effective June 1, 2025 to July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age or 5 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 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 29 years of service credit at any age or 5 years of service credit and age 60.

The DC Plan allows members to place all their member contributions and 11.09% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 2.91% of the 14% employer rate is allocated to the defined benefit unfunded liabilities. 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 CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO Plan payment is payable to a member on or after age 60 with 5 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 50 and after termination of employment.

New members who choose the DC Plan or CO 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 Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

NOTE 10 – DEFINED BENEFIT PENSION PLANS *(continued)*

A DB or CO 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 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance.

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2025, plan members were required to contribute 14% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2025 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contributions to STRS Ohio was $1,670,569 for fiscal year 2025. Of this amount, $140,289 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 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 projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	$ 4,476,531	$ 16,373,973	$ 20,850,504
Proportion of the Net Pension Liability	0.087508%	0.085097%	
Change in Proportion	0.001091%	-0.003580%	
Pension Expense	$ 357,345	$ 825,502	$ 1,182,847

NOTE 10 – DEFINED BENEFIT PENSION PLANS *(continued)*

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 170,910	$ 1,031,131	$ 1,202,041
Change in assumptions	40,046	754,603	794,649
Change in School District's proportionate share and difference in employer contributions	65,556	632,823	698,379
School District's contributions subsequent to the measurement date	557,717	1,670,569	2,228,286
Total Deferred Outflows of Resources	$ 834,229	$ 4,089,126	$ 4,923,355
Deferred Inflows of Resources			
Differences between expected and actual experience	$ -	$ 8,966	$ 8,966
Net difference between projected and actual earnings on pension plan investments	280,003	1,407,829	1,687,832
Change in assumptions	-	567,999	567,999
Change in School District's proportionate share and difference in employer contributions	-	520,350	520,350
Total Deferred Inflows of Resources	$ 280,003	$ 2,505,144	$ 2,785,147

$2,228,286 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	$ (191,506)	$ (738,741)	$ (930,247)
2027	299,778	1,513,563	1,813,341
2028	(29,427)	(404,937)	(434,364)
2029	(82,336)	(456,472)	(538,808)
	$ (3,491)	$ (86,587)	$ (90,078)

NOTE 10 – DEFINED BENEFIT PENSION PLANS *(continued)*

Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation are presented below:

Valuation Date	June 30, 2024 (the measurement date)
Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
Experience Study Date	Period of 5 years ended June 30, 2020
Investment Rate of Return	7.00%, net of investment expenses, including inflation
COLA or "Ad Hoc" COLA	2.00%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Future Salary Increases, including Inflation	3.25% - 13.58%
Inflation	2.40%

NOTE 10 – DEFINED BENEFIT PENSION PLANS *(continued)*

Mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Health Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Mortality among contingent survivors were based upon the PUB-2010 General Amount Weighed Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. The PUB-2010 General Amount Weighted Below Median Employee mortality table was used for active members. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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 the Statement of Investment Policy. ORC 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

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

Discount Rate – Total pension liability was calculated using the discount rate of 7.0%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0%). 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.

NOTE 10 – DEFINED BENEFIT PENSION PLANS *(continued)*

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 7.0%, 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 (6.0%), or one percentage point higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
School District's proportionate share of the net pension liability	$6,848,472	$4,476,531	$2,479,484

Actuarial Assumptions – STRS

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Varies by service from 2.5% to 8.5%
Payroll increases	3.00%
Investment rate of return	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%
Cost-of-living adjustments (COLA)	0%

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

The actuarial assumptions used in the June 30, 2024 valuation are based on the results of the latest available actual 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:

NOTE 10 – DEFINED BENEFIT PENSION PLANS *(continued)*

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%
	100.00%	

** Final target weights reflected at October 1, 2022.*
*** 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4%, and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.*

Assumption and benefit changes since the prior measurement date include: retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages, and demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

Discount Rate – The discount rate used to measure the total pension liability was 7.0% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.0% 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 7.0%, 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 (6.0%) or one-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
School District's proportionate share of the net pension liability	$26,414,087	$16,373,973	$7,881,760

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS

Net OPEB Liability (Asset)

The net OPEB liability (asset) reported on the statement of net position represents a liability to (or assets for) employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability (asset) represents the School District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments, health care cost trend rates 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 OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS *(continued)*

Plan Description – School Employees Retirement System

Health Care Plan Description—SERS' Health Care program provides health care benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986 need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and, therefore, enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute.

