



OHIO AUDITOR OF STATE
KEITH FABER



**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY
JUNE 30, 2025**

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FAIRFIELD COUNTY
JUNE 30, 2025**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Bloom-Carroll Local School District
Fairfield County
5240 Plum Road
Carroll, Ohio 43112

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Bloom-Carroll Local School District, Fairfield 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, each major fund, and the aggregate remaining fund information of the Bloom-Carroll Local School District, Fairfield County, Ohio as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2025, the Council adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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 February 9, 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, CPA, CFE, CGFM
Chief Deputy Auditor

February 9, 2026

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**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

- In total, restated net position of governmental activities increased \$5,617,015 which represents a 50.72% increase from June 30, 2024's net position.
- General revenues accounted for \$35,068,076 in revenue or 89.11% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$4,287,604 or 10.89% of total revenues of \$39,355,680.
- The District had \$33,738,665 in expenses related to governmental activities; \$4,287,604 of these expenses were offset by program specific charges for services and operating grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were adequate to provide for these programs.
- The District's two major funds are the general fund and the bond retirement fund. The general fund had \$32,435,223 in revenues and \$28,218,405 in expenditures and other financing uses. The general fund's fund balance increased \$4,216,818 from a balance of \$10,592,129 to \$14,808,947.
- The bond retirement fund had \$4,642,697 in revenues and other financing sources and \$3,821,601 in expenditures. The bond retirement fund's fund balance increased \$821,096 from a balance of \$3,791,642 to \$4,612,738.

Using these Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the 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 District, presenting both an aggregate view of the 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 District's most significant funds with all other nonmajor funds presented in total in one column. The District's major funds are the general fund and the bond retirement fund.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2025?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using 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 financial statements provide a detailed *short-term* view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer 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 basic financial statements

Proprietary Funds

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for employee benefits self-insurance.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Reporting the District's Fiduciary Responsibilities

The District also acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in custodial funds. All of the District's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's general fund budgetary information, net pension liability, and net OPEB liability/asset.

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**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The District as a Whole

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2025 and June 30, 2024.

	Net Position	
	Governmental Activities <u>2025</u>	Governmental Activities <u>2024</u>
<u>Assets</u>		
Current and other assets	\$ 44,429,992	\$ 37,201,625
Net OPEB asset	1,468,459	1,423,108
Capital assets, net	<u>55,997,515</u>	<u>56,657,078</u>
Total assets	<u>101,895,966</u>	<u>95,281,811</u>
<u>Deferred Outflows of Resources</u>		
Pension	4,953,101	4,566,975
OPEB	748,009	894,269
Deferred charges on debt refunding	<u>413,732</u>	<u>445,557</u>
Total deferred outflows of resources	<u>6,114,842</u>	<u>5,906,801</u>
<u>Liabilities</u>		
Current liabilities	4,701,888	3,784,701
Long-term liabilities:		
Due within one year	2,750,125	2,012,768
Due in more than one year:		
Net pension liability	19,410,893	20,471,364
Net OPEB liability	909,047	1,440,702
Other amounts	<u>42,652,902</u>	<u>41,266,914</u>
Total liabilities	<u>70,424,855</u>	<u>68,976,449</u>
<u>Deferred Inflows of Resources</u>		
Property taxes levied for next year	16,404,186	14,053,397
Pension	2,136,725	1,190,145
OPEB	<u>2,353,204</u>	<u>2,340,487</u>
Total deferred inflows of resources	<u>20,894,115</u>	<u>17,584,029</u>
<u>Net Position</u>		
Net investment in capital assets	16,175,100	14,916,460
Restricted	7,219,424	6,640,736
Unrestricted (deficit)	<u>(6,702,686)</u>	<u>(6,929,062)</u>
Total net position	<u>\$ 16,691,838</u>	<u>\$ 14,628,134</u>

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2025, the District's assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources by \$16,691,838.

Total assets include a net OPEB asset reported by STRS. See Note 13 for more detail.

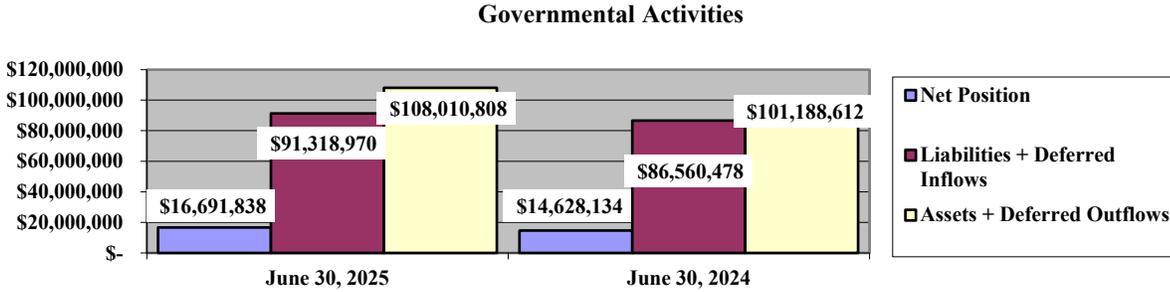
At year-end, capital assets represented 54.96% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and fixtures, vehicles, and intangible right-to-use assets. Net investment in capital assets at June 30, 2025, was \$16,175,100. These capital assets are used to provide services to the students and are not available for future spending. Although the 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.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

A portion of the District's net position, \$7,219,424, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$6,702,686.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2025 and June 30, 2024.



The table below shows the change in net position for fiscal years 2025 and 2024. The net position at June 30, 2024 has been restated as described in Note 3.

Change in Net Position

	Governmental Activities 2025	Governmental Activities 2024
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 1,624,960	\$ 1,671,441
Operating grants and contributions	2,662,644	3,136,920
General revenues:		
Property taxes	15,692,615	16,613,927
Income taxes	8,646,411	7,802,499
Grants and entitlements - unrestricted	9,737,203	9,576,957
Investment earnings	846,325	564,294
Other	145,522	154,684
Total revenues	<u>39,355,680</u>	<u>39,520,722</u>

(Continued)

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Change in Net Position (Continued)

	Governmental Activities <u>2025</u>	Governmental Activities <u>2024</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 12,146,986	\$ 11,243,986
Special	4,001,319	3,679,514
Vocational	285,508	299,086
Other	400,420	323,425
Support services:		
Pupil	1,453,557	1,561,294
Instructional staff	1,279,443	1,698,069
Board of education	224,921	181,231
Administration	3,156,135	2,596,675
Fiscal	569,607	539,195
Operations and maintenance	2,872,806	2,520,867
Pupil transportation	2,342,599	2,197,698
Central	527,540	483,481
Operations of non-instructional services:		
Food service operations	1,136,280	1,158,441
Other non-instructional services	22,470	260
Extracurricular activities	1,465,274	1,361,687
Interest	<u>1,853,800</u>	<u>1,929,668</u>
Total expenses	<u>33,738,665</u>	<u>31,774,577</u>
Change in net position	5,617,015	7,746,145
Net position, previously reported	14,628,134	6,881,989
Restatement - change in accounting principle	(3,553,311)	-
Net position at beginning of year, restated	<u>11,074,823</u>	<u>6,881,989</u>
Net position at end of year	<u>\$ 16,691,838</u>	<u>\$ 14,628,134</u>

Governmental Activities

Net position of the District's governmental activities increased \$5,617,015. Total governmental expenses of \$33,738,665 were offset by program revenues of \$4,287,604 and general revenues of \$35,068,076. Program revenues supported 12.71% of the total governmental expenses.

Overall, expenses of the governmental activities increased \$1,964,088 or 6.18%. This increase is primarily the result of salaries and benefits paid to employees.

