

WELLINGTON EXEMPTED VILLAGE SCHOOL DISTRICT
LORAIN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2025

OHIO AUDITOR OF STATE
KEITH FABER

WELLINGTON EXEMPTED VILLAGE SCHOOL DISTRICT
LORAIN COUNTY

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LORAIN COUNTY

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Wellington Exempted Village School District
Lorain County
305 Union Street
Wellington, Ohio 44090

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Wellington Exempted Village School District, Lorain County, Ohio (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Federal Awards Receipts and Expenditures Schedule 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 auditing standards generally accepted in the United States of America. In our opinion, the Federal Awards Receipts and Expenditures Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2026, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

March 24, 2026

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It is a privilege to present to you the financial picture of the Wellington Exempted Village School District. The discussion and analysis of the Wellington Exempted Village School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- Net position of governmental activities increased $1,074,651 from 2024. Further analysis of this decrease may be found on page seven.

- Revenues for governmental activities totaled $18,502,955 in 2025. Of this total, $15,894,877 or 85.9% consisted of general revenues while program revenues accounted for the balance of $2,608,078 or 14.1%.

- The School District had $17,428,304 in expenses related to governmental activities; only $2,608,078 of these expenses was offset by program specific charges for services and operating grants and contributions. General revenues (primarily taxes and school foundation) of $15,894,877 was more than adequate for covering these programs.

- Program expenses totaled $17,428,304. Instructional expenses made up $9,019,472 or 51.7% of this total while support services accounted for $6,687,096 or 38.4%. Other expenses, $1,721,736 rounded out the remaining 9.9%.

- At the end of the current fiscal year, the governmental funds reported a combined ending fund balance of $ $8,855,479, an increase of $225,065 from 2024.

Using this Annual Financial Report

This annual report consists of a series of financial statements, notes to those statements and the required supplementary information. These statements are organized so the reader can understand the Wellington Exempted Village School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *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. In the case of the Wellington Exempted Village School District, the general fund is the most significant fund.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

The analysis of the School District as a whole begins on page seven. While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "Why?" or "Why not?". The *Statement of Net Position* and the *Statement of Activities* assist in answering these questions. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current 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 this position. This change in net position is important because it tells the readers 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's activities are considered to be all governmental activities. All of the School District's programs and services are reported here including instruction, support services, operation of non-instructional services and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major fund begins on page twelve. Fund financial reports provide detailed information about the School District's major fund. 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. The School District's only major governmental fund is the general 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 an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the *Statement of Net Position* and the *Statement of Activities*) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the *Statement of Net Position* provides the perspective of the School District as a whole. Over time, net position can serve as a useful indicator of a government's financial position. During fiscal year 2025, the School District had an increase in net position of $1,074,651.

Net investment in capital assets reported on the government-wide statements represents a large component of net position. Capital assets include land and construction in progress, land improvements, buildings and improvements, furniture, fixtures, and equipment, and vehicles which are used to provide services to students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the School District's net position, $2,373,350 represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net position, $461,479 is restricted for capital projects, $483,729 is restricted for debt service, $314,201 is restricted for OPEB and $1,113,941 is restricted for other purposes. Restricted for other purposes primarily include amounts generated by individual school buildings to supplement co-curricular and extra-curricular programs.

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

Table 1
Net Position
Governmental Activities

	2025	2024
Assets		
Current and other assets	$ 18,610,712	$ 16,071,900
Net OPEB asset	788,849	792,529
Capital assets, net of depreciation	17,902,700	18,650,837
Total assets	37,302,261	35,515,266
Deferred outflows of resources		
Pension	2,614,113	2,624,500
OPEB	662,015	699,952
Total deferred outflows of resources	3,276,128	3,324,452
Liabilities		
Other liabilities	1,511,644	1,315,020
Long-term liabilities:		
Due within one year	516,208	560,018
Due in more than one year:		
Net pension liability	11,147,692	12,010,746
Net OPEB liability	636,685	991,475
Other amounts	9,927,707	10,359,660
Total liabilities	23,739,936	25,236,919
Deferred inflows of resources		
Property taxes	7,574,621	5,780,098
Pension	1,543,589	1,188,544
OPEB	1,467,919	1,456,484
Total deferred inflows of resources	10,586,129	8,425,126
Net Position		
Net investment in capital assets	8,473,428	8,816,918
Restricted	2,373,350	2,244,272
Unrestricted	(4,594,454)	(5,883,517)
Total net position	$ 6,252,324	$ 5,177,673

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

Table 2
Governmental Activities

	2025	2024
Program Revenues		
Charges for services	$ 1,008,161	$ 715,541
Operating grants and contributions	1,599,917	1,860,442
Total program revenues	2,608,078	2,575,983
General Revenues		
Property taxes	7,266,210	5,787,893
Income taxes	2,768,000	2,787,711
Grants and entitlements	5,386,699	5,439,285
Payments in lieu taxes	3,380	3,380
Investment earnings	407,743	510,934
Miscellaneous	62,845	173,677
Total general revenues	15,894,877	14,702,880
Total revenues	18,502,955	17,278,863
Program Expenses		
Instruction:		
Regular	6,002,967	6,230,286
Special	2,643,489	2,405,796
Vocational	302,256	326,336
Other	70,760	63,812
Support services:		
Pupils	821,768	728,303
Instructional staff	1,537,170	1,816,068
Board of education	75,817	96,455
Administration	1,331,654	1,558,594
Fiscal	385,659	622,386
Business	49,922	109,319
Operation and maintenance of plant	1,616,684	1,509,105
Pupil transportation	660,878	798,470
Central	207,544	99,061
Operation non-instructional services	784,990	725,978
Extracurricular activities	756,084	727,739
Interest and fiscal charges	180,662	211,783
Total Program Expenses	17,428,304	18,029,491
Change in net position	1,074,651	(750,628)
Net position at beginning of year	5,177,673	5,928,301
Net position at end of year	$ 6,252,324	$ 5,177,673

The net pension liability is the largest single liability reported by the School District at June 30, 2025.

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 and net OPEB liability or asset, respectively, not accounted for as deferred inflows/outflows.

Governmental Activities

The vast majority of revenues supporting governmental activities were general revenues. General revenues totaled $15,894,877 or 85.9% of total revenue. The most significant portion of the general revenue is property taxes which is 39.3% of total revenue and intergovernmental grants and entitlements revenue (consisting of state foundation, homestead and rollback, and personal property tax exemption) which is 29.1% of total revenue. Income taxes accounted for 15.0% of total revenue. Payments in lieu of taxes, investment earnings and miscellaneous revenue account for 2.5% of total revenue. The remaining amount of revenue received was in the form of program revenues, which equated $2,608,078 or 14.1% of total revenue.

With the combination of taxes and intergovernmental funding comprising approximately 83.3% of all revenues, the School District monitors both of these revenue sources very closely for fluctuations.

A review of Table 2 shows that the total cost of instructional services was $9,019,472, or 51.8% of all governmental program expenses. Instructional expenses include activities directly related to the teaching of pupils as well as the interaction between teacher and pupil.

Pupil service and instructional staff expenses include the activities involved in assisting staff and the content and process of teaching to pupils. Such expenses represent $2,358,938, or 13.5% of total governmental program expenses.

The board of education, administration, fiscal and business classifications reflect expenses associated with establishing and administering school operation policies, financial operations and activities concerned with purchasing, receiving and maintaining goods and services for the School District. Combined, these costs totaled $1,843,052 10.6% of all governmental expenses.

Costs associated with the operation and maintenance of plant represent those expenses necessary for the care and upkeep of the School District's buildings, grounds and equipment. Current year expenses of $1,616,684 made up 9.3% of all governmental expenses.

Pupil transportation is related primarily to the activities at the School District's Transportation Center. This amount mainly includes salaries and wages, maintenance, fuel costs and depreciation of related vehicles, equipment and buildings. For 2025, this expense is $660,878 or 3.8% of all governmental expenses.

The dependence upon tax revenues for governmental activities is apparent with only 15.0% of governmental expenses supported by program revenues.

As a result of implementing the accounting standard for pension and OPEB, the School District is reporting a significant net pension liability, net OPEB liability, related deferred inflows of resources and an increase in pension expense for the fiscal year which have a negative effect on net position. In addition, the School District is reporting a net OPEB asset, deferred outflows of resources and a decrease in expenses related to OPEB, which have a positive impact on net position. The increase and decrease in pension and OPEB expense is the difference between the contractually required contributions and the pension and OPEB expense resulting from the change in the liability or asset that is not reported as deferred inflows or outflows. These amounts can be found in the reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities.

To further explain the impact of these accounting standards on the School District's net position, additional information is presented below.