Funding Policy—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. SERS' 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, SERS shall manage the Health Care Fund on a pay-as-you-go basis.

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, there was no portion allocated 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, the minimum compensation amount was $30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the School District's surcharge obligation was $67,038.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS *(continued)*

Plan Description – State Teachers Retirement System of Ohio

Plan Description—The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing, multiple-employer health care plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS Board to offer this plan.

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and partial reimbursement of the monthly Medicare Part B premiums. Pursuant to the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS to recover part of the cost for providing prescription coverage since all eligible STRS 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. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2025, no employer allocation was made to the health care fund.

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

The net OPEB liability (asset) was measured as of June 30, 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 and OPEB expense:

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability (Asset)	$ 905,296	$ (1,614,120)	$ (708,824)
Proportion of the Net OPEB Liability (Asset)	0.088886%	0.085097%	
Change in Proportion	0.000216%	-0.003580%	
(Negative) OPEB Expense	$ (91,444)	$ (345,760)	$ (437,204)

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS *(continued)*

At June 30, 2025, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ -	$ 70,168	$ 70,168
Net difference between projected and actual earnings on OPEB plan investments	4,419	-	4,419
Change in assumptions	388,554	198,677	587,231
Change in School District's proportionate share and difference in employer contributions	33,200	21,559	54,759
School District's contributions subsequent to the measurement date	67,038	-	67,038
Total Deferred Outflows of Resources	$ 493,211	$ 290,404	$ 783,615
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 976,144	$ 173,947	$ 1,150,091
Net difference between projected and actual earnings on OPEB plan investments	-	69,306	69,306
Change in assumptions	415,860	727,959	1,143,819
Change in School District's proportionate share and difference in employer contributions	179,145	18,266	197,411
Total Deferred Inflows of Resources	$ 1,571,149	$ 989,478	$ 2,560,627

$67,038 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	$ (270,902)	$ (248,207)	$ (519,109)
2027	(218,529)	(108,775)	(327,304)
2028	(169,291)	(138,447)	(307,738)
2029	(138,688)	(129,054)	(267,742)
2030	(137,357)	(104,422)	(241,779)
2031-2034	(210,209)	29,831	(180,378)
	$ (1,144,976)	$ (699,074)	$ (1,844,050)

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS *(continued)*

Actuarial Assumptions – SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation. 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 consider the employee's entire career with the employer and take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

Valuation Date	June 30, 2024 (the measurement date)
Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
Experience Study Date	Period of 5 years ended June 30, 2020
Investment Rate of Return	7.00%, net of investment expenses, including inflation
Municipal Bond Index Rate:	
Prior Measurement Date	3.86%
Current Measurement Date	3.93%
Year Fiduciary Net Position is Projected to be depleted	2059

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS *(continued)*

Single Equivalent Interest Rate:	
Prior Measurement Date	4.27%
Current Measurement Date	4.88%
Future Salary Increases, including Inflation	3.25% - 13.58%
Inflation	2.40%
Health Care Cost Trend Rate	
Prior Measurement Date	6.75% - 4.40%
Current Measurement Date	7.00% - 4.40%

Mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Health Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Mortality among contingent survivors were based upon the PUB-2010 General Amount Weighed Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. The PUB-2010 General Amount Weighted Below Median Employee mortality table was used for active members. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS *(continued)*

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

Discount Rate – The discount rate used to measure the total OPEB liability at June 30, 2024 was 4.88%. The discount rate used to measure total OPEB liability prior to June 30, 2024 was 4.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and SERS at the state statute contribution rate of 1.5% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and no contributions from 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% at June 30, 2024 and 3.86% at June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and 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 calculated using the discount rate of 4.88%, as well as what the School District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.88%) and one percentage point higher (5.88%) than the current rate.