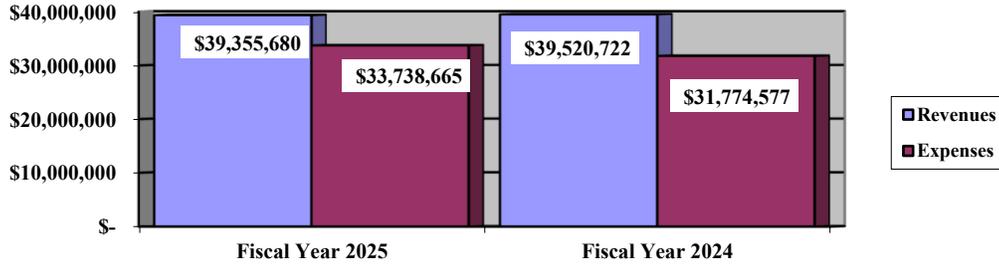
The primary sources of revenue for governmental activities are derived from property taxes, income taxes, operating grants and contributions, and unrestricted grants and entitlements from the State. These revenue sources account for 93.35 % of total governmental revenue. Operating grants and contributions decreased due to less Elementary and Secondary School Emergency Relief (ESSER) funding. Property taxes decreased due to a decrease in delinquent taxes compared to the previous fiscal year. Income taxes increased due to a better economy and growth within the District.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2025 and 2024.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

Governmental Activities

	Total Cost of Services <u>2025</u>	Net Cost of Services <u>2025</u>	Total Cost of Services <u>2024</u>	Net Cost of Services <u>2024</u>
Program expenses				
Instruction:				
Regular	\$ 12,146,986	\$ 11,510,128	\$ 11,243,986	\$ 10,809,827
Special	4,001,319	2,922,951	3,679,514	2,649,105
Vocational	285,508	226,529	299,086	250,628
Other	400,420	400,420	323,425	323,425
Support services:				
Pupil	1,453,557	1,134,078	1,561,294	1,209,305
Instructional staff	1,279,443	1,188,633	1,698,069	884,873
Board of education	224,921	224,921	181,231	181,231
Administration	3,156,135	3,156,135	2,596,675	2,596,675
Fiscal	569,607	569,607	539,195	539,195
Operations and maintenance	2,872,806	2,861,294	2,520,867	2,498,698
Pupil transportation	2,342,599	2,197,643	2,197,698	2,090,842
Central	527,540	527,540	483,481	483,481
Operations of non-instructional services:				
Food service operations	1,136,280	(114,630)	1,158,441	(185,376)
Other non-instructional services	22,470	11,647	260	(4,408)
Extracurricular activities	1,465,274	780,365	1,361,687	709,047
Interest and fiscal charges	1,853,800	1,853,800	1,929,668	1,929,668
Total	<u>\$ 33,738,665</u>	<u>\$ 29,451,061</u>	<u>\$ 31,774,577</u>	<u>\$ 26,966,216</u>

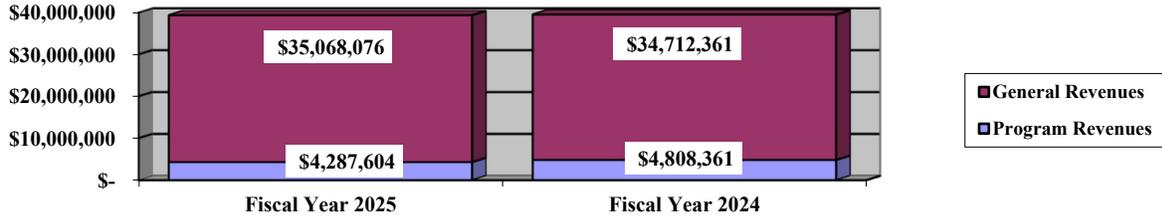
The dependence upon tax and other general revenues for governmental activities is apparent as 89.46% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 87.29%. The District's taxpayers and unrestricted grants and entitlements are the primary support for District's students.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The graph below presents the District’s governmental activities revenue for fiscal years 2025 and 2024.

Governmental Activities - General and Program Revenues



The District’s Funds

The District’s governmental funds reported a combined fund balance of \$20,852,008, which is greater than last year’s total of \$15,692,152. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2025 and 2024.

	Fund Balance <u>June 30, 2025</u>	Fund Balance <u>June 30, 2024</u>	<u>Change</u>	<u>Percentage Change</u>
General fund	\$ 14,808,947	\$ 10,592,129	\$ 4,216,818	39.81 %
Bond retirement fund	4,612,738	3,791,642	821,096	21.66 %
Other governmental funds	<u>1,430,323</u>	<u>1,308,381</u>	<u>121,942</u>	9.32 %
Total	<u>\$ 20,852,008</u>	<u>\$ 15,692,152</u>	<u>\$ 5,159,856</u>	32.88 %

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**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

General Fund

During fiscal year 2025, the District's general fund balance increased \$4,216,818. The table below assists in illustrating the financial activities of the general fund:

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>Percentage</u>
	<u>Amount</u>	<u>Amount</u>		<u>Change</u>
<u>Revenues</u>				
Property taxes	\$ 12,804,559	\$ 11,330,169	\$ 1,474,390	13.01 %
Income taxes	8,573,586	7,802,499	771,087	9.88 %
Tuition	316,186	344,171	(27,985)	(8.13) %
Earnings on investments	774,030	453,980	320,050	70.50 %
Intergovernmental	9,674,574	9,128,366	546,208	5.98 %
Other revenues	<u>292,288</u>	<u>334,384</u>	<u>(42,096)</u>	(12.59) %
Total	<u>\$ 32,435,223</u>	<u>\$ 29,393,569</u>	<u>\$ 3,041,654</u>	10.35 %
<u>Expenditures</u>				
Instruction	\$ 15,029,685	\$ 14,100,741	\$ 928,944	6.59 %
Support services	12,215,771	11,038,553	1,177,218	10.66 %
Extracurricular activities	807,450	721,146	86,304	11.97 %
Debt service	<u>38,974</u>	<u>38,920</u>	<u>54</u>	0.14 %
Total	<u>\$ 28,091,880</u>	<u>\$ 25,899,360</u>	<u>\$ 2,192,520</u>	8.47 %

Revenues of the general fund increased \$3,041,654 or 10.35%. The most significant changes were in the areas of property taxes and income taxes. Property taxes increased due to an increase in assessed valuations and an increase in taxes available for advance at year-end from the County. Income taxes increased due to a better economy and growth within the District.

Expenditures increased \$2,192,520 or 8.47%. This increase is related to an increase in salaries and benefits paid to employees.

General Fund Budgeting Highlights

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

During fiscal year 2025, both original budgeted revenues and final budgeted revenues and other financing sources of the general fund were \$28,348,451 and \$31,201,960, respectively. Actual revenue and other financing sources of \$31,458,889 were \$256,929 more than the final budgeted amounts.

General fund actual expenditures plus other financing uses of \$28,549,449 were \$134,065 higher than final appropriations (appropriated expenditures plus other financing uses) of \$28,415,384. Original appropriations were \$27,851,537.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the District had \$55,997,515 invested in land, land improvements, buildings and improvements, furniture and fixtures, intangible right-to-use assets, and vehicles. This entire amount is reported in governmental activities. The table that follows shows June 30, 2025 balances compared to June 30, 2024.