Table 3
Impact of Pension and Other Post-employment Benefits Liabilities

	2025	2024
Net OPEB asset	$ 788,849	$ 792,529
Deferred outflows of resources for:		
Pension	2,614,113	2,624,500
OPEB	662,015	699,952
Deferred inflows of resources for:		
Pension	(1,543,589)	(1,188,544)
OPEB	(1,467,919)	(1,456,484)
Net pension liability	(11,147,692)	(12,010,746)
Net OPEB liability	(636,685)	(991,475)
Impact on net position from pension and OPEB reporting	$ (10,730,908)	$ (11,530,268)

The change in these balances during 2025 resulted in negative expense adjustments across various functions in the amount of $799,360

The School District's Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. The total revenues for governmental funds were $18,180,922 and total expenditures were $17,955,857. The total governmental funds balance increased by $225,065, the School District continues to be financially stable with a total governmental fund balance of $8,855,479 at year-end.

Table 4 shows fiscal year 2025 fund balances compared to fiscal year 2024.

Table 4
Fund Balances

	Fund Balance June 30, 2025	Fund Balance June 30, 2024	Increase/ (Decrease)	Percent Change
General	$ 6,937,762	$ 6,600,561	$ 337,201	5.11%
Other governmental	1,917,717	2,029,853	(112,136)	(5.52%)
Total	$ 8,855,479	$ 8,630,414	$ 225,065	

General Fund

The net change in fund balance for the fiscal year was positive in the general fund reporting a fund balance of $6,937,762, an increase of $337,201 from 2024. The most significant change in revenues was an increase $1,367,998 in property tax revenue. Total expenditures increased mainly in the area of instruction when compared to the prior year by $478,336 and support services decreased when compared to the prior year by $394,745.

Table 5
General Fund Changes in Revenues and Expenditures

	2025 Amount	2024 Amount	Increase (Decrease)
Revenues:			
Property taxes	$ 6,681,436	$ 5,313,438	$ 1,367,998
Income taxes	2,754,795	2,774,898	(20,103)
Intergovernmental	5,666,370	5,520,597	145,773
Interest	407,743	510,934	(103,191)
Tuition and fees	349,469	316,893	32,576
Extracurricular activities	13,191	13,415	(224)
Gifts and donations	2,940	30,967	(28,027)
Rent	4,370	9,500	(5,130)
Payments in lieu of taxes	3,380	3,380	-
Miscellaneous	62,845	173,803	(110,958)
Total revenues	15,946,539	14,667,825	1,278,714
Expenditures:			
Current:			
Instruction:			
Regular	5,727,320	5,565,623	161,697
Special	2,366,444	2,028,775	337,669
Vocational	314,532	335,562	(21,030)
Support services:			
Pupils	835,396	550,389	285,007
Instructional staff	1,410,123	1,641,696	(231,573)
Board of education	76,129	96,738	(20,609)
Administration	1,322,236	1,485,293	(163,057)
Fiscal	344,615	601,939	(257,324)
Business	50,295	109,724	(59,429)
Operation and maintenance of plant	1,347,984	1,281,594	66,390
Pupil transportation	604,061	720,958	(116,897)
Central	204,441	101,694	102,747
Operation of non-instructional services	64,941	55,972	8,969
Extracurricular	556,382	509,261	47,121
Capital outlay	20,304	40,754	(20,450)
Total expenditures	$ 15,245,203	$ 15,125,972	$ 119,231

General Fund Budgeting 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 fund to be budgeted is the main operating fund of the School District, the general fund.

For the general fund, the final budget basis revenue and other financing sources was $15,542,928 which was $552,242 greater than the original budget estimate of $14,990,686. Actual revenue and other financing sources for the general fund was $16,229,655 an increase of $686,727 from the final budget estimate. This increase was not attributed to any single reason. The School District's general fund unencumbered cash balance at the end of the fiscal year was $6,682,114.

The original budgeted expenditures and other financing uses for the fiscal year were $16,894,515. The final amended budget appropriations and other financing uses of $16,825,482 were $69,033 less than what was originally anticipated. Actual expenditures, including encumbrances were under budget by $1,354,351. This was the result of conservative spending by the School District.

For the other non-significant budget amendments, the School District uses a site-based style of budgeting and has in place systems that are designed to tightly control site budgets but provide flexibility for site management. Building principals are given a per pupil allocation for textbooks, instructional materials and equipment.

Capital Assets and Debt Administration

A. Capital Assets

At the end of fiscal year 2025, the School District had $17,902,700 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. Table 6 shows fiscal year 2025 values compared to 2024.

Table 6
Capital Assets, at Fiscal Year End
(Net of Depreciation)

	Governmental Activities	
	2025	2024
Land	$ 1,465,737	$ 1,465,737
Construction in progress	-	50,057
Land improvements	1,302,204	1,330,188
Buildings and improvements	14,347,058	14,851,490
Furniture and equipment	556,599	639,036
Vehicles	231,102	314,329
Total capital assets	$ 17,902,700	$ 18,650,837

The most significant additions during the fiscal year were new installation of parking lot lighting and making other outdoor security improvements.

All capital assets, except land and construction in progress are reported net of depreciation. Additional information on capital assets can be found in Note 8.

B. Debt Administration

At June 30, 2025, the School District had $9,563,618 in bonds outstanding with $346,000 due within one year. Table 7 summarizes the bonds outstanding:

Table 7
Outstanding Debt, at Fiscal Year End
Governmental Activities

	2025	2024
2011 Energy Conservation Bonds	$ 100,000	$ 170,000
2016 Energy Conservation Bonds	134,346	155,346
2021 School Improvement Refunding Bonds	9,329,272	9,473,919
School Improvement Bonds, 2013A	-	190,000
Total outstanding	$ 9,563,618	$ 9,989,265

During the fiscal year 2011, the School District issued $1,046,000 in energy conservation bonds in the form of federally taxable direct payment qualified school construction bonds at an interest rate of 6%. These bonds were issued to fund energy conservation related projects within the School District.

During the fiscal year 2016, the School Districted issued $302,346 in energy conservation bonds with an interest rate of 2.90% for the purpose of purchasing and installing energy conservation measures. See Note 12 to the basic financial statements for details on the School District's long-term obligations.

During fiscal year 2021, the School District issued bonds to provide resources for a current refunding of the remaining 2013A and 2013B School Improvement bonds. The issuance of the 2021 School Improvement Refunding bonds consisted of $8,650,000 of serial and term bonds and a net premium of $1,293,997. The new bonds have interest rates ranging from 1.0% to 4.0% and have a final maturity of December 1, 2030. See Note 12 for more information.

School District Outlook

Wellington Exempted Village School District has continued to maintain the highest standards of service to our students, parents and community. The School District is always presented with challenges and opportunities. Recent national events and their impact on the Wellington Exempted Village School District and the surrounding area are very much under review and analysis.

The Board of Education and administration closely monitor its revenues and expenditures in accordance with its financial forecast. The financial future of the School District is not without its challenges. These challenges stem from issues that are at the local and State level. The local challenges will continue to exist, as the School District must rely heavily on property taxes to fund its operations. State level challenges continue to evolve as the State of Ohio determines the outcome of the Ohio Supreme Court case dealing with the unconstitutionality of the State's educational funding system. Although the District relies heavily on its property taxpayers to support its operations, the community support for the schools is quite strong.

Due to the unsettled issues in the school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers and investors and creditors with a general overview of the School District's finances and show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Pete Bailey, Treasurer, at Wellington Exempted Village School District, 305 Union Street, Wellington, Ohio 44090, or call 440-647-4286.

Wellington Exempted Village School District

Statement of Net Position
June 30, 2025

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	$ 8,674,107
Inventory held for resale	15,152
Receivables:	
Accounts	23,855
Intergovernmental	460,787
Property taxes	8,197,754
Income taxes	1,239,057
Net OPEB asset	788,849
Capital assets:	
Nondepreciable capital assets	1,465,737
Depreciable capital assets	29,708,699
Accumulated depreciation	(13,271,736)
Total capital assets	17,902,700
Total assets	37,302,261
Deferred outflows of resources:	
Pension	2,614,113
OPEB	662,015
Total deferred outflows of resources	3,276,128
Liabilities:	
Accounts payable	196,947
Accrued wages	807,353
Matured compensated absences payable	85,192
Intergovernmental payable	392,011
Undistributed monies	870
Accrued interest payable	22,508
Unearned revenue	6,763
Long-term liabilities:	
Due within one year	516,208
Due in more than one year:	
Net pension liability	11,147,692
Net OPEB liability	636,685
Other amounts due in more than one year	9,927,707
Total liabilities	23,739,936
Deferred inflows of resources:	
Property taxes	7,574,621
Pension	1,543,589
OPEB	1,467,919
Total deferred inflows of resources	10,586,129
Net position:	
Net investment in capital assets	8,473,428
Restricted for:	
Capital projects	461,479
Debt service	483,729
OPEB	314,201
Other purposes	1,113,941
Unrestricted	(4,594,454)
Total net position	$ 6,252,324

See accompanying notes to the basic financial statements.