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Decrease (5.88%)
School District's proportionate share of the net OPEB liability	$1,207,180	$905,296	$665,409

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS *(continued)*

The following table presents the net OPEB liability calculated using current health care cost trend rates, as well as what the School District's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (6.00% decreasing to 3.40%) and one percentage point higher (8.00% decreasing to 5.40%) than the current rates.

	1% Decrease 6.00% decreasing to 3.40%)	Current Cost 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	$611,946	$905,296	$1,290,881

Actuarial Assumptions – STRS

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	Varies by service from 2.5% to 8.5%	
Payroll increases	3.0%	
Investment rate of return	7.0%, net of investment expenses, including inflation	
Discount rate of return	7.0%	
Health care cost trends	Initial	Ultimate
Pre-Medicare	7.50%	3.94%
Medicare	-112.22%	3.94%
Prescription Drug		
Pre-Medicare	8.00%	3.94%
Medicare	-15.14%	3.94%

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

The actuarial assumptions used in the June 30, 2024 valuation are based on the results of the latest available actual 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.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS *(continued)*

The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00%	6.90%
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%
	100.00%	

** Final target weights reflected at October 1, 2022.*
*** 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4%, and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.*

Benefit term changes since the prior measurement date include healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

Discount Rate – The discount rate used to measure the total OPEB liability was 7.0% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on OPEB plan assets of 7.0% was used to measure 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 Rate and the Health Care Cost Trend Rate*s – The following table presents the School District's proportionate share of the net OPEB asset calculated using the current period discount rate assumption of 7.0%, as well as what the School District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.0%) and one percentage point higher (8.0%) than the current rate. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) PLANS *(continued)*

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
School District's proportionate share of the net OPEB asset	$ 1,312,387	$ 1,614,120	$ 1,876,695

	1% Decrease	Current Cost Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	$ 1,894,432	$ 1,614,120	$ 1,277,011

NOTE 12 – EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees and administrators earn 10 to 30 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators up to a maximum of 60 days upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 241 days. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 60 days for teachers and classified employees.

Insurance

The School District provides medical, surgical, and prescription drug coverage to employees through the South Central Ohio Insurance Consortium (Note 15).

The School District also provides dental insurance through Delta Dental and offers vision insurance through VSP.

Deferred Compensation

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

NOTE 13 – LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2025 were as follows:

	Restated Principal Outstanding 7/1/24	Additions	Reductions	Principal Outstanding 6/30/25	Amounts Due in One Year
Governmental Activities:					
General obligation bonds:					
2021 Various purpose school improvement refunding bonds:					
Serial bonds 1.55 to 4.0%	$ 9,320,000	$ -	$ (1,180,000)	$ 8,140,000	$ 1,225,000
Capital appreciation bonds 2.20%	726,018	-	-	726,018	-
Accretion on capital appreciation bonds	131,027	59,583	-	190,610	-
Unamortized premiums	847,590	-	(99,716)	747,874	-
Direct placement:					
2015 School energy conservation improvement serial bonds 2.51%	325,000	-	(50,000)	275,000	50,000
Compensated absences*	1,881,394	-	(154,589)	1,726,805	839,914
Total	$ 13,231,029	$ 59,583	$ (1,484,305)	$ 11,806,307	$ 2,114,914

* - The change in compensated absences above is a net change for the year.

2015 School Energy Conservation Improvement Bonds

During fiscal year 2015, the School District issued School Energy Conservation Improvement Bonds in the amount of $720,000. The term bonds, maturing on December 1, 2029, are subject to mandatory sinking fund redemption.

2021 Various Purpose School Improvement Refunding Bonds

During fiscal year 2022, the School District issued Various Purpose School Improvement Refunding Bonds in the amount of $10,406,018 to advance refund $10,455,000 serial and term bonds from the 2013 and 2014 series Various Purpose School Improvement Refunding Bonds. The serial bonds totaling $9,680,000 mature on December 1, 2032. The capital appreciation bonds, issued at $726,018, are not subject to prior redemption. The capital appreciation bonds will mature in fiscal year 2031 with a maturity amount of $1,420,000. For fiscal year 2025, the capital appreciation bonds were accreted $59,583.