**Capital Assets at June 30
(Net of Depreciation/Amortization)**

	Governmental Activities	
	2025	2024
Land	\$ 806,734	\$ 806,734
Land improvements	5,389,738	5,240,799
Buildings and improvements	43,280,494	44,113,339
Furniture and fixtures	4,777,718	4,684,394
Vehicles	1,523,864	1,463,150
Intangible right-to-use asset	218,967	348,662
Total	\$ 55,997,515	\$ 56,657,078

Capital assets decreased \$659,563. The District had additions of \$1,045,061, depreciation/amortization of \$1,778,072 and disposals of \$73,448, net of accumulated depreciation during fiscal year 2025.

See Note 10 to the basic financial statements for detail on the District's capital assets.

Debt Administration

At June 30, 2025, the District had \$40,298,937 outstanding in general obligation bonds, leases payable, and notes payable. Of this total, \$1,859,700 is due within one year and \$38,439,237 is due in more than one year. The table below summarizes the long-term obligations outstanding.

Outstanding Debt, at Year End

	2025	2024
General Obligation Bonds	\$ 37,364,000	\$ 39,116,000
Premiums	2,839,440	2,964,239
Capital appreciation bonds	1,104	1,616
Accreted interest	62,790	64,982
Notes payable - financed purchases	28,622	97,566
Leases payable	2,981	6,754
Total	\$ 40,298,937	\$ 42,251,157

See Note 14 to the basic financial statements for detail on the District's debt administration.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Current Issues

Bloom-Carroll Local School District is considered a wealthy district according to the State of Ohio's property valuation per pupil formula. The new funding formula contained within the State biennial budget provided an increase of State funds for Bloom-Carroll in fiscal year 2024. This helps the District's financial outlook, however, as indicated in the preceding financial information; the District is heavily dependent on local taxes due to the property valuation per pupil wealth index. Nearly one-quarter of the District's funding is received through the State's foundation program, which along with taxes and other various grants and entitlements makes up approximately 90 percent of the District's revenue. The District relies on state and federal funding to operate at the current level of services. Therefore, in the long-term, the current program and staffing levels will be dependent on increased funding to meet inflation.

Based on these factors, the Board of Education and the administration of the District must maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District.

Residential growth has not eluded the District although it has slowed over the past two years. Increasing numbers of housing developments are being approved by the townships. The new developments are attracting young families to the area as evidenced by the residential permits issued in the townships. The District's enrollment has increased by an average of 2.85% per year since the 2012-13 school year. Residential/agricultural property contributes 93%, per calendar year Note 6 of the District's real estate valuation.

The District is currently considering the third and final phase of the Master Plan construction project. The final phase would include a new 6-8th grade building and conversion of the current Middle School to a High School. There is no issue on the ballot at this time. The District continues to participate in the Expedited Local Partnership Program (ELPP) through the Ohio Schools Facilities Commission. The District is scheduled to receive an 18% match on the qualifying expenditures from the Elementary and original Middle School construction.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Travis Bigam, Treasurer, Bloom-Carroll Local School District, 5240 Plum Road, Carroll, Ohio, 43112.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	\$ 20,077,546
Cash with fiscal agent	1,921,367
Receivables:	
Property taxes	18,556,790
Income taxes	3,661,846
Accounts	1,636
Accrued interest	48,154
Intergovernmental	141,656
Prepayments	20,997
Net OPEB asset	1,468,459
Capital assets:	
Nondepreciable capital assets	806,734
Depreciable capital assets, net	55,190,781
Capital assets, net	55,997,515
Total assets	101,895,966
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	413,732
Pension	4,953,101
OPEB	748,009
Total deferred outflows of resources	6,114,842
Liabilities:	
Accounts payable	353,821
Accrued wages and benefits payable	2,556,926
Compensated absences payable	68,474
Intergovernmental payable	504,338
Pension and postemployment benefits payable	448,387
Accrued interest payable	289,961
Claims payable	479,981
Long-term liabilities:	
Due within one year	2,750,125
Due in more than one year:	
Net pension liability	19,410,893
Net OPEB liability	909,047
Other amounts due in more than one year	42,652,902
Total liabilities	70,424,855
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	16,404,186
Pension	2,136,725
OPEB	2,353,204
Total deferred inflows of resources	20,894,115
Net position:	
Net investment in capital assets	16,175,100
Restricted for:	
Capital projects	117,376
Expendable	21,589
Nonexpendable	10,000
OPEB	1,468,459
Debt service	4,328,990
State funded programs	1,370
Federally funded programs	10,099
Food service operations	975,164
Student activities	272,587
Other purposes	13,790
Unrestricted (deficit)	(6,702,686)
Total net position	\$ 16,691,838

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Expenses	Program Revenues		Net (Expense)
		Charges for Services and Sales	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 12,146,986	\$ 347,369	\$ 289,489	\$ (11,510,128)
Special	4,001,319	31,329	1,047,039	(2,922,951)
Vocational	285,508	-	58,979	(226,529)
Other	400,420	-	-	(400,420)
Support services:				
Pupil	1,453,557	-	319,479	(1,134,078)
Instructional staff	1,279,443	-	90,810	(1,188,633)
Board of education	224,921	-	-	(224,921)
Administration	3,156,135	-	-	(3,156,135)
Fiscal	569,607	-	-	(569,607)
Operations and maintenance	2,872,806	-	11,512	(2,861,294)
Pupil transportation	2,342,599	1,255	143,701	(2,197,643)
Central	527,540	-	-	(527,540)
Operation of non-instructional services:				
Food service operations	1,136,280	690,687	560,223	114,630
Other non-instructional services	22,470	-	10,823	(11,647)
Extracurricular activities	1,465,274	554,320	130,589	(780,365)
Interest	1,853,800	-	-	(1,853,800)
Totals	\$ 33,738,665	\$ 1,624,960	\$ 2,662,644	(29,451,061)

General revenues:

Property taxes levied for:	
General purposes	11,938,025
Debt service	3,264,794
Capital projects	489,796
Income taxes levied for:	
General purposes	8,646,411
Grants and entitlements not restricted to specific programs	9,737,203
Investment earnings	846,325
Miscellaneous	145,522

Total general revenues 35,068,076

Change in net position 5,617,015

Net position at beginning of year, as previously reported 14,628,134

Restatement - change in accounting principle (3,553,311)

Net position at beginning of year 11,074,823

Net position at end of year \$ 16,691,838

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents	\$ 13,984,157	\$ 4,232,920	\$ 1,723,723	\$ 19,940,800
Receivables:				
Property taxes	14,978,849	3,090,258	487,683	18,556,790
Income taxes	3,661,846	-	-	3,661,846
Accounts	1,636	-	-	1,636
Accrued interest	48,154	-	-	48,154
Intergovernmental	-	-	97,809	97,809
Prepayments	20,915	-	82	20,997
Total assets	<u>\$ 32,695,557</u>	<u>\$ 7,323,178</u>	<u>\$ 2,309,297</u>	<u>\$ 42,328,032</u>
Liabilities:				
Accounts payable	\$ 201,121	\$ -	\$ 152,700	\$ 353,821
Accrued wages and benefits payable	2,415,434	-	141,492	2,556,926
Compensated absences payable	68,474	-	-	68,474
Intergovernmental payable	472,048	-	32,290	504,338
Pension and postemployment benefits payable	423,372	-	25,015	448,387
Total liabilities	<u>3,580,449</u>	<u>-</u>	<u>351,497</u>	<u>3,931,946</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	13,343,919	2,641,482	418,785	16,404,186
Delinquent property tax revenue not available	334,249	68,958	10,883	414,090
Income tax revenue not available	617,545	-	-	617,545
Intergovernmental revenue not available	-	-	97,809	97,809
Accrued interest not available	10,448	-	-	10,448
Total deferred inflows of resources	<u>14,306,161</u>	<u>2,710,440</u>	<u>527,477</u>	<u>17,544,078</u>
Fund balances:				
Nonspendable:				
Prepays	20,915	-	82	20,997
Endowment	-	-	10,000	10,000
Restricted:				
Debt service	-	4,612,738	-	4,612,738
Capital projects	-	-	72,636	72,636
Food service operations	-	-	1,092,122	1,092,122
State funded programs	-	-	1,370	1,370
Federally funded programs	-	-	10,099	10,099
Extracurricular	-	-	272,587	272,587
Endowment	-	-	21,589	21,589
Other purposes	-	-	13,790	13,790
Assigned:				
Student instruction	415,451	-	-	415,451
Student and staff support	416,871	-	-	416,871
Capital projects	-	-	33,857	33,857
Unassigned (deficit)	13,955,710	-	(97,809)	13,857,901
Total fund balances	<u>14,808,947</u>	<u>4,612,738</u>	<u>1,430,323</u>	<u>20,852,008</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 32,695,557</u>	<u>\$ 7,323,178</u>	<u>\$ 2,309,297</u>	<u>\$ 42,328,032</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2025