Wellington Exempted Village School District

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

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities
Governmental Activities:				
Instruction:				
Regular	$ 6,002,967	$ 178,133	$ 429,723	$ (5,395,111)
Special	2,643,489	449,669	494,120	(1,699,700)
Vocational	302,256	-	9,958	(292,298)
Other	70,760	-	70,761	1
Support services:				
Pupils	821,768	-	49,495	(772,273)
Instructional staff	1,537,170	-	97,420	(1,439,750)
Board of education	75,817	-	43,677	(32,140)
Administration	1,331,654	13,191	8,063	(1,310,400)
Fiscal	385,659	44,500	-	(341,159)
Business	49,922	-	-	(49,922)
Operation and maintenance of plant	1,616,684	4,370	-	(1,612,314)
Pupil transportation	660,878	-	-	(660,878)
Central	207,544	-	-	(207,544)
Operation of non-instructional services	784,990	167,498	366,922	(250,570)
Extracurricular activities	756,084	150,800	29,778	(575,506)
Interest and fiscal charges	180,662	-	-	(180,662)
Total governmental activities	$ 17,428,304	$ 1,008,161	$ 1,599,917	(14,820,226)

General Revenues:	
Property taxes levied for:	
General purposes	6,701,774
Debt service	469,459
School facilities maintenance and capital improvements	94,977
Income taxes levied for:	
General purposes	2,768,000
Grants and entitlements not restricted to specific programs	5,386,699
Payments in lieu of taxes	3,380
Investment earnings	407,743
Miscellaneous	62,845
Total general revenues	15,894,877
Change in net position	1,074,651
Net position at beginning of year	5,177,673
Net position at end of year	$ 6,252,324

See accompanying notes to the basic financial statements.

Wellington Exempted Village School District
Balance Sheet
Governmental Funds
June 30, 2025

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and cash equivalents	$ 6,697,525	$ 1,976,582	$ 8,674,107
Cash and cash equivalents:			
Inventory held for resale	-	15,152	15,152
Receivables:			
Accounts	21,155	2,700	23,855
Intergovernmental	279,306	181,481	460,787
Interfund	95,190	-	95,190
Property taxes	7,601,545	596,209	8,197,754
Income taxes	1,239,057	-	1,239,057
Total assets	$ 15,933,778	$ 2,772,124	$ 18,705,902
Liabilities, deferred inflows of resources and fund balances:			
Liabilities:			
Accounts payable	$ 149,852	$ 47,095	$ 196,947
Accrued wages	775,737	31,616	807,353
Matured compensated absences payable	85,192	-	85,192
Interfund payable	-	95,190	95,190
Intergovernmental payable	359,271	32,740	392,011
Unearned revenue	-	6,763	6,763
Undistributed monies	870	-	870
Total liabilities	1,370,922	213,404	1,584,326
Deferred inflows of resources:			
Property taxes	7,024,311	550,310	7,574,621
Unavailable revenue	479,566	81,198	560,764
Unavailable revenue - delinquent property taxes	121,217	9,495	130,712
Total deferred inflows of resources	7,625,094	641,003	8,266,097
Fund balances:			
Restricted	-	1,990,964	1,990,964
Assigned	80,184	-	80,184
Unassigned	6,857,578	(73,247)	6,784,331
Total fund balances	6,937,762	1,917,717	8,855,479
Total liabilities, deferred inflows of resources and fund balances	$ 15,933,778	$ 2,772,124	$ 18,705,902

See accompanying notes to the basic financial statements.

Wellington Exempted Village School District

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

Total governmental fund balances			$	8,855,479
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				17,902,700
Other long-term assets that are not available to pay for current-period expenditures and therefore are unavailable in the funds:				
Property taxes	$	130,712		
Income taxes		201,233		
Tuition and fees		278,333		
Intergovernmental		81,198		
				691,476
The net pension and net OPEB liability are not due and payable in the current period; the net OPEB asset is not a financial resource; therefore, the asset, liability and related deferred inflows/outflows are not reported in the funds:				
Deferred outflows - pension	$	2,614,113		
Deferred inflows - pension		(1,543,589)		
Net pension liability		(11,147,692)		
Deferred outflows - OPEB		662,015		
Deferred inflows - OPEB		(1,467,919)		
Net OPEB liability		(636,685)		
Net OPEB asset		788,849		
				(10,730,908)
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:				
General obligation bonds	$	(9,563,618)		
Compensated absences		(880,297)		
Accrued interest payable		(22,508)		
Total				(10,466,423)
Net position of governmental activities			$	6,252,324

See accompanying notes to the basic financial statements.

Wellington Exempted Village School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property taxes	$ 6,681,436	$ 564,903	$ 7,246,339
Income taxes	2,754,795	-	2,754,795
Intergovernmental	5,666,370	1,155,768	6,822,138
Interest	407,743	-	407,743
Tuition and fees	349,469	-	349,469
Extracurricular activities	13,191	150,800	163,991
Gifts and donations	2,940	150,914	153,854
Charges for services	-	160,123	160,123
Rent	4,370	-	4,370
Payments in lieu of taxes	3,380	-	3,380
Miscellaneous	62,845	51,875	114,720
Total revenues	15,946,539	2,234,383	18,180,922
Expenditures:			
Current:			
Instruction:			
Regular	5,727,320	129,768	5,857,088
Special	2,366,444	378,990	2,745,434
Vocational	314,532	4,958	319,490
Other	-	70,760	70,760
Support services:			
Pupils	835,396	17,695	853,091
Instructional staff	1,410,123	143,188	1,553,311
Board of education	76,129	-	76,129
Administration	1,322,236	104,473	1,426,709
Fiscal	344,615	52,393	397,008
Business	50,295	-	50,295
Operation and maintenance of plant	1,347,984	216,905	1,564,889
Pupil transportation	604,061	4,795	608,856
Central	204,441	-	204,441
Operation of non-instructional services	64,941	679,752	744,693
Extracurricular activities	556,382	203,909	760,291
Capital outlay	20,304	96,192	116,496
Debt service:			
Principal retirement	-	331,000	331,000
Interest and fiscal charges	-	275,876	275,876
Total expenditures	15,245,203	2,710,654	17,955,857
Excess of revenues over (under) expenditures	701,336	(476,271)	225,065
Other financing sources (uses):			
Transfers in	-	364,235	364,235
Transfers out	(364,135)	(100)	(364,235)
Total other financing sources (uses)	(364,135)	364,135	-
Net change in fund balances	337,201	(112,136)	225,065
Fund balances at beginning of year	6,600,561	2,029,853	8,630,414
Fund balances at end of year	$ 6,937,762	$ 1,917,717	$ 8,855,479

See accompanying notes to the basic financial statements.

Wellington Exempted Village 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

Net change in fund balances - total governmental funds			$	225,065
Amounts reported for governmental activities in the statement of activities are different because:				
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:				
Capital asset additions	$	116,496		
Depreciation expense		(862,143)		
Excess of depreciation expense over capital outlay				(745,647)
The disposal of capital assets results in the removal of capital assets at cost and the difference in their carrying value to cost, if immaterial, is charged to the program as an expense in the statement of activities.				(2,490)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These activities consist of:				
Property taxes	$	19,871		
Income taxes		13,205		
Intergovernmental		10,624		
Tuition and fees		278,333		
Net change in deferred inflows of resources during the year				322,033
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of activities reports these amounts as deferred outflows.				
Pension				1,220,886
OPEB				45,277
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and net OPEB asset/liability are reported as pension and OPEB expense in the statement of activities.				
Pension				(723,264)
OPEB				256,461
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.				331,000
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:				
Decrease in compensated absences	$	50,116		
Decrease in accrued interest		567		
Amortization of premium		94,647		
Total additional expenditures				145,330
Change in net position of governmental activities			$	1,074,651

See accompanying notes to the basic financial statements.