The net proceeds were deposited in an irrevocable trust with an escrow agent to provide funds for redemption at December 1, 2023. As a result, $10,455,000 in 2013 and 2014 series bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The advance refunding reduced the total debt service payments by $734,962 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $561,589.

NOTE 13 – LONG-TERM OBLIGATIONS *(continued)*

The 2021 School Improvement Bonds will be retired from the Bond Retirement Debt Service Fund. The 2015 School Energy Conservation Improvement Bonds will be retired from the General Fund from realized savings.

The School District pays obligations related to employee compensation from the fund benefitting from their service. The net pension and OPEB liabilities will be paid from the General Fund and Other Governmental Funds.

The School District's overall legal debt margin was $25,912,655 with an energy conservation debt margin of $2,756,077 and an unvoted debt margin of $336,786 at June 30, 2025.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2025, are as follows:

General Obligation Various Purpose School Improvement Refunding Bonds

Fiscal Year Ending	Serial Bonds		Capital Appreciation Bonds		Total	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 1,225,000	$ 201,518	$ -	$ -	$ 1,225,000	$ 201,518
2027	1,270,000	151,618	-	-	1,270,000	151,618
2028	1,325,000	99,718	-	-	1,325,000	99,718
2029	1,375,000	62,562	-	-	1,375,000	62,562
2030	1,390,000	40,438	-	-	1,390,000	40,438
2031-2033	1,555,000	46,155	726,018	693,982	2,281,018	740,137
Total	$ 8,140,000	$ 602,009	$ 726,018	$ 693,982	$ 8,866,018	$ 1,295,991

Fiscal Year Ending	*Direct Placement* 2015 Energy Conservation	
June 30,	Principal	Interest
2026	$ 50,000	$ 6,275
2027	55,000	4,958
2028	55,000	3,577
2029	55,000	2,196
2030	60,000	753
Total	$ 275,000	$ 17,759

NOTE 14 – INTERFUND ACTIVITY

As of June 30, 2025, the General Fund had $877,597 in interfund receivables due from other governmental funds.

General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Advancing monies to other funds is necessary due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund will use these restricted monies to reimburse the General Fund for the initial advance.

During fiscal year 2025, the General Fund transferred $56,889 to the Permanent Improvement fund for planned facility improvements throughout the School District and $7,000,000 to the Capital Projects fund for roof and window replacements for all of the School District's buildings.

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOLS

Jointly Governed Organizations

Miami Valley Educational Computer Association

The Miami Valley Educational Computer Association (MVECA) is a jointly governed organization consisting of 32 school districts. 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 governments of these schools supports MVECA and shares in a percentage of equity based on the resources provided. MVECA is governed by a Board of Directors consisting of superintendents and treasurers of the members' school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. The School District paid MVECA $816,244 for equipment and services during the fiscal year. Financial information can be obtained from Thor Sage, who serves as Director, at 888 Dayton St., Yellow Springs, Ohio 45387.

Southwestern Ohio Educational Purchasing Council

The School District participates in the Southwestern Ohio Educational Purchasing Council (SOEPC), a purchasing council made up of over 200 school districts. The purpose of SOEPC is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by SOEPC. Each member district has one voting representative. Any district withdrawing from SOEPC forfeits its claim to any and all SOEPC assets. One-year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations during the one-year period. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, OH 45377.

NOTE 15 – JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOLS *(continued)*

Insurance Purchasing Pools

South Central Ohio Insurance Consortium

The School District is a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool. The SCOIC's primary purpose and objective is establishing and carrying out a cost effective cooperative health program for its member organizations. The governing board consists of the superintendent or other designee appointed by each of the members of the SCOIC. Members include multiple public entities with several thousand employee lives covered for medical and prescription benefits with multiple plan designs in place as well as dental, vision, life, and accidental death and dismemberment insurances. The Bloom Carroll Local School District serves as the fiscal agent for the SCOIC.