Total governmental fund balances		\$ 20,852,008
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		55,997,515
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 414,090	
Income taxes receivable	617,545	
Accrued interest receivable	10,448	
Intergovernmental receivable	97,809	
Total		1,139,892
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		1,621,979
Unamortized premiums on bonds issued are not recognized in the funds.		(2,839,440)
Unamortized amounts on refundings are not recognized in the funds.		413,732
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(289,961)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	4,953,101	
Deferred inflows - pension	(2,136,725)	
Net pension liability	(19,410,893)	
Deferred outflows - OPEB	748,009	
Deferred inflows - OPEB	(2,353,204)	
Net OPEB asset	1,468,459	
Net OPEB liability	(909,047)	
Total		(17,640,300)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(37,427,894)	
Leases payable	(2,981)	
Notes payable - financed purchase	(28,622)	
Compensated absences	(5,104,090)	
Total		(42,563,587)
Net position of governmental activities		\$ 16,691,838

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General	Bond Retirement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
From local sources:				
Property taxes	\$ 12,804,559	\$ 3,568,411	\$ 529,395	\$ 16,902,365
Income taxes	8,573,586	-	-	8,573,586
Intergovernmental	9,674,574	1,028,921	1,556,683	12,260,178
Investment earnings	774,030	-	3,259	777,289
Tuition and fees	316,186	-	-	316,186
Extracurricular	100,353	-	453,675	554,028
Rental income	292	-	16,472	16,764
Charges for services	63,767	-	690,687	754,454
Contributions and donations	5,040	-	112,632	117,672
Miscellaneous	122,836	-	9,310	132,146
Total revenues	<u>32,435,223</u>	<u>4,597,332</u>	<u>3,372,113</u>	<u>40,404,668</u>
Expenditures:				
Current:				
Instruction:				
Regular	10,832,857	-	279,390	11,112,247
Special	3,518,582	-	515,633	4,034,215
Vocational	273,798	-	-	273,798
Other	404,448	-	-	404,448
Support services:				
Pupil	1,411,071	-	82,551	1,493,622
Instructional staff	1,413,340	-	187,869	1,601,209
Board of education	224,313	-	-	224,313
Administration	3,018,261	119,694	8,631	3,146,586
Fiscal	585,845	-	-	585,845
Operations and maintenance	2,857,691	-	181,397	3,039,088
Pupil transportation	2,185,413	-	228,904	2,414,317
Central	519,837	-	-	519,837
Operation of non-instructional services:				
Food service operations	-	-	1,140,604	1,140,604
Other non-instructional services	-	-	17,449	17,449
Extracurricular activities	807,450	-	652,098	1,459,548
Debt service:				
Principal retirement	36,891	1,752,512	35,826	1,825,229
Interest	2,083	1,924,907	979	1,927,969
Accreted interest on CABs	-	24,488	-	24,488
Total expenditures	<u>28,091,880</u>	<u>3,821,601</u>	<u>3,331,331</u>	<u>35,244,812</u>
Excess of revenues over expenditures	<u>4,343,343</u>	<u>775,731</u>	<u>40,782</u>	<u>5,159,856</u>
Other financing sources (uses):				
Transfers in	-	45,365	81,160	126,525
Transfers (out)	(126,525)	-	-	(126,525)
Total other financing sources (uses)	<u>(126,525)</u>	<u>45,365</u>	<u>81,160</u>	<u>-</u>
Net change in fund balances	4,216,818	821,096	121,942	5,159,856
Fund balances at beginning of year	<u>10,592,129</u>	<u>3,791,642</u>	<u>1,308,381</u>	<u>15,692,152</u>
Fund balances at end of year	<u>\$ 14,808,947</u>	<u>\$ 4,612,738</u>	<u>\$ 1,430,323</u>	<u>\$ 20,852,008</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

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	\$	5,159,856
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital asset additions	\$ 1,045,061	
Current year depreciation/amortization	<u>(1,778,072)</u>	
Total		(733,011)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to increase net position.		
		73,448
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(1,209,750)	
Income taxes	72,825	
Earnings on investments	5,919	
Intergovernmental	<u>15,642</u>	
Total		(1,115,364)
Repayment of long-term obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
Bond, note and lease principal		1,825,229
Accreted interest on capital appreciation bonds		24,488
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported in the statement of activities:		
Change in accrued interest payable	3,491	
Accreted interest on capital appreciation bonds	(22,296)	
Amortization of bond premiums	124,799	
Amortization of deferred charges	<u>(31,825)</u>	
Total		74,169
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		2,167,774
OPEB		65,226
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension		(1,667,757)
OPEB		352,803
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(526,305)
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		<u>(83,541)</u>
Change in net position of governmental activities	\$	<u>5,617,015</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Governmental Activities - Internal Service Fund
Assets:	
Current assets:	
Equity in pooled cash and cash equivalents	\$ 136,746
Cash with fiscal agent	1,921,367
Receivables:	
Intergovernmental	43,847
Total current assets	2,101,960
Liabilities:	
Current liabilities:	
Claims payable	479,981
Total current liabilities	479,981
Net position:	
Unrestricted	1,621,979
Total net position	\$ 1,621,979

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUND
JUNE 30, 2025

	Governmental Activities - Internal Service Fund
Operating revenues:	
Sales/charges for services	\$ 4,127,174
Other	11,849
Total operating revenues	4,139,023
Operating expenses:	
Purchased services	515,948
Claims	3,772,992
Total operating expenses	4,288,940
Operating loss	(149,917)
Nonoperating revenues:	
Interest revenue	66,376
Total nonoperating revenues	66,376
Change in net position	(83,541)
Net position at beginning of year	1,705,520
Net position at end of year	\$ 1,621,979

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
JUNE 30, 2025

	Governmental Activities - Internal Service Fund
Cash flows from operating activities:	
Cash received from sales/charges for services	\$ 4,127,174
Cash payments for purchased services	(515,948)
Cash payments for claims	(3,532,011)
	79,215
Net cash provided by operating activities	79,215
Cash flows from investing activities:	
Interest received	66,376
	66,376
Net cash provided by investing activities	66,376
Net change in cash and cash equivalents	145,591
Cash and cash equivalents at beginning of year	1,912,522
Cash and cash equivalents at end of year	\$ 2,058,113
Reconciliation of operating loss to net cash provided by operating activities	
Operating loss	\$ (149,917)
Intergovernmental receivable	(11,849)
Claims payable	240,981
	79,215
Net cash provided by operating activities	\$ 79,215

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2025

	<u>Custodial</u>
Assets:	
Equity in pooled cash and cash equivalents	\$ 31,566,565
Receivables:	
Accrued interest	<u>170,883</u>
Total current assets	<u>31,737,448</u>
Net position:	
Restricted for insurance pool participants	31,737,448
Total net position	<u>\$ 31,737,448</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
JUNE 30, 2025

	<u>Custodial</u>
Additions:	
Amounts received as fiscal agent	\$ 130,683,958
Earnings on investments	1,145,022
Change in fair value of investments	82,361
Total additions	<u>131,911,341</u>
Deductions:	
Distributions as fiscal agent	<u>130,007,559</u>
Total deductions	<u>130,007,559</u>
Change in net position	1,903,782
Net position at beginning of year	<u>29,833,666</u>
Net position at end of year	<u>\$ 31,737,448</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

Bloom-Carroll Local School District, (the District) is a body politic and corporate organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The District is a local school district as defined by Ohio Revised Code Section 3311.03. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by state statute and/or federal guidelines.