Wellington Exempted Village School District

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	$ 5,695,245	$ 6,095,152	$ 6,777,673	$ 682,521
Income taxes	2,780,000	2,780,000	2,803,348	23,348
Intergovernmental	5,480,591	5,632,926	5,667,501	34,575
Interest	445,000	445,000	408,152	(36,848)
Tuition and fees	309,050	309,050	349,469	40,419
Rent	-	-	7,120	7,120
Gifts and donations	5,000	5,000	850	(4,150)
Payments in lieu of taxes	3,300	3,300	3,380	80
Miscellaneous	218,000	218,000	145,448	(72,552)
Total revenues	14,936,186	15,488,428	16,162,941	674,513
Expenditures:				
Current:				
Instruction:				
Regular	6,199,950	6,312,006	5,610,114	701,892
Special	2,278,824	2,174,222	2,225,575	(51,353)
Vocational	300,213	314,113	301,659	12,454
Support services:				
Pupils	577,292	631,114	828,441	(197,327)
Instructional staff	1,694,728	1,632,384	1,386,049	246,335
Board of education	89,217	89,817	76,917	12,900
Administration	1,734,686	1,565,006	1,375,533	189,473
Fiscal	647,632	635,632	408,803	226,829
Business	85,689	85,689	79,796	5,893
Operation and maintenance of plant	1,539,385	1,545,177	1,360,181	184,996
Pupil transportation	849,412	834,641	615,438	219,203
Central	116,736	192,736	206,589	(13,853)
Operation of non-instructional services	55,120	59,120	64,930	(5,810)
Extracurricular activities	500,631	528,825	566,971	(38,146)
Total expenditures	16,669,515	16,600,482	15,106,996	1,493,486
Excess of revenues over (under) expenditures	(1,733,329)	(1,112,054)	1,055,945	2,167,999
Other financing sources (uses):				
Proceeds from sale of capital assets	4,500	4,500	2,058	(2,442)
Refund of prior year expenditures	-	-	26,487	26,487
Advances in	-	-	38,169	38,169
Transfers in	50,000	50,000	-	(50,000)
Transfers out	(225,000)	(225,000)	(364,135)	(139,135)
Total other financing sources (uses)	(170,500)	(170,500)	(297,421)	(126,921)
Net change in fund balance	(1,903,829)	(1,282,554)	758,524	2,041,078
Fund balance at beginning of year	5,635,583	5,635,583	5,635,583	-
Prior year encumbrances appropriated	288,007	288,007	288,007	-
Fund balance at end of year	$ 4,019,761	$ 4,641,036	$ 6,682,114	$ 2,041,078

See accompanying notes to the basic financial statements.

Note 1 - Summary of Significant Accounting Policies

Description of the School District

Wellington Exempted Village 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/or Federal guidelines.

The School District was established through the consolidation of existing land areas and school districts. The School District serves an area of approximately sixty four square miles. It is located in Lorain and Huron Counties. It is staffed by 64 non-certificated employees and 86 certificated personnel who provide services to 854 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 Wellington Exempted Village School District, this includes general operations, food service, and student related activities of the School District.

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. There are no component units of the School District.

The School District is associated with organizations which are defined as a jointly governed organizations, public entity risk pools and insurance purchasing pools. These organizations include the Metropolitan Educational Technology Association (META), Ohio Schools Council, Lake Erie Regional Council of Governments, Lorain County Joint Vocational School District and Schools of Ohio Risk Sharing Authority (SORSA). These organizations are presented in Notes 13, 14 and 15 to the basic financial statements.

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

A. Basis of Presentation – Fund Accounting

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.

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 Statement of Net Position presents the financial condition of the governmental activities of the School District at 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 therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of 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 District.

Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental statements is on major funds rather than reporting funds 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 fund type.

B. Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental and fiduciary.

Governmental Funds Types

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

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

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

Fiduciary Fund Types

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 agency 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 custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District did not have any fiduciary funds.

C. Measurement Focus and Basis of Accounting

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets, liabilities, deferred outflows of resources 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 (i.e. revenues) and decreases (i.e. expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund 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.

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

Revenues - Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means that the resources will be collected 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 sixty days of year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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 the modified accrual basis, revenue from nonexchange 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 as an advance, investment earnings, tuition, grants and entitlements, and student fees.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 are reported on the government-wide statement of net position for pension and other postemployment benefits (OPEB). The deferred outflows of resources related to pension and OPEB are explained in Note 11.

In addition to liabilities, the statement of net position reports 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 (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance year 2026 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported on the governmental funds 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 inflows of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the statement of activities as an expense with a like amount reported within the "Operating Grants, Contributions and Interest" program revenue account. Unused donated commodities are reported in the account "Inventory held for resale" within the basic financial statements.

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.

D. Budgets and Budgetary Accounting

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the Tax Budget, the Certificate of Estimated Resources, and the Appropriation Resolution, all of which are prepared on the budgetary basis of accounting. The primary level of budgetary control is at the fund level for all funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The Certificate of Estimated Resources and the Appropriation Resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than fiduciary funds, are legally required to be budgeted and appropriated. The amounts reported as the original budgeted revenue in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted revenue amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2025. The amounts reported as the original budgeted expenditures reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted expenditures represent the final appropriation amounts passed by the Board during the year.

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

E. Cash and Investments

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in pooled cash and cash equivalents."

During the fiscal year, investments were limited to an interest in STAR Ohio, the State Treasurer's Investment Pool. These investments are stated at cost, which approximates market value (fair value).

The School District's investment in the State Treasury Asset Reserve of Ohio (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 and is recognized as an external investment pool by the School District. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal year 2025, there were no limitation or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice is appreciated 24 hours in advance of all deposits and withdrawals exceeding $100 million. STAR Ohio reserves the right to limit the transaction to $250 million, requiring the excess amount to be transacted the following business day(s), but only to the $250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds, unless the Board specifically allows the interest to be recorded in other funds. The Board of Education has passed a resolution to allow interest to also be recorded in other funds as explained in Note 4.

For presentation on the basic financial statements, investments of the cash management pool and investments with a maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

F. Inventory

On the governmental-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories of the general fund were not significant at the end of the year. Inventories of the food service special revenue fund consist of donated food, purchased food and supplies held for resale.

G. Capital Assets

General capital assets are those assets resulting 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 on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The School District maintains a capitalization threshold of five thousand dollars. 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 the asset's life are not capitalized. The School District's policy is not to capitalize interest costs incurred as part of construction.

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

Description	Estimated Lives
Land Improvements	20 years
Building and Improvements	50 - 80 years
Furniture and Equipment	8 - 25 years
Vehicles	15 years

H. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column of the statement of net position.

I. Pension and other postemployment benefits (OPEB)

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

The current accounting standard requires School District's to report their proportionate share of the net pension/OPEB liability or asset using the earning approach to pension and OPEB accounting instead of the funding approach as previously used. The funding approach limited pension and postemployment costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension/OPEB liability. Under the new standards, the net pension/OPEB liability or asset equals the School District's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

Pension and OPEB obligations, whether funded or unfunded, are part of the employment exchange. The employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. The unfunded portion of this benefit of exchange is a liability of the School District. However, the School District is not responsible for key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Benefit provisions and both employer and employee contribution rates are determined by State statute. The employee and employer enter the employment exchange with the knowledge that the exchange is limited by law. The pension system is responsible for the administration of the pension and OPEB plans.

There is no repayment schedule for the net pension liability or the net OPEB liability. The School District has no control over the changes in the benefits, contribution rates, and return on investments affecting the balance of the liabilities. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not identify the responsible party for the unfunded portion. Due to the unique nature of how the pension liability and the OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is more likely than not the School District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability for amounts to be used as days off as well amounts received as severance payments upon retirement. An accrual for earned sick leave is made to the extent it is more likely than not that benefits will result in payments. The liability is an estimate based on the School District's past experience of making termination payments and usage of sick leave in excess of amounts earned. The entire compensated absences liability is reported on the government-wide financial statements.

For the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have accumulated leave are paid. At June 30, 2025, the School District had $85,192 in matured compensated absences.

K. 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 are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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

Assigned fund balance classifications 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. The purpose constraint that represents the intended use is established by the Board of Education or by their designated official. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District or by State statute. The Treasurer is authorized to assign fund balance using encumbrances for planned purchases, provided such amounts have been lawfully appropriated. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

M. 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.

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

N. Bond Premium

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the bonds-outstanding method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are receipted in the year the bonds are issued.

O. Interfund Transactions

Interfund transactions are reported as other financing sources/uses for governmental funds in the fund financial statements. All transfers between governmental funds have been eliminated within the governmental activities column of the statement of net position.

P. Estimates

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

Note 2 – 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 government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances	General	Other Governmental Funds	Total Governmental Funds
Restricted for			
Various student activities	$ -	$ 102,993	$ 102,993
Instructional programs	-	53,309	53,309
Classroom facilities maintenance	-	849,916	849,916
Scholarships and awards	-	17,645	17,645
Vocational programs	-	5,907	5,907
Technology	-	2,973	2,973
Capital improvements	-	460,196	460,196
Debt service payments	-	498,025	498,025
Total restricted	-	1,990,964	1,990,964
Assigned			
Public school support	26,063	-	26,063
Latchkey	4,073	-	4,073
Encumbrances	50,048	-	50,048
Total assigned	80,184	-	80,184
Unassigned (deficit)	6,857,578	(73,247)	6,784,331
Total fund balances	$ 6,937,762	$ 1,917,717	$ 8,855,479

Note 3 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law 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 (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the modified accrual basis of generally accepted accounting principles are that:

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

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

3. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

4. Encumbrances are treated as expenditures (budget basis) rather than assigned fund balance (GAAP basis).

5. The revenues, expenditures and other financing sources and uses of the general fund include activity that is budgeted within special revenue funds (GAAP basis). However, on the budgetary basis, the activity of the special revenue funds is excluded resulting in perspective differences.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statement for the general fund.