SCOIC contracts with the Jefferson Health Plan (formerly, the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA)), for internal pool and stop loss coverage. The SCOIC members are considered self-insured and pay a monthly premium to SCOIC that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. SCOIC members participate in the shared risk pool through the Jefferson Health Plan for individual claims from $75,000 to $500,000. SCOIC members are then covered under stop loss coverage for claims over $500,000. In the event that the School District would withdraw from SCOIC, the School District would be required to give a 180-day notice prior to the end of their three year contract, be responsible for all run-out claims, and would have no rights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Bloom Carroll Local School District, 5240 Plum Road NW, Carroll, Ohio 43112.

Ohio School Plan

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the OSP to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a 13-member Board of Directors consisting of school district superintendents and treasurers. The OSP has an agreement with Hylant Administrative Services, LLC to provide underwriting, claims management, risk management, accounting, system support services, sales and marketing for the OSP. The Hylant Administrative Services, LLC also coordinates reinsurance brokerage services for the OSP.

NOTE 16 – SET-ASIDE CALCULATIONS

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 fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

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

	Capital Improvements
Set-aside reserve balance as of June 30, 2024	$ -
Current year set-aside requirement	446,168
Current year offsets	(118,202)
Current year qualifying expenditures	(327,966)
Total	$ -
Set-aside reserve balance as of June 30, 2025	$ -

Although the School District had offsets and qualifying expenditures for capital acquisitions that exceeded the set-aside requirements, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore are not presented as being carried forward to the next fiscal year.

NOTE 17 – CONTINGENCIES

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2025, if applicable, cannot be determined at this time.

NOTE 17 – CONTINGENCIES *(continued)*

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 (ODEW) 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 ODEW adjustments for fiscal year 2025 were finalized, with no material adjustments to the School District's foundation funding.

Litigation

The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the School District's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the School District.

NOTE 18 – SIGNIFICANT COMMITMENTS

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrances 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 fiscal year were as follows:

General Fund	$	756,870
Permanent Improvement Fund		386,587
Other Governmental Funds		483,785
	$	1,627,242

NOTE 19 – CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended June 30, 2025, the School District implemented GASB Statement No. 101, *Compensated Absences*.

GASB Statement No. 101 provides updated guidance on accounting for and reporting compensated absences, which includes recognizing a liability for leave that is attributable to service already rendered and is more likely than not to be used or otherwise paid or settled.

NOTE 19 – CHANGE IN ACCOUNTING PRINCIPLE *(continued)*

The implementation of GASB Statement No. 101 has the following impact on beginning net position:

	Governmental Activities
Net Position at June 30, 2024, *as previously reported*	$ 54,325,288
Adjustments:	
Implementation of GASBS No. 101	(645,420)
Net Position at June 30, 2024, *as restated*	$ 53,679,868

Required Supplementary Information

Washington Court House City School District
Required Supplementary Information
Schedules of School District's Proportionate Share of the Net Pension Liability and School District Pension Contributions
School Employees Retirement System of Ohio

Measurement Date Fiscal Year (1)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.080770%	$ 4,608,695	$ 3,278,961	140.55%	69.16%
2017	0.079127%	5,791,339	3,237,079	178.91%	62.98%
2018	0.077590%	4,635,809	3,099,764	149.55%	69.50%
2019	0.084073%	4,815,009	3,055,393	157.59%	71.36%
2020	0.092142%	5,513,044	3,176,941	173.53%	70.85%
2021	0.092012%	6,085,876	3,579,214	170.03%	68.55%
2022	0.089239%	3,292,652	3,080,350	106.89%	82.86%
2023	0.085522%	4,625,680	3,194,721	144.79%	75.82%
2024	0.086417%	4,774,997	3,428,400	139.28%	76.06%
2025	0.087508%	4,476,531	3,667,286	122.07%	78.52%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 453,191	$ (453,191)	$ -	$ 3,237,079	14.00%
2017	433,967	(433,967)	-	3,099,764	14.00%
2018	412,478	(412,478)	-	3,055,393	13.50%
2019	428,887	(428,887)	-	3,176,941	13.50%
2020	501,090	(501,090)	-	3,579,214	14.00%
2021	431,249	(431,249)	-	3,080,350	14.00%
2022	447,261	(447,261)	-	3,194,721	14.00%
2023	479,976	(479,976)	-	3,428,400	14.00%
2024	513,420	(513,420)	-	3,667,286	14.00%
2025	557,717	(557,717)	-	3,983,693	14.00%

See Notes to Required Supplementary Information.