The District is located in Fairfield County, within portions of Bloom Township and Greenfield Township, and the Village of Carroll and Lithopolis, Ohio. It is staffed by 139 certificated employees, 242 (including administrative) full-time and part-time employees who provide services to 2,240 students in grades K through 12 and various community groups, which ranks it 196 out of approximately 620 public and community school districts in Ohio. The District currently operates 4 instructional buildings.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. 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 District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

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

The District is associated with four organizations, three of which are defined as jointly governed organizations and one as an insurance purchasing pool. These organizations are the Metropolitan Educational Technology Association, the South Central Ohio Insurance Consortium, the State Support Team Region 11 and the Sheakley Uniservice, Inc. Worker's Compensation Group Rating Plan.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

JOINTLY GOVERNED ORGANIZATIONS

Metropolitan Educational Technology Association (META)

META is a jointly governed organization among school districts in Franklin, Fairfield, Madison, Pickaway and Union counties. The organization was formed for the purpose of applying modern technology, with the aid of computers and other electronic equipment, the administrative and instructional functions among member districts. Each of the member districts support META based upon a per pupil charge, dependent upon services utilized. The governing board consists of a representative from each Franklin County district. Districts outside of Franklin County are associate members and each County selects a single district to represent them on the governing board. META is its own fiscal agent. The District paid \$63,809 to META for services provided during fiscal year 2025. In accordance with GASB Statement No. 61, the District does not have any equity interest in META because the residual interest in the net resources of a joint venture upon dissolution is not equivalent to any equity interest.

South Central Ohio Insurance Consortium (SCOIC)

The SCOIC is a regional council of governments organized under Ohio Revised Code Section 167. The SCOIC's primary purpose and objective is establishing and carrying out a cooperative health program for its members consisting of 19 entities within Fairfield, Fayette, Franklin, Hocking, Perry and Ross Counties. The governing board consists of the superintendent or other designees appointed by each of the members of the SCOIC. The participating members pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium. The District serves as the fiscal agent for the SCOIC. The District joined the SCOIC on January 1, 2002. To obtain financial information, write to the Treasurer of Bloom-Carroll Local School District, who serves as the Treasurer, at 5240 Plum Road, Carroll Ohio 43112.

State Support Team Region 11(SSRT11)

The State Support Team Region 11 (SSRT11) is a jointly governed organization operated by a Governing Board that is composed of superintendents of member school districts in central Ohio which comprise sixty percent of the Board, two parents of children with disabilities, one representative of a chartered nonpublic school, one representative of a county board of developmental disabilities, representatives of universities and students and persons with disabilities representations. SSRT11 assists the District in complying with mandates of Public Law 99-456 for educating children with disabilities. There is no financial commitment made by the districts involved in SSRT11. SSRT11 is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Council.

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

B. Fund Accounting

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

GOVERNMENTAL FUNDS

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

The following are the District's major governmental funds:

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

Bond Retirement Fund - This fund is used to account for financial resources accumulated for the payment of general long-time debt principal, interest and related costs.

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

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

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

PROPRIETARY FUNDS

The proprietary fund focus is on the determination of operating income, change in net position, financial position and cash flows and is classified as internal service. The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the District, or to other governments, on a cost reimbursement basis. The internal service fund of the District accounts for a self-insurance program which provides dental, vision and health benefits to employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's fiduciary fund is used to account for the South Central Ohio Insurance Consortium.

C. Basis of Presentation and Measurement Focus

The District's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Government-Wide Financial Statements – The government-wide financial statements are prepared using the full accrual economic resources measurement focus. All assets and deferred outflows and liabilities and deferred inflows associated with the operation of the District are included on the statement of net position. The statement of activities presents increases (revenues) and decreases (expenses) in total net position.

The Statement of Net Position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business- type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program 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 District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

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

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

Like the government-wide statements, the proprietary fund is accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of this fund are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total fund position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

D. Basis of Accounting

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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. See Notes 12 and 13 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

See Notes 12 and 13 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District records. Interest in the pool is presented as “cash and cash equivalents” on the financial statements.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Investments were limited to negotiable certificates of deposit, commercial paper, STAR Ohio, U.S. Treasury notes, federal agency securities and a U.S. government money market account.

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

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

Except for nonparticipating investment contracts, the District reports investments at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit are reported at cost. The District had no nonnegotiable certificates of deposit for fiscal year 2025.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2025 amounted to \$774,030 which includes \$581,564 assigned from other District funds.

Cash and cash equivalents that are held separately with the District’s third party administrator for its self-insurance program, and not included in the District Treasury, are recorded as “Cash and Cash Equivalents with Fiscal Agent”.

F. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventory consists of expendable supplies held for consumption and purchased and donated food held for resale. As of June 30, 2025, the District reported no inventory.

G. Capital Assets

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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 fair market values as of the date received. The District maintains a capitalization threshold of \$1,000. Improvements are capitalized; the normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. In addition, assets having an estimated useful life of more than one year that are below the capitalization threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

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

Description	Governmental Activities Estimated Lives
Land improvements	5 - 20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	5 - 10 years
Intangible right-to-use assets	5 years

The District is reporting intangible right-to-use assets related to equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/subscription term or the useful life of the underlying asset.

H. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “interfund loans receivable/payable” and “due from/to other funds”. These amounts are eliminated in the governmental activities column of the Statement of Net Position. There were no interfund balances at June 30, 2025.

I. Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - vacation, sick leave and personal time. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The District’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Sick Leave

The District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

Personal Time

The District's policy permits employees to accumulate earned but unused personal time, which are eligible for payment at the employee's current pay rate upon separation from employment.

J. Prepaid Items

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

K. Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities and long-term liabilities are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, and special termination of benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefits 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

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

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

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

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinances or resolutions of the Board of Education – the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Education, Superintendent and Treasurer have the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

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

M. Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. 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 District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

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

N. 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.

O. Interfund Transactions

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

P. Restricted Assets

Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. There is no enabling legislative restrictions on any assets in the General Fund.

Q. Pensions/Other Postemployment Benefits (OPEB)

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the self-insurance service that is the primary activity of that fund.

S. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. The District did not have any extraordinary items during fiscal year 2025.

Special items are transactions or events that are within the control of the District administration and that are either unusual in nature or infrequent in occurrence. The District did not have any special items during fiscal year 2025.

T. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amount reported as the original budgeted amounts in the budgetary schedule reflects the amounts in the certificate when the appropriations were adopted. The amount reported as the final budgeted amounts in the budgetary schedule reflects the amounts in the final amended certificate issued during fiscal year 2025.

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

For fiscal year 2025, the District has implemented GASB Statement No. 101, "Compensated Absences" and GASB Statement No. 102, "Certain Risk Disclosures".