Net Change in Fund Balance

	General
GAAP basis	$ 337,201
Net adjustment for revenue accruals	260,228
Advances in	38,169
Net adjustment for expenditure accruals	207,606
Perspective differences from funds budgeted as special revenue funds:	
Revenues	(15,281)
Expenditures	11,066
Encumbrances (Budget Basis) outstanding at year end	(80,465)
Budget basis	$ 758,524

Note 4 - Deposits and Investments

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

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

Inactive deposits are public deposits 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 within five years from the date of deposit, or by savings or deposit accounts, including passbook accounts.

Interim monies may be invested in the following securities:

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

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

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

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

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

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

7. Commercial paper notes, limited to 40% (5% for a single issuer) in total of the interim monies available for investment at any one time and for a period not to exceed two hundred seventy days; and,

8. Bankers acceptances, limited to 40% of the interim monies available for investment at any one time and for a period not to exceed one hundred eighty days.

An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned. According to state law, public depositories must provide security for the repayment of all public deposits. These institutions shall give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC). The security for these deposits will be made under an agreement using a surety bond and/or by means of pledging allowable securities as collateral to be held by a qualified trustee. The pledged collateral can be held for each public depositor and must have a market value of at least 105% of the total value of public monies on deposit at the institution. In addition, the financial institution can participate in a pooled collateral arrangement with the Ohio Pooled Collateral System (OPCS). If the institution participates in the OPCS, the total market value of the securities pledged can be 102% or lower if permitted by the Treasurer of State.

The School District's financial institution participates in the OPCS and was approved for a reduced collateral floor, however the collateral pledged for deposits on June 30, 2025 exceeded the uninsured balances.

B. Investments

As of June 30, 2025, the School District had the following investments and maturities:

Investment type		Fair Value	Maturity	Rating
STAR Ohio	$	8,334,137	30.4 [2]	AAAm [1]

[1] Standard and Poor's rating.
[2] Days (Average)

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 preceding tables identify the School District's recurring fair value measurement as of June 30, 2025. As previously discussed Star Ohio is reported at its net asset value.

Custodial credit risk for an investment is the risk that in the event of failure of the counterparty, 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 policy is to invest money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

Interest rate risk is the possibility that changes in interest rates will adversely affect the fair value of an investment. The School District's investment policy does not address limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is the possibility that an issuer or other counterparty to an investment will not fulfill its obligation. Standard and Poor's has assigned STAR Ohio an AAAm rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating.

All interest is legally required to be placed in the general fund. Interest revenue credited to the general fund during fiscal year 2025 amounted to $407,743, which includes $77,539 assigned from other School District funds.

Note 5 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the 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, public utility and tangible personal property (used for public utility) 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.

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 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Lorain County and Huron County. The County Auditors periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties 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 amount available as an advance at year-end was $456,017 in the general fund, $30,389 in the debt service fund and $6,015 in permanent improvement fund and is recognized as revenue on the fund financial statements.

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

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

	2024 Assessed Value	2023 Assessed Value
Real Property		
Residential and Agricultural	$ 273,650,980	$ 202,124,580
Commercial and Industrial	50,143,300	40,808,180
Tangible Personal Property		
Public Utilities	32,137,350	22,315,710
Total	$ 355,931,630	$ 265,248,470

Note 6 - Receivables

Receivables at year-end consisted of taxes, accounts (tuition), accrued interest and intergovernmental grants and entitlements. 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 year guarantee of federal funds. The general fund reported an intergovernmental receivable for $279,306 for tuition and refunds. Other nonmajor governmental funds recorded intergovernmental receivables for state and federal grants in the amount of $181,481.

Note 7 - Interfund Transactions

Interfund balances at June 30, 2025 consisted of the following:

Due to general fund from:		
Nonmajor governmental funds	$	95,190

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made. As of June 30, 2025, all interfund loans outstanding are anticipated to be repaid in fiscal year 2026. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2025 are reported on the statement of net position.

Interfund transfers for the year ended June 30, 2025, consisted of the following:

Transfers from general fund to:		
Nonmajor governmental funds	$	364,135
Transfers from nonmajor governmental funds to:		
Nonmajor governmental funds		100
	$	364,235

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 8 - Capital Assets

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

Governmental Activities	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Capital assets, not being depreciated:				
Land	$ 1,465,737	$ -	$ -	$ 1,465,737
Construction in progress	50,057	84,348	(134,405)	-
Total capital assets, not being depreciated	1,515,794	84,348	(134,405)	1,465,737
Capital assets, being depreciated:				
Land improvements	3,020,578	134,405	-	3,154,983
Buildings	23,022,844	8,844	-	23,031,688
Furniture and equipment	2,530,287	23,304	(8,301)	2,545,290
Vehicles	976,738	-	-	976,738
Total capital assets, being depreciated	29,550,447	166,553	(8,301)	29,708,699
Less: Accumulated depreciation				
Land improvements	(1,690,390)	(162,389)	-	(1,852,779)
Buildings	(8,171,354)	(513,276)	-	(8,684,630)
Furniture and equipment	(1,891,251)	(103,251)	5,811	(1,988,691)
Vehicles	(662,409)	(83,227)	-	(745,636)
Total accumulated depreciation	(12,415,404)	(862,143)	5,811	(13,271,736)
Total capital assets being depreciated, net	17,135,043	(695,590)	(2,490)	16,436,963
Governmental activities capital assets, net	$ 18,650,837	$ (611,242)	$ (136,895)	$ 17,902,700

Depreciation expense was charged to governmental functions as follows:

Instruction:		
Regular	$	630,155
Vocational		3,721
Support services:		
Instructional staff		10,954
Operation and maintenance of plant		112,757
Pupil transportation		64,777
Operation of non-instructional services		23,710
Extracurricular activities		16,069
Total depreciation expense	$	862,143

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. During fiscal year 2025, the School District contracted with a commercial insurance provider for liability, fleet and property insurance coverage. There have been no settlements paid in excess of insurance nor has insurance coverage been significantly reduced in the past three years.

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

The School District has contracted with the Lake Erie Regional Council of Governments (LERC) to provide employee health and medical benefits. The School District provides medical and dental benefits to most employees. The premium and coverage varies with employees depending on marital status.

Note 10 - Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified, full-time administrators and non-bargaining unit employees earn 10 to 30 days of vacation per year, depending upon length of service and hours worked. Accumulated unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and elementary principals do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. There is a 240 day limit as to the amount of sick leave that may be accumulated.

B. Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees. Life insurance is provided through a commercial insurance company.

Note 11 - Defined Benefit Pension Plans and Other Postemployment Benefits

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

A. DEFINED BENEFIT PENSION PLANS

School Employee Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, 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.

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy - Plan members are required to contribute 10.00% 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, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14%. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was $361,352 for fiscal year 2025. Of this amount $18,003 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

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

2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

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

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2025 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2025, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was $859,534 for fiscal year 2025. Of this amount $93,971 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 contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability - prior measurement date	0.0585517%	0.0407499%	
Proportion of the net pension liability - current measurement date	0.0614874%	0.0415882%	
Change in proportionate share	0.0029357%	0.0008384%	
Proportionate share of the net pension liability	$3,145,447	$8,002,245	$11,147,692
Pension expense	$430,845	$292,419	$723,264

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	$ 120,091	$ 503,932	$ 624,023
Changes of assumptions	28,138	368,787	396,925
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	214,501	157,778	372,279
School District contributions subsequent to the measurement date	361,352	859,534	1,220,886
Total deferred outflows of resources	$ 724,082	$ 1,890,031	$ 2,614,113
Deferred inflows of resources			
Net difference between expected and actual experience	$ -	$ 4,382	$ 4,382
Changes of assumptions	-	277,591	277,591
Net difference between projected and actual earnings on pension plan investments	196,746	688,030	884,776
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	-	376,840	376,840
Total deferred inflows of resources	$ 196,746	$ 1,346,843	$ 1,543,589

$1,220,886 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 the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year	SERS	STRS	Total
2026	$ (55,441)	$ (549,132)	$ (604,573)
2027	275,032	647,828	922,860
2028	4,247	(289,777)	(285,530)
2029	(57,854)	(125,265)	(183,119)
Total	$ 165,984	$ (316,346)	$ (150,362)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024 and June 30, 2023, are presented below:

Wage inflation:	
Current measurement date	2.4 percent
Prior measurement date	2.4 percent
Future salary increases, including inflation:	
Current measurement date	3.25 percent to 13.58 percent
Prior measurement date	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA:	
Current measurement date	2.0 percent
Prior measurement date	2.0 percent
Investment rate of return:	
Current measurement date	7.0 percent net of system expense
Prior measurement date	7.0 percent net of system expense
Discount rate:	
Current measurement date	7.0 percent
Prior measurement date	7.0 percent
Actuarial cost method	Entry age normal

In 2024, mortality rates were based on the following:

Service Retirement: PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Disabled Retirement: PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Contingent Survivor: PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Cash	3.00 %	0.97 %
US equity	22.00	4.68
International equity developed	12.00	4.96
International 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
Total	100.00 %	

Discount Rate The total pension liability for 2024 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31 percent.