Washington Court House City School District
Required Supplementary Information
Schedules of School District's Proportionate Share of the Net Pension Liability
and School District Pension Contributions
State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.081259%	$ 22,457,553	$ 8,858,336	253.52%	72.1%
2017	0.081466%	27,268,975	8,737,871	312.08%	66.8%
2018	0.084168%	19,994,186	9,056,914	220.76%	75.3%
2019	0.085426%	18,783,115	10,091,557	186.13%	77.3%
2020	0.083940%	18,562,742	10,196,243	182.05%	77.4%
2021	0.080895%	19,573,769	9,096,500	215.18%	75.5%
2022	0.084645%	10,822,591	10,444,607	103.62%	87.8%
2023	0.085041%	18,904,705	11,055,729	170.99%	78.9%
2024	0.088677%	19,096,590	11,977,486	159.44%	80.0%
2025	0.085097%	16,373,973	11,810,993	138.63%	82.5%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 1,223,302	$ (1,223,302)	$ -	$ 8,737,871	14.0%
2017	1,267,968	(1,267,968)	-	9,056,914	14.0%
2018	1,412,818	(1,412,818)	-	10,091,557	14.0%
2019	1,427,474	(1,427,474)	-	10,196,243	14.0%
2020	1,273,510	(1,273,510)	-	9,096,500	14.0%
2021	1,462,245	(1,462,245)	-	10,444,607	14.0%
2022	1,547,802	(1,547,802)	-	11,055,729	14.0%
2023	1,676,848	(1,676,848)	-	11,977,486	14.0%
2024	1,653,539	(1,653,539)	-	11,810,993	14.0%
2025	1,670,569	(1,670,569)	-	11,932,636	14.0%

See Notes to Required Supplementary Information.

Washington Court House City School District
Required Supplementary Information
Schedules of School District's Proportionate Share of the Net OPEB Liability
and School District OPEB Contributions
School Employees Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability	School District's Proportionate Share of the Net OPEB Liability	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.079945%	$ 2,278,726	$ 3,237,079	70.39%	11.49%
2018	0.078808%	2,115,008	3,099,764	68.23%	12.46%
2019	0.085296%	2,366,339	3,055,393	77.45%	13.57%
2020	0.094213%	2,369,271	3,176,941	74.58%	15.57%
2021	0.095540%	2,076,407	3,579,214	58.01%	18.17%
2022	0.091805%	1,737,480	3,080,350	56.41%	24.08%
2023	0.087451%	1,227,816	3,194,721	38.43%	30.34%
2024	0.088670%	1,460,786	3,428,400	42.61%	30.02%
2025	0.088886%	905,296	3,667,286	24.69%	44.50%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year	Contractually Required Contributions (3)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 39,417	$ (39,417)	$ -	$ 3,237,079	1.22%
2017	43,289	(43,289)	-	3,099,764	1.40%
2018	61,376	(61,376)	-	3,055,393	2.01%
2019	72,386	(72,386)	-	3,176,941	2.28%
2020	61,659	(61,659)	-	3,579,214	1.72%
2021	57,998	(57,998)	-	3,080,350	1.88%
2022	57,130	(57,130)	-	3,194,721	1.79%
2023	63,450	(63,450)	-	3,428,400	1.85%
2024	62,265	(62,265)	-	3,667,286	1.70%
2025	67,038	(67,038)	-	3,983,693	1.68%

(3) Includes Surcharge.

See Notes to Required Supplementary Information.