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 102 improves financial reporting by providing users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the District.

B. Deficit Fund Balances

Fund balances at June 30, 2025 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
IDEA Part B	\$ 69,078
Title I	20,983
Title II	7,748

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

C. Restatement of Net Position

During fiscal year 2025, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "Compensated Absences". The effect of changing the accounting principle is to decrease net position as previously reported. This is displayed where applicable in the financial statements as "restatement - change in accounting principle".

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio or Ohio local governments, and with certain limitations bonds and other obligations of political subdivisions of the state of Ohio;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreements secured by such obligations;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

A. Cash and Cash Equivalents with Fiscal Agent

At June 30, 2025, the District had \$1,921,367 on deposit in its self-insurance fiscal agent account. This amount is not part of the District's internal investment pool and has been excluded from the total amount of deposits reported below.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and GASB Statement No. 40, "Deposit and Investment Risk Disclosures."

B. Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a bank failure, the District may not be able to recover deposits or collateral securities that are the possession of an outside party. As of June 30, 2025, all of the District's bank balance of \$14,203,003 was either covered by Federal Deposit Insurance or collateral was held by the pledging banks trust department not in the District's name.

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

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

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

The District's only financial institution is enrolled in the OPCS.

C. Investments

The District had the following investments at June 30, 2025:

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	Investment Maturities				
		6 months or <u>less</u>	7 to 12 <u>months</u>	13 to 18 <u>months</u>	19 to 24 <u>months</u>	Greater than <u>24 months</u>
<i>Fair Value:</i>						
Negotiable CDs	\$ 1,090,574	\$ 849,570	241,004	-	-	\$ -
US Treasury notes	982,338	488,793	-	248,710	244,835	-
FHLB	343,098	-	-	343,098	-	-
FFCB	340,575	-	-	-	340,575	-
FHLMC	169,888	-	-	-	-	169,888
U.S. Government Money Market fund	3,653	3,653	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	10,277,964	10,277,964	-	-	-	-
Total	\$ 13,208,090	\$ 11,619,980	\$ 241,004	\$ 591,808	\$ 585,410	\$ 169,888

The SCOIC had the following investments at June 30, 2025:

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	Investment Maturities				
		6 months or <u>less</u>	7 to 12 <u>months</u>	13 to 18 <u>months</u>	19 to 24 <u>months</u>	Greater than <u>24 months</u>
<i>Fair Value:</i>						
Negotiable CDs	\$ 2,486,411	\$ 486,213	\$ -	\$ -	\$ 1,009,663	\$ 990,535
US Treasury notes	2,017,960	-	-	-	-	2,017,960
FFCB	4,025,800	-	-	-	988,210	3,037,590
FHLB	6,160,105	997,800	979,680	2,120,605	-	2,062,020
FHLMC	9,040,534	-	-	-	-	9,040,534
U.S. Government Money Market fund	607,660	607,660	-	-	-	-
Total	\$ 24,338,470	\$ 2,091,673	\$ 979,680	\$ 2,120,605	\$ 1,997,873	\$ 17,148,639

The 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 above chart identifies the District's recurring fair value measurements as of June 30, 2025. All of the District's investments are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the District manages its exposure to declines in fair values by keeping the portfolio sufficiently liquid to enable the school to meet all operating requirements.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District limits their investments to obligations of Federal Government Agencies or Instrumentalities as described in Ohio Revised Code Section 135.143A (2). Investments in all federal agency securities and U.S. government money market funds were rated 'Aaa' by Moody's Investor Services. Standard & Poor's has assigned STAR Ohio an AAAm money market rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. Credit ratings for the negotiable CDs are not readily available.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District’s investment policy addresses concentration of credit risk by requiring investments to be diversified in order to reduce the risk of loss resulting from the over concentration of assets in a specific type of security, the erosion of market value, or by default. However, the District’s investment policy does not place any limit on the amount that may be invested in any one issuer.

Measurement/ <u>Investment type</u>	District		SCOIC	
	Measurement Value	% of Total	Measurement Value	% of Total
<i>Fair Value:</i>				
Negotiable CDs	\$ 1,090,574	8.26	\$ 2,486,411	10.22
US Treasury notes	982,338	7.44	2,017,960	8.29
FHLB	343,098	2.60	6,160,105	25.31
FFCB	340,575	2.58	4,025,800	16.54
FHLMC	169,888	1.29	9,040,534	37.15
U.S. Government Money				
Market Funds	3,653	0.03	607,660	2.49
<i>Amortized Cost:</i>				
STAR Ohio	10,277,964	77.80	-	-
Total	\$ 13,208,090	100.00	\$ 24,338,470	100.00

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

All of the District’s investments are either insured and registered in the name of the District or at least registered in the name of the District.

The classification of cash and cash equivalents and investments on the basic financial statements is based on criteria set forth in GASB Statement No. 9, Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting. Cash and cash equivalents are defined to include investments included within the District’s cash management pool and investments with a maturity date of three months or less.

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**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the Statement of Net Position as of June 30, 2025:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 14,097,551
Investments - District	13,208,090
Investments - SCOIC	24,338,470
Cash and Cash Equivalents with Fiscal Agent	<u>1,921,367</u>
Total	<u>\$ 53,565,478</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 21,998,913
Custodial fund	<u>31,566,565</u>
Total	<u>\$ 53,565,478</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2025, consisted of the following, as reported on the fund financial statements:

	<u>Amount</u>
<u>Transfer from general fund to:</u>	
Bond retirement fund	\$ 45,365
Nonmajor governmental fund	<u>81,160</u>
Total	<u>\$ 126,525</u>

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, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The \$45,365 transfer from the general fund to the bond retirement fund was to fund debt repayment. The \$81,160 transfer from the general fund to the district managed student activity fund (a nonmajor governmental fund) was to cover a deficit related to athletics.

Interfund transfers between governmental funds are eliminated on the government-wide financial statements; therefore, no transfers are reported in the statement of activities.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

NOTE 6 - 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 of 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 and public utility property located in the District. Real property tax revenue received in calendar 2025 represents collections of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed value listed as of January 1, 2024, the lien date.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 6 - PROPERTY TAXES - (Continued)

Assessed values for real property taxes are established by State law at thirty-five 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 2025 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien December 31, 2023, were levied after April 1, 2024 and are collected in 2025 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Fairfield County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024 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 represents the June 2025 delinquent taxes outstanding and real property, and public utility taxes which become measurable as of June 30, 2025. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2025 and 2024 were:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Major governmental funds:		
General fund	\$ 1,300,681	\$ 731,428
Bond retirement fund	379,818	236,027
Nonmajor governmental funds:		
Permanent improvement fund	58,015	33,148

The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on a modified accrual basis the revenue is deferred.

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

	<u>2024 Second Half Collections</u>		<u>2025 First Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 546,496,370	92.73	\$ 560,551,770	92.89
Public utility personal	42,848,080	7.27	42,875,180	7.11
Total	\$ 589,344,450	100.00	\$ 603,426,950	100.00
Tax rate per \$1,000 of assessed valuation	\$49.60		\$49.00	

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 7 - RECEIVABLES

Receivables at June 30, 2025 consisted of property taxes, income taxes, accounts, accrued interest and intergovernmental. 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. Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year.

NOTE 8 - TAX ABATEMENTS

For the year ended June 30, 2025, the District implemented GASB Statement No. 77, Tax Abatement Disclosures. A tax abatement is defined as a reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forego tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the District or the citizens of the District. The District has entered into such agreements. A description of the District’s abatement programs where the District has promised to forego taxes follows.