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

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 4,812,099	$3,145,447	$1,742,217

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 actuarial valuation, compared with June 30, 2023 actuarial valuation, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.5 percent	2.5 percent
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment rate of return	7.0 percent, net of investment expenses, including inflation	7.0 percent, net of investment expenses, including inflation
Discount rate of return	7.0 percent	7.0 percent
Payroll increases	3.0 percent	3.0 percent
Cost-of-Living Adjustment (COLA)	0.0 percent	0.0 percent

For the June 30, 2024 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Asset class	Target allocation *	Long term expected real rate of return**
Domestic equity	26.00 %	6.90 %
International equity	22.00	7.70
Alternatives	19.00	9.10
Fixed income	22.00	4.50
Real estate	10.00	5.10
Liquidity reserves	1.00	2.40
Total	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 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows u ed to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' 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 was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

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

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	$ 12,909,024	$8,002,245	$3,851,954

Assumption and Benefit Changes Since the Prior Measurement Date - The discount rate remained at 7.00% for June 30, 2024 valuation. Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. The Board's liability is 6.2% of wages paid for those that choose Social Security.

B. DEFINED BENEFIT OPEB PLANS

School Employee Retirement System

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2025, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was $30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the School District's surcharge obligation was $45,277.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was $45,277 for fiscal year 2025 and is reported as an intergovernmental payable.

State Teachers Retirement System

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll d not allocate any employer contributions to post-employment health care.

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

The net OPEB liability or asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability or asset was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability or 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
Proportion of the net OPEB liability (asset) - prior measurement date	0.0601826%	0.0407499%	
Proportion of the net OPEB liability (asset) - current measurement date	0.0625123%	0.0415882%	
Change in proportionate share	0.0023297%	0.0008384%	
Proportionate share of the net OPEB liability (asset)	$636,685	($788,849)	($152,164)
OPEB expense	($77,697)	($178,764)	($256,461)

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	$ -	$ 34,293	$ 34,293
Changes of assumptions	273,265	97,096	370,361
Net difference between projected and actual earnings on OPEB plan investments	3,109	-	3,109
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	196,424	12,551	208,975
School District contributions subsequent to the measurement date	45,277	-	45,277
Total deferred outflows of resources	$ 518,075	$ 143,940	$ 662,015
Deferred inflows of resources			
Differences between expected and actual experience	$ 686,512	$ 85,011	$ 771,523
Changes of assumptions	292,470	355,766	648,236
Net difference between projected and actual earnings on pension plan investments	-	33,871	33,871
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	8,707	5,582	14,289
Total deferred inflows of resources	$ 987,689	$ 480,230	$ 1,467,919

$45,277 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 or an adjustment to the net OPEB asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	SERS	STRS	Total
2026	$ (156,036)	$ (118,864)	$ (274,900)
2027	(104,276)	(52,152)	(156,428)
2028	(71,358)	(66,814)	(138,172)
2029	(53,782)	(62,017)	(115,799)
2030	(52,847)	(49,976)	(102,823)
Thereafter	(76,592)	13,533	(63,059)
Total	$ (514,891)	$ (336,290)	$ (851,181)

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024 and June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.4 percent	2.4 percent
Future salary increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment rate of return	7.0 percent, net of investment expenses, including inflation	7.0 percent, net of investment expenses, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)	Entry age normal (level percent of payroll)
Fiduciary net position is projected to be depleted	2059	2048
Municipal Bond Index Rate	3.93 percent	3.86 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	4.88 percent	4.27 percent
Medical Trend Assumption	7.00 percent to 4.40 percent	6.75 percent to 4.40 percent

In 2024, the following mortality assumptions were used:

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

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

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

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

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

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

The long-term expected rate on plan assets of return on plan assets is reviewed as part of the actuarial five-year experience study. 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 n assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11 A.

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 the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be depleted in 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 District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the proportionate share of the net OPEB liability, what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what the proportionate share of the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease	Current discount rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 848,997	$636,685	$467,974

	1% Decrease	Current trend rate	1% Increase
School District's proportionate share of the net OPEB liability	$ 430,375	$636,685	$907,862

Actuarial Assumptions – STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 actuarial valuation, compared with June 30, 2023 actuarial valuation, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.50 percent	2.50 percent
Projected salary increases	Varies by service from 2.50 percent to 8.50 percent	Varies by service from 2.50 percent to 8.50 percent
Investment rate of return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Discount rate of return	7.00 percent	7.00 percent
Payroll increases	3.00 percent	3.00 percent
Health care cost trends		

	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50 percent	3.94 percent	7.50 percent	4.14 percent
Medicare	-112.22 percent	3.94 percent	-10.94 percent	4.14 percent
Prescription Drug				
Pre-Medicare	8.00 percent	3.94 percent	-11.95 percent	4.14 percent
Medicare	-15.14 percent	3.94 percent	1.33 percent	4.14 percent

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

For the June 30, 2024 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00 percent for the June 30, 2024 valuation.

Benefit Term Changes Since the Prior Measurement Date - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11 A.

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

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current discount rate	1% Increase
School District's proportionate share of the net OPEB asset	$ (641,386)	($788,849)	($917,174)

	1% Decrease	Current trend rate	1% Increase
School District's proportionate share of the net OPEB asset	$ (925,842)	($788,849)	($624,097)

Note 12 - Bonded Debt and Other Long-term Obligations

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

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Governmental Activities					
Bonds:					
School Improvement Refunding - 2021					
Serial and term bonds 1.0% - 4.0%	$ 8,480,000	$ -	$ (50,000)	$ 8,430,000	$ 225,000
Premium	993,919	-	(94,647)	899,272	-
School Improvement - 2013A					
Term bonds 1.5% - 4.0%	190,000	-	(190,000)	-	-
Energy Conservation					
Improvement 6.0%	170,000	-	(70,000)	100,000	100,000
Energy Conservation					
Improvement 2.90%	155,346	-	(21,000)	134,346	21,000
Total bonds	9,989,265	-	(425,647)	9,563,618	346,000
Other long-term obligations:					
Compensated absences *	930,413	-	(50,116)	880,297	170,208
Total other long-term obligations	930,413	-	(50,116)	880,297	170,208
Net pension liability:					
STRS	8,775,457	-	(773,212)	8,002,245	-
SERS	3,235,289	-	(89,842)	3,145,447	-
Total net pension liability	12,010,746	-	(863,054)	11,147,692	-
Net OPEB liability:					
SERS	991,475	-	(354,790)	636,685	-
Total long-term liabilities	$ 23,921,899	$ -	$ (1,693,607)	$ 22,228,292	$ 516,208

* changes in compensated absences are presented at net of additions or deletions.

During fiscal year 2021, the School District issued bonds to provide resources for a current refunding of the remaining 2013A and 2013B School Improvement bonds. The issuance of the 2021 School Improvement Refunding bonds consisted of $8,650,000 of serial and term bonds and a net premium of $1,293,997. The new bonds have interest rates ranging from 1.0% to 4.0% and have a final maturity of December 1, 2030. The net proceeds of $9,790,334 (after payment of $147,286 in underwriting fees, insurance, and other issuance costs) was deposited into an irrevocable trust with an escrow agent to provide for debt service payments of a significant portion of the 2013A and 2013B School Improvement bonds called for redemption on March 29, 2021. As a result of this issue, the old bonds are considered to be redeemed and the liability has been removed. The remaining 2013A bonds include $730,000 of principal with a portion maturing each year until December 1, 2024 and the 2013B bond include one capital appreciation bond with a $571 principal portion and $24,429 for compounded interest due next fiscal year. The difference between the reacquisition price and the net carrying amount of the old debt was not significant and expensed during the fiscal year. The premium of the new debt was significant and is amortized over the life of the new bonds using the bonds outstanding method of amortization. The School District current refunded the School Improvement Bonds to reduce their total debt service payments over the next 28 years by $1,548,579 and 1,536,285 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,321,793 and $1,240,307 for the 2013A and 2013B School Improvement bonds respectively.

On January 27, 2011, the School Districted issued $1,046,000 in Energy Conservation Bonds with an interest rate of 6.0% for the purpose of purchasing and installing energy conservation measures. The bonds and interest are to be repaid by the debt service fund. The bonds are Qualified School Construction Bonds (QSCB's) whereas the interest paid on the bonds has been 91.17% subsidized by the federal government. The federal government will remit the interest paid by the schools through a direct pay reimbursement.

On March 22, 2016, the School Districted issued $302,346 in Energy Conservation Bonds with an interest rate of 2.90% for the purpose of purchasing and installing energy conservation measures. The bonds and interest are to be repaid by the building fund.

Compensated absences will be paid from the general and food service funds.

There is not a repayment schedule for the net pension liability and net OPEB liability; however the School District pays pension and OPEB obligations related to employee compensation from the fund benefitting from their service.