Washington Court House City School District
Required Supplementary Information
Schedules of School District's Proportionate Share of the Net OPEB Liability/(Asset)
and School District OPEB Contributions
State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability/ (Asset)	School District's Proportionate Share of the Net OPEB Liability/ (Asset)	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.081466%	$ 4,356,799	$ 8,737,871	49.86%	37.3%
2018	0.084168%	3,283,908	9,056,914	36.26%	47.1%
2019	0.085425%	(1,372,698)	10,091,557	(13.60%)	176.0%
2020	0.083940%	(1,390,242)	10,196,243	(13.63%)	174.7%
2021	0.080895%	(1,421,731)	9,096,500	(15.63%)	182.1%
2022	0.084645%	(1,784,666)	10,444,607	(17.09%)	174.7%
2023	0.085041%	(2,201,992)	11,055,729	(19.92%)	230.7%
2024	0.088677%	(1,724,649)	11,977,486	(14.40%)	168.5%
2025	0.085097%	(1,614,120)	11,810,993	(13.67%)	158.0%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year	Contractually Required Contributions (3)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ -	$ -	$ -	$ 8,737,871	0.0%
2017	-	-	-	9,056,914	0.0%
2018	-	-	-	10,091,557	0.0%
2019	-	-	-	10,196,243	0.0%
2020	-	-	-	9,096,500	0.0%
2021	-	-	-	10,444,607	0.0%
2022	-	-	-	11,055,729	0.0%
2023	-	-	-	11,977,486	0.0%
2024	-	-	-	11,810,993	0.0%
2025	-	-	-	11,932,636	0.0%

(3) STRS allocated the entire 14% employer contribution rate towards pension benefits.

See Notes to Required Supplementary Information.

Notes to Pension Information

Changes of Benefit and Funding Terms

For measurement period 2017, the cost-of-living adjustment (COLA) was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.50% with a floor of 0.0% beginning January 1, 2018. In addition, with the authority granted to the Board under Ohio House Bill 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

For measurement period 2018, with the authority granted to the Board under Ohio Senate Bill 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the COLA was reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement periods 2022 through 2024, COLAs were increased from 2.00% to 2.50% in the subsequent calendar years.

Notes to OPEB Information

Changes of Benefit and Funding Terms

Effective January 1, 2024, the non-Medicare disability health care subsidy amounts were changed to reflect amounts equal to that of service retirees by years of service.

Notes to OPEB Information (continued)

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2017, the discount rate was reduced from 2.98% to 3.63%.

For measurement period 2018, the discount rate was increased from 3.63% to 3.70% and health care trend rates were updated.

For measurement period 2019, the discount rate was reduced from 3.70% to 3.22% and health care trend rates were updated.

For measurement period 2020, the discount rate was reduced from 3.22% to 2.63%.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the COLA was reduced from 2.50% to 2.00%, the discount rate was reduced from 2.63% to 2.27%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2022, the discount rate was increased from 2.27% to 4.08% and health care trend rates were updated.

For measurement period 2023, the discount rate was changed form 4.08% to 4.27%, health care trend rates were updated, assumption for percentage of pre-Medicare eligible retirees who choose the Wraparound plan was increased from 10% to 20%, health care trend assumption on retiree premiums was updated to not apply the trend to the $35 surcharge, assumption was added to assume that 15% of pre-65 retirees who waive health care will elect coverage upon Medicare eligibility, and morbidity factors were updated based on the Society of Actuaries' June 2013 research report, Health Care Cost—From Birth to Death by Dale Yamamoto, and from the Actuarial Standards of Practice (ASOP) 6 practice note developed by the American Academy of Actuaries.

For measurement period 2024, the discount rate was increased from 4.27% to 4.88% and health care trend rates were updated.

Notes to Pension Information

Changes of Benefit and Funding Terms

For measurement period 2017, the cost-of-living adjustment (COLA) was reduced to zero.

Changes of Assumptions

For measurement period 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The health and disabled assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement period 2021, the discount rate was adjusted from 7.45% to 7.00%.