Enterprise Zone Program

The Ohio Enterprise Zone Program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in Ohio. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program can provide tax exemptions for a portion of the value of new real property investment when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values are not eligible. The zone’s geographic area is identified by the local communities involved in the creation of the zone. Once a zone is defined, the local legislative authority participating in the creation must petition the Director of ODSA. The Director must then certify the area for it to become an active Enterprise Zone. Local communities may offer tax incentives for non-retail projects that are establishing or expanding operations in the State of Ohio. Tax incentives are negotiated at the local level, and an enterprise zone agreement must be in place before the project begins.

There is one Enterprise Zone within the District. Businesses located in an Enterprise Zone may negotiate exemptions on new property tax from investment for up to seventy-five percent (75%) for 10 years. For commercial projects, job retention and/or creation is also required. Taxes are abated as the increase in assessed value resulting from the investment is not included (or included at a lesser amount) in the assessed value used for property tax computation for the taxpayer. Agreements must be in place before the project begins. Pursuant to the terms of such agreements, if the actual number of employee positions created or retained by the business in any three-year period during which the agreement is in effect is not equal to or greater than 75 percent of the number of employee positions estimated to be created or retained under the agreement, the business shall repay the amount of taxes on property that would have been payable had the property not been exempted. In addition, the District may terminate or modify the exemptions from taxation granted under the agreement if the terms of the agreement are not met.

A summary of the taxes foregone on the District’s abatement programs for the year ended June 30, 2025 follows:

Program	Tax Abated	Amount
Enterprise Zone Agreement	Property Tax	\$ 5,818

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 9 - INCOME TAXES

The District levies a voted tax of 1.25 percent for general operations on the income of residents. The District had a 0.75 percent tax that was effective on January 1, 1998 and is a continuing tax. In November 2005, the voters of the District passed an additional income tax levy of 0.50 percent that became effective January 1, 2006. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue of \$8,573,586 was credited to the General Fund during fiscal year 2025.

NOTE 10 - CAPITAL ASSETS

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

	<u>Balance</u> <u>06/30/24</u>	<u>Additions</u>	<u>Deductions/</u> <u>Adjustments</u>	<u>Balance</u> <u>06/30/25</u>
Governmental activities:				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 806,734	\$ -	\$ -	\$ 806,734
Total capital assets, not being depreciated/amortized	<u>806,734</u>	<u>-</u>	<u>-</u>	<u>806,734</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	7,208,368	109,973	-	7,318,341
Buildings and improvements	51,955,970	197,871	-	52,153,841
Furniture and equipment	10,271,425	502,265	-	10,773,690
Vehicles	2,842,351	234,952	-	3,077,303
Intangible right-to-use assets:				
Equipment	17,061	-	-	17,061
SBITAs	554,704	-	(181,596)	373,108
Total capital assets, being depreciated/amortized	<u>72,849,879</u>	<u>1,045,061</u>	<u>(181,596)</u>	<u>73,713,344</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(1,967,569)	(34,482)	73,448	(1,928,603)
Buildings and improvements	(7,842,631)	(1,030,716)	-	(8,873,347)
Furniture and equipment	(5,587,031)	(408,941)	-	(5,995,972)
Vehicles	(1,379,201)	(174,238)	-	(1,553,439)
Intangible right-to-use assets:				
Equipment	(10,776)	(3,592)	-	(14,368)
SBITAs	(212,327)	(126,103)	181,596	(156,834)
Total accumulated depreciation/amortization	<u>(16,999,535)</u>	<u>(1,778,072)</u>	<u>255,044</u>	<u>(18,522,563)</u>
Governmental activities capital assets, net	<u>\$ 56,657,078</u>	<u>\$ (733,011)</u>	<u>\$ 73,448</u>	<u>\$ 55,997,515</u>

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 10 - CAPITAL ASSETS - (Continued)

Depreciation/amortization expense was charged to governmental functions as follow:

<u>Instruction:</u>	
Regular	\$ 1,176,929
Special	1,644
Vocational	709
<u>Support services:</u>	
Pupil	9,008
Instructional staff	133,250
Board of education	940
Administration	4,638
Operations and maintenance	238,468
Pupil transportation	177,913
Food service operations	2,463
Extracurricular activities	<u>32,110</u>
Total depreciation/amortization expense	<u>\$ 1,778,072</u>

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2025, the District contracted with Liberty Mutual for professional and general liability insurance, fleet insurance, and property insurance.

<u>Types of Coverage</u>	<u>Coverage Amount</u>
Building and Contents (\$2,500 deductible)	\$ 107,069,452
Inland Marine Coverage (\$250 deductible)	50,000
<i>Automobile Liability</i> : (\$1,000 deductible for collision and \$1,000 comprehensive)	
Each Occurrence	1,000,000
Aggregate Limit per Year	3,000,000
<i>Professional General Liability</i> :	
Each Occurrence	1,000,000
Aggregate Limit per Year	2,000,000
Umbrella Liability	2,000,000
<i>Public Officials Bonds</i> :	
Treasurer	100,000
Superintendent	74,000
Board President	74,000
Public Employee Dishonesty	25,000

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 11 - RISK MANAGEMENT - (Continued)

For fiscal year 2025, the District participated with Sheakley Uniservice Inc. (the "Plan"), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria.

The District provides medical, prescription and dental insurance for its employees. Premiums are paid directly to the South Central Ohio Insurance Consortium (SCOIC). SCOIC contracted with Jefferson Health Plan, formerly known as Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA), Jefferson Health Plan contracted with Employee Benefits Management Corporation to service the claims of SCOIC members.

The District was self-funded with the South Central Ohio Insurance Consortium effective January 1, 2002.

The South Central Ohio Insurance Consortium was established to accumulate balances sufficient to self-insure basic medical and prescription drug coverage and permit excess umbrella coverage for claims over a predetermined level. The Board's share and the employees' share of premium contributions are determined by the negotiated agreement for certificated employees and by Board action for administrators and classified employees.

Premiums are paid to the South Central Ohio Insurance Consortium Fund from the Self Insurance Fund of the District. The cash balance with the fiscal agent at June 30, 2025, was \$1,921,367. Claims payments are made on an as-incurred basis by the third party administrator, with the balance of contributions remaining with the Fiscal Agent of the Consortium.

The member districts are self-insured for medical, dental and pharmacy benefits. The risk for medical, dental and pharmacy benefits remains with the member districts. The claims payable will be reported for medical, dental and pharmacy claims as of June 30, 2025, and cash with fiscal agent for the balance of funds held by the Consortium that covers medical, dental and pharmacy claims will be reported.

The claims liability of \$479,981 supported at June 30, 2025 is based on an estimate provided by the third party administrators and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2025	\$ 239,000	\$ 3,772,992	\$ 3,532,011	\$ 479,981
2024	472,900	3,165,222	3,399,122	239,000

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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 obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. 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 District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$540,989 for fiscal year 2025. Of this amount, \$94,441 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation 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, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

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

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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% was equal to the statutory maximum rates. For fiscal year 2025, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$1,626,785 for fiscal year 2025. Of this amount, \$288,720 is reported as pension and postemployment benefits payable.