Principal and interest requirements to amortize all bonds outstanding at June 30, 2025 are as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 346,000	$ 262,292	$ 608,292
2027	262,000	249,368	511,368
2028	267,000	239,030	506,030
2029	288,000	232,153	520,153
2030	293,000	224,761	517,761
2031-2035	1,643,346	963,389	2,606,735
2036-2040	2,035,000	687,675	2,722,675
2041-2045	2,070,000	360,600	2,430,600
2046-2049	1,460,000	89,850	1,549,850
Total	$ 8,664,346	$ 3,309,118	$ 11,973,464

Note 13 - Jointly Governed Organizations

A. Metropolitan Educational Technology Association (META)

The School District is a participant in the Metropolitan Educational Technology Association (META), which is a computer consortium. META is an association of public school districts within the boundaries of Delaware, Knox, Marion, Morrow, Muskingum, and Wyandot Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of META consists of one representative from each county elected by majority vote of all charter member school districts within each county, one representative from the city school districts, and the superintendent from Tri-Rivers Joint Vocational School. During fiscal year 2025, the School District paid $70,820 to META for various services. Financial information can be obtained from the META Solutions, 100 Executive Drive, Marion, Ohio 43302.

B. Lorain County Joint Vocational School District

The Lorain County Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school district's elected boards, which possess its own budgeting and taxing authority. During fiscal year 2025, the School District did not make any payments to the Lorain County Joint Vocational School District for various services. To obtain financial information write to the Lorain County Joint Vocational School District, 15181 State Route 58, Oberlin, Ohio 44074.

C. Ohio Schools Council

The Ohio Schools Council (Council) is a jointly governed organization among 210 school districts, educational service centers, joint vocational school districts, and developmental disabilities boards in thirty-three northern Ohio counties. The jointly governed organization was formed to purchase quality products and services at the lowest possible cost to its members. Each member supports the Council by paying an annual participation fee. The Council's Board consists of nine superintendents of the participating districts whose term rotates every year. The degree of control exercised by any school district is limited to its representation on the Board. During fiscal year 2025, the School District paid the Council $43,825 for natural gas purchases and $11,584 for membership, life insurance and consultant fees. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Blvd., Suite 377, Independence, Ohio 44131.

Note 14 - Public Entity Risk Pool

The Lake Erie Regional Council of Government (LERC) is a shared risk pool which is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services. The Council, comprised of 10 Lorain County school districts, has a Health Benefits Program, a media center, a natural gas purchasing consortium, and a life insurance purchasing pool. Each member provided operating resources to LERC on a per-pupil or actual usage charge, except for health insurance.

Note 15 – Insurance Purchasing Pool

The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a risk sharing pool serving school districts in Ohio for their building insurance coverage. SORSA was formed as an Ohio non-profit corporation for the purpose of administering a joint self-insurance pool and assisting members to prevent and reduce losses and injuries to School District persons and property which might result in claims being made against members of SORSA. Member school districts agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by SORSA. These coverages include comprehensive general liability, automotive liability, certain property insurance and educators' errors and omissions liability insurance. Each member school district has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of SORSA are managed by an elected board of not more than nine directors. Only superintendents, treasurers, or business managers of member school districts are eligible to serve on the board. No school district may have more than one representative on the board at any time. Each member school district's control over the budgetary and financing of SORSA is limited to its voting authority and any representative it may have on the board of directors. Financial information can be obtained from SORSA at 8050 N. High Street, Suite 160 Columbus, OH 43235-6483.

Note 16 – Contingencies

Litigation

The School District is party to legal proceedings. The School District is of the opinion that the ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2025, if applicable, cannot be determined at this time.

School Foundation Adjustments

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. The DEW's final FTE adjustments did not have a material impact on the School District's financial statements.

Note 17 - Set-Asides

The School District is required by the state law to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. The School District may replace using general fund revenues with proceeds from various sources (offsets), such as bond or levy proceeds related to the acquisition, replacement, enhancement, maintenance or repair of permanent 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.

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

The following information describes the change in the year-end set-aside amounts for capital maintenance.

	Capital Improvement Reserve
Set-aside reserve balance as of June 30, 2024	$ -
Current year set-aside requirement	220,015
Current year offsets	(240,000)
Total	$ (19,985)
Set-aside balance carried forward to future fiscal years	$ -

Note 18 - School District Income Tax

The School District levies a voted income tax of 1% on the residents' income and on estates. The permanent income tax has been effective since January 1, 1991. Employers of the School District's residents are required to withhold income tax on compensation and remit the withheld tax to the State of Ohio. Once the income taxes have been collected by the State of Ohio, the State makes quarterly payments to the School District after withholding an administrative fee and estimated amounts for refunds. The income tax money is receipted in the general fund. Taxpayers are required to file a school district income tax return annually.

Note 19 - Accountability

As of June 30, 2025, the School District had several funds with a deficit fund balance. These deficits were caused by the application of GAAP; namely in the reporting of various liabilities attributable to the fiscal year. These deficit balances will be eliminated by anticipated future intergovernmental revenues or other subsidies not recognized and recorded at June 30. The following funds had a deficit balance:

	Deficit
Nonmajor special revenue fund:	
Food service	$ 15,668
21st Century Grant	46,845
Title VI-B	6,010
Title I	4,724

Note 20 – Commitments/Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. The School District had outstanding encumbrances at June 30, 2025 in the following funds:

Fund	Encumbrances
General fund	$ 50,375
Other governmental funds	93,200
Total encumbrances at year end	$ 143,575

As of June 30, 2025, the School District had no individually significant commitments.

Required Supplementary Information

Wellington Exempted Village School District

Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

School Employees Retirement System (SERS) of Ohio	2024	2023	2022	2021	2020
School District's proportion of the net pension liability	0.061487%	0.058552%	0.054534%	0.051681%	0.051857%
School District's proportionate share of the net pension liability	$ 3,145,447	$ 3,235,289	$ 2,949,617	$ 1,906,890	$ 3,429,944
School District's covered payroll	$ 2,576,827	$ 2,323,064	$ 2,036,986	$ 1,729,264	$ 1,736,886
School District's proportionate share of the net pension liability as a percentage of its covered payroll	122.07%	139.27%	144.80%	110.27%	197.48%
Plan fiduciary net position as a percentage of total pension liability	78.52%	76.06%	75.82%	82.86%	68.55%

State Teachers Retirement System (STRS) of Ohio	2024	2023	2022	2021	2020
School District's proportion of the net pension liability	0.0415882%	0.0407499%	0.0435772%	0.0431600%	0.0437876%
School District's proportionate share of the net pension liability	$ 8,002,245	$ 8,775,457	$ 9,687,273	$ 5,518,398	$ 10,595,046
School District's covered payroll	$ 5,772,236	$ 5,504,014	$ 5,665,250	$ 4,624,464	$ 4,523,000
School District's proportionate share of the net pension liability as a percentage of its covered payroll	138.63%	159.44%	170.99%	119.33%	234.25%
Plan fiduciary net position as a percentage of total pension liability	82.55%	80.02%	78.88%	87.80%	75.50%

See accompanying notes to required supplementary information.

2019	2018	2017	2016	2015
0.051982%	0.052042%	0.049049%	0.052638%	0.057291%
$ 3,110,192	$ 2,980,542	$ 2,930,540	$ 3,852,587	$ 3,269,103
$ 1,717,926	$ 1,664,578	$ 1,557,800	$ 1,599,486	$ 1,684,583
181.04%	179.06%	188.12%	240.86%	194.06%
70.85%	71.36%	69.50%	62.98%	69.16%

2019	2018	2017	2016	2015
0.0445821%	0.0438159%	0.0449267%	0.0446720%	0.0545271%
$ 9,859,052	$ 9,634,130	$ 10,672,436	$ 14,953,048	$ 15,069,704
$ 4,533,300	$ 4,864,914	$ 5,272,614	$ 4,604,800	$ 5,716,521
217.48%	198.03%	202.41%	324.73%	263.62%
77.40%	77.30%	75.30%	66.80%	72.10%

Wellington Exempted Village School District

Required Supplementary Information
Schedule of School District Contributions - Pension
Last Ten Fiscal Years

School Employees Retirement System (SERS) of Ohio	2025	2024	2023	2022	2021
Contractually required contribution	$ 361,352	$ 360,756	$ 325,229	$ 285,178	$ 242,097
Contributions in relation to contractually required contribution	(361,352)	(360,756)	(325,229)	(285,178)	(242,097)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 2,581,086	$ 2,576,827	$ 2,323,064	$ 2,036,986	$ 1,729,264
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

State Teachers Retirement System (STRS) of Ohio	2025	2024	2023	2022	2021
Contractually required contribution	$ 859,534	$ 808,113	$ 770,562	$ 793,135	$ 647,425
Contributions in relation to contractually required contribution	(859,534)	(808,113)	(770,562)	(793,135)	(647,425)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 6,139,529	$ 5,772,236	$ 5,504,014	$ 5,665,250	$ 4,624,464
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to required supplementary information.