For measurement period 2022, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

For measurement period 2024, retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Notes to OPEB Information

Changes of Benefit and Funding Terms

For measurement period 2017, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

For measurement period 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Notes to OPEB Information (continued)

Changes of Benefit and Funding Terms (continued)

For measurement period 2019, there was no change to the claims cost process. Claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For measurement period 2020, there was no change to the claims cost process. Claims curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement period 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement period 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age-based to service-based.

For measurement period 2023, health care trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

For measurement period 2024, health care trends were updated to reflect emerging claims and experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

Notes to OPEB Information (continued)

Changes of Assumptions

For measurement period 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trends were modified along with the portion of rebated prescription drug costs.

For measurement period 2018, the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74. Valuation year per capita health care costs were updated.

For measurement period 2021, the discount rate was adjusted from 7.45% to 7.00%.

For measurement period 2022, health care trends were updated to reflect emerging claims and recoveries experience.

Washington Court House City School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Program Title	Pass-Through Entity Number	Federal AL Number	Federal Expenditures
U.S. Department of Agriculture:			
(Passed through Ohio Department of Education)			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	n/a	10.555	$ 69,756
Cash Assistance:			
School Breakfast Program	n/a	10.553	308,231
National School Lunch Program	n/a	10.555	837,866
COVID-19 - National School Lunch Program	n/a	10.555	31,206
Summer Food Service Program for Children	n/a	10.559	525,858
Cash Assistance Subtotal			1,703,161
Child Nutrition Cluster Total			1,772,917
Total U.S. Department of Agriculture			1,772,917
U.S. Department of Education:			
(Passed through Ohio Department of Education)			
Career Development	n/a	84.048	979
Title I Grants to Local Educational Agencies (2024)	n/a	84.010A	131,758
Title I Grants to Local Educational Agencies (2025)	n/a	84.010A	898,762
			1,030,520
Special Education Cluster:			
Special Education - Grants to States (2024)	n/a	84.027A	97,081
COVID-19 Special Education - Grants to States	n/a	84.027X	1,977
Special Education - Grants to States (2025)	n/a	84.027A	474,799
State Systemic Improvement - Each Child on Track	n/a	84.027A	28,671
Special Education - Preschool Grants (2025)	n/a	84.173A	14,827
Special Education Cluster Total			617,355
McKinney-Vento Homeless Assistance Program	n/a	84.196	16,766
Rural Education (2024)	n/a	84.358B	53,735
Rural Education (2025)	n/a	84.358B	83,075
			136,810
English Language Acquisition State Grants (2024)	n/a	84.365	1,195
Supporting Effective Instruction State Grants (2024)	n/a	84.367A	27,449
Supporting Effective Instruction State Grants (2025)	n/a	84.367A	87,794
			115,243
Supporting Effective Instruction State Grants (2024)	n/a	84.371C	27,470
Supporting Effective Instruction State Grants (2025)	n/a	84.371C	218,559
			246,029
Student Support and Academic Enrichment Program (2024)	n/a	84.424A	4,166
Student Support and Academic Enrichment Program	n/a	84.424A	82,031
Stronger Connections	n/a	84.424A	28,836
			115,033
Ohio K-12 School Safety Grant	n/a	84.425	50,000
COVID-19 Education Stabilization Fund	n/a	84.425D	6,705
COVID-19 Education Stabilization Fund	n/a	84.425U	877,328
COVID-19 Education Stabilization Fund	n/a	84.425W	9,827
			893,860
Total U.S. Department of Education			3,223,790
Total Federal Awards			$ 4,996,707

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - BASIS OF PRESENTATION

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

NOTE B - 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The School District has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE C - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the entitlement value of the commodities received and disbursed.

NOTE D - NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

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

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Washington Court House City School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Washington Court House City School District (the "School District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 19, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free of 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School 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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 19, 2025

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Washington Court House City School District:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Washington Court House City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' 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 School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 School 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 19, 2025

Washington Court House City School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Type of auditors' report issued on compliance for major programs:	unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	no
Identification of major programs:	
• Federal Assistance Listing *10.553 / 10.555 / 10.559 – Child Nutrition Cluster*	
Dollar threshold to distinguish between Type A and Type B Programs:	$750,000
Auditee qualified as low-risk auditee?	yes

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None