2020	2019	2018	2017	2016
$ 243,164	$ 231,920	$ 224,718	$ 218,092	$ 223,928
(243,164)	(231,920)	(224,718)	(218,092)	(223,928)
$ -	$ -	$ -	$ -	$ -
$ 1,736,886	$ 1,717,926	$ 1,664,578	$ 1,557,800	$ 1,599,486
14.00%	13.50%	13.50%	14.00%	14.00%

2020	2019	2018	2017	2016
$ 633,220	$ 634,662	$ 681,088	$ 738,166	$ 644,672
(633,220)	(634,662)	(681,088)	(738,166)	(644,672)
$ -	$ -	$ -	$ -	$ -
$ 4,523,000	$ 4,533,300	$ 4,864,914	$ 5,272,614	$ 4,604,800
14.00%	14.00%	14.00%	14.00%	14.00%

Wellington Exempted Village School District

Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Last Nine Fiscal Years (1)

	2024	2023	2022	2021
School Employees Retirement System (SERS) of Ohio				
School District's proportion of the net OPEB liability	0.062512%	0.060183%	0.055716%	0.053030%
School District's proportionate share of the net OPEB liability	$ 636,685	$ 991,475	$ 782,253	$ 1,003,644
School District's covered payroll	$ 2,576,827	$ 2,323,064	$ 2,036,986	$ 1,729,264
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	24.71%	42.68%	38.40%	58.04%
Plan fiduciary net position as a percentage of total OPEB liability	44.50%	30.02%	30.34%	24.08%

	2024	2023	2022	2021
State Teachers Retirement System (STRS) of Ohio				
School District's proportion of the net OPEB liability or asset	0.0415882%	0.0407499%	0.0435772%	0.0431600%
School District's proportionate share of the net OPEB liability (asset)	$ (788,849)	$ (792,529)	$ (1,128,360)	$ (909,994)
School District's covered payroll	$ 5,772,236	$ 5,504,014	$ 5,665,250	$ 4,624,464
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	(13.67%)	(14.40%)	(19.92%)	(19.68%)
Plan fiduciary net position as a percentage of total OPEB liability or asset	158.01%	168.52%	230.73%	174.70%

See accompanying notes to required supplementary information.

(1) Ten years of information will be presented as information becomes available. Information prior to 2016 is not available. The amounts presented are as of the School District's measurement date which is the prior fiscal year end.

2020	2019	2018	2017	2016
0.053801%	0.053221%	0.052711%	0.049879%	0.053424%
$ 1,169,270	$ 1,338,394	$ 1,462,354	$ 1,338,621	$ 1,522,779
$ 1,736,886	$ 1,717,926	$ 1,664,578	$ 1,557,800	$ 1,599,486
67.32%	77.91%	87.85%	85.93%	95.20%
18.17%	15.57%	13.57%	12.46%	11.49%

2020	2019	2018	2017	2016
0.0437862%	0.0445821%	0.0438159%	0.0449267%	0.0446720%
$ (769,567)	$ (738,386)	$ (704,077)	$ 1,752,874	$ 2,389,068
$ 4,523,000	$ 4,533,300	$ 4,864,914	$ 5,272,614	$ 4,604,800
(17.01%)	(16.29%)	(14.47%)	33.24%	51.88%
182.10%	174.70%	176.00%	47.10%	37.30%

Wellington Exempted Village School District

Required Supplementary Information
Schedule of School District Contributions - OPEB
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
School Employees Retirement System (SERS) of Ohio					
Contractually required contribution (1)	$ 45,277	$ 44,117	$ 43,632	$ 36,151	$ 33,361
Contributions in relation to contractually required contribution	(45,277)	(44,117)	(43,632)	(36,151)	(33,361)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 2,581,086	$ 2,576,827	$ 2,323,064	$ 2,036,986	$ 1,729,264
Contributions as a percentage of covered payroll	1.75%	1.71%	1.88%	1.77%	1.93%

	2025	2024	2023	2022	2021
State Teachers Retirement System (STRS) of Ohio					
Contractually required contribution	$ -	$ -	$ -	$ -	$ -
Contributions in relation to contractually required contribution	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
School District covered payroll	$ 6,139,529	$ 5,772,236	$ 5,504,014	$ 5,665,250	$ 4,624,464
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying notes to required supplementary information.

(1) Includes surcharge

2020	2019	2018	2017	2016
$ 34,510	$ 40,837	$ 36,421	$ 27,676	$ 27,382
(34,510)	(40,837)	(36,421)	(27,676)	(27,382)
$ -	$ -	$ -	$ -	$ -
$ 1,736,886	$ 1,717,926	$ 1,664,578	$ 1,557,800	$ 1,599,486
1.99%	2.38%	2.19%	1.78%	1.71%

2020	2019	2018	2017	2016
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
$ -	$ -	$ -	$ -	$ -
$ 4,523,000	$ 4,533,300	$ 4,864,914	$ 5,272,614	$ 4,604,800
0.00%	0.00%	0.00%	0.00%	0.00%

Net Pension Liability

School Employees Retirement System (SERS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2025. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025. See the notes to the basic financial statements for the methods and assumptions in this calculation.

State Teachers Retirement System (STRS) of Ohio

Changes in benefit terms: There was a change in benefit terms for fiscal year 2025. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was no change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025. See the notes to the basic financial statements for the methods and assumptions in this calculation.

Net OPEB Liability

School Employees Retirement System (SERS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2025. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025. See the notes to the basic financial statements for the methods and assumptions in this calculation.

State Teachers Retirement System (STRS) of Ohio

Changes in benefit terms: There was no change in benefit terms for fiscal year 2025. See the notes to the basic financial statements for benefit terms.

Changes in assumptions: There was a change in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025. See the notes to the basic financial statements for the methods and assumptions in this calculation.

WELLINGTON EXEMPTED VILLAGE SCHOOL DISTRICT
LORAIN COUNTY

FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/ ***Pass Through Grantor*** / Program Title	Federal Assistance Listing Number	Receipts	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through the Ohio Department of Education and Workforce:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	$61,308	$61,308
National School Lunch Program	10.555	230,595	230,595
		6,372	6,372
National School Lunch Program- Non-Cash Assistance		36,228	36,228
Total Child Nutrition Cluster		334,503	334,503
Child Nutrition Discretionary Grants Limited Availability	10.579	30,969	30,969
TOTAL U.S. DEPARTMENT OF AGRICULTURE		**365,472**	**365,472**
U.S. DEPARTMENT OF EDUCATION			
Passed Through the Ohio Department of Education and Workforce:			
Special Education Cluster:			
Special Education - Grants to States	84.027	212,402	230,502
Passed Through the Educational Service Center of Lorain County:			
Special Education - Preschool Grants	84.173	10,455	10,455
Total Special Education Cluster		222,857	240,957
English Language Acquisition State Grants	84.365	942	942
Passed Through the Ohio Department of Education and Workforce:			
Title I Grants to Local Educational Agencies	84.010	9,153	6,955
		152,353	168,433
Total Title I Grants to Local Educational Agencies		161,506	175,388
Student Support and Academic Enrichment Program	84.424	14,563	14,563
		9,615	
Total Student Support and Academic Enrichment Program		24,178	14,563
Supporting Effective Instruction State Grants	84.367	36,530	62,500
		2,255	
Total Supporting Effective Instruction State Grants		38,785	62,500
21st Century Community Learning Centers	84.287	91,913	97,677
		64,738	64,738
Total 21st Century Community Learning Centers		156,651	162,415
COVID-19 Education Stabilization Fund	84.425W	8,050	1,275
TOTAL U.S. DEPARTMENT OF EDUCATION		**612,969**	**658,040**
TOTAL		**$978,441**	**$1,023,512**

The accompanying notes are an integral part of this schedule.

WELLINGTON EXEPMTED VILLAGE SCHOOL DISTRICT
LORAIN COUNTY

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

Wellington Exempted Village School District
Lorain County
305 Union Street
Wellington, Ohio 44090

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Wellington Exempted Village School District, Lorain County, Ohio (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 24, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

March 24, 2026

OHIO AUDITOR OF STATE
KEITH FABER

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

Wellington Exempted Village School District
Lorain County
305 Union Street
Wellington, Ohio 44090

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

March 24, 2026

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WELLINGTON EXEMPTED VILLAGE SCHOOL DISTRICT
LORAIN COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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

Finding Number	Finding Summary	Status	Additional Information
2024-001	**Noncompliance and Material Weakness – Equipment and Real Property Management** Due to inadequate controls, the District failed to appropriately track a bus purchased in part with Special Education Cluster grants monies in September 2019.	Fully Corrected	

OHIO AUDITOR OF STATE
KEITH FABER

WELLINGTON EXEMPTED VILLAGE SCHOOL DISTRICT

LORAIN COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 4/7/2026

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

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