Net 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 District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.085307400%	0.073172680%	
Proportion of the net pension liability current measurement date	<u>0.088250600%</u>	<u>0.077417340%</u>	
Change in proportionate share	<u>0.002943200%</u>	<u>0.004244660%</u>	
Proportionate share of the net pension liability	\$ 4,514,546	\$ 14,896,347	\$ 19,410,893
Pension expense	\$ 481,204	\$ 1,186,553	\$ 1,667,757

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 172,362	\$ 938,082	\$ 1,110,444
Changes of assumptions	40,386	686,504	726,890
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	165,317	782,676	947,993
Contributions subsequent to the measurement date	<u>540,989</u>	<u>1,626,785</u>	<u>2,167,774</u>
Total deferred outflows of resources	<u>\$ 919,054</u>	<u>\$ 4,034,047</u>	<u>\$ 4,953,101</u>

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 8,158	\$ 8,158
Net difference between projected and actual earnings on pension plan investments	282,382	1,280,784	1,563,166
Changes of assumptions	-	516,742	516,742
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	48,659	48,659
Total deferred inflows of resources	<u>\$ 282,382</u>	<u>\$ 1,854,343</u>	<u>\$ 2,136,725</u>

\$2,167,774 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2026	\$ (157,429)	\$ (588,817)	\$ (746,246)
2027	337,537	1,508,949	1,846,486
2028	(1,391)	(236,419)	(237,810)
2029	(83,034)	(130,794)	(213,828)
Total	<u>\$ 95,683</u>	<u>\$ 552,919</u>	<u>\$ 648,602</u>

Actuarial Assumptions - SERS

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

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

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future salary increases, including inflation COLA or ad hoc COLA	3.25% to 13.58%	3.25% to 13.58%
	2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement	2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement
Investment rate of return	7.00% net of system expenses	7.00% net of system expenses
Actuarial cost method	Entry age normal (level percent of payroll)	Entry age normal (level percent of payroll)

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% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

As of June 30, 2024:

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

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the 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%), or one percentage point higher (8.00%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net pension liability	\$ 6,906,628	\$ 4,514,546	\$ 2,500,539

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**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%, effective July 1, 2017	0.00%, effective July 1, 2017

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

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

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:

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

* Final target weights reflected at October 1, 2022.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% 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 used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, as well as what the 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%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 24,030,418	\$ 14,896,347	\$ 7,170,492

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.

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 12 for a description of the net OPEB liability (asset).

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**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - School Employees Retirement System (SERS)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% 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 District's surcharge obligation was \$65,226.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$65,226 for fiscal year 2025. Of this amount, \$65,226 is reported as pension and postemployment benefits payable.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

Plan Description - The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. 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. For the fiscal year ended June 30, 2025, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability/asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.087450700%	0.073172680%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.089253900%</u>	<u>0.077417340%</u>	
Change in proportionate share	<u>0.001803200%</u>	<u>0.004244660%</u>	
Proportionate share of the net OPEB liability	\$ 909,047	\$ -	\$ 909,047
Proportionate share of the net OPEB asset	\$ -	\$ (1,468,459)	\$ (1,468,459)
OPEB expense	\$ (38,030)	\$ (314,773)	\$ (352,803)

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ -	\$ 63,838	\$ 63,838
Net difference between projected and actual earnings on OPEB plan investments	4,441	-	4,441
Changes of assumptions	390,162	180,747	570,909
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	40,545	3,050	43,595
Contributions subsequent to the measurement date	<u>65,226</u>	<u>-</u>	<u>65,226</u>
Total deferred outflows of resources	<u>\$ 500,374</u>	<u>\$ 247,635</u>	<u>\$ 748,009</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 980,186	\$ 158,250	\$ 1,138,436
Net difference between projected and actual earnings on OPEB plan investments	-	63,052	63,052
Changes of assumptions	417,584	662,270	1,079,854
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>46,564</u>	<u>25,298</u>	<u>71,862</u>
Total deferred inflows of resources	<u>\$ 1,444,334</u>	<u>\$ 908,870</u>	<u>\$ 2,353,204</u>

\$65,226 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2026	\$ (253,799)	\$ (226,254)	\$ (480,053)
2027	(177,174)	(102,038)	(279,212)
2028	(136,904)	(129,982)	(266,886)
2029	(122,761)	(121,291)	(244,052)
2030	(121,427)	(98,881)	(220,308)
Thereafter	<u>(197,121)</u>	<u>17,211</u>	<u>(179,910)</u>
Total	<u>\$ (1,009,186)</u>	<u>\$ (661,235)</u>	<u>\$ (1,670,421)</u>

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future salary increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
Investment rate of return	7.00% net of investment expense, including inflation	7.00% net of investment expense, 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%	3.86%
Single equivalent interest rate, net of plan investment expense, including price inflation	4.88%	4.27%
Medical trend assumption	7.00 to 4.40%	6.75 to 4.40%

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.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

In the prior measurement date, 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, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

As of June 30, 2024:

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 (6.00% 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
District's proportionate share of the net OPEB liability	\$ 1,212,182	\$ 909,047	\$ 668,165

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 614,482	\$ 909,047	\$ 1,296,229

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	
Projected salary increases	Varies by service from 2.50% to 8.50%		Varies by service from 2.50% to 8.50%	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Discount rate of return	7.00%		7.00%	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	7.50%	4.14%
Medicare	-112.22%	3.94%	-10.94%	4.14%
Prescription Drug				
Pre-Medicare	8.00%	3.94%	-11.95%	4.14%
Medicare	-15.14%	3.94%	1.33%	4.14%

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

Actuarial assumptions used in the June 30, 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% 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 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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	<u>100.00 %</u>	

* Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% 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.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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 plan 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%, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the proportionate share of 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
District's proportionate share of the net OPEB asset	\$ 1,193,954	\$ 1,468,459	\$ 1,707,338
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,723,474	\$ 1,468,459	\$ 1,161,770

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**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 14 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 101 (see Note 3 for detail), the District has restated compensated absences as of June 30, 2024, which is reflected in the schedule below. The changes in the District's long-term liabilities during fiscal year 2025 were as follows:

	Restated Balance			Balance	Amounts Due Within
	<u>June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>	<u>One Year</u>
Governmental Activities:					
<i>General Obligation Bonds:</i>					
School Improvement Bonds, Series 2010	\$ 2,365,000	\$ -	\$ (1,165,000)	\$ 1,200,000	\$ 1,200,000
Premiums	100,852		(7,203)	93,649	-
Energy Conservation Bonds, Series 2012	165,000	-	(40,000)	125,000	40,000
Premiums	4,429	-	(1,106)	3,323	-
Refunding Bonds, Series 2013					
CABs	1,616	-	(512)	1,104	365
Accreted interest	64,982	22,296	(24,488)	62,790	20,732
Refunding Bonds, Series 2016	8,000,000	-	-	8,000,000	-
Premiums	675,675	-	(48,262)	627,413	-
School Improvement Bonds, Series 2018A					
Serial	4,660,000	-	(315,000)	4,345,000	325,000
Term	15,390,000	-	-	15,390,000	-
School Improvement Bonds, Series 2018B					
Serial	2,120,000	-	(230,000)	1,890,000	240,000
Term	3,900,000	-	-	3,900,000	-
Premiums on School Improvement Bonds, Series 2018A & 2018B	2,183,283	-	(68,228)	2,115,055	-
School Improvement Bonds, Series 2021	<u>2,516,000</u>	<u>-</u>	<u>(2,000)</u>	<u>2,514,000</u>	<u>2,000</u>
Total G.O. bonds	<u>42,146,837</u>	<u>22,296</u>	<u>(1,901,799)</u>	<u>40,267,334</u>	<u>1,828,097</u>
<i>Other long-term obligations:</i>					
Leases payable	6,754	-	(3,773)	2,981	2,981
Notes payable - financed purchase	97,566	-	(68,944)	28,622	28,622
Compensated Absences*	4,577,785	526,305	-	5,104,090	890,425
Net pension liability	20,471,364	-	(1,060,471)	19,410,893	-
Net OPEB liability	<u>1,440,702</u>	<u>-</u>	<u>(531,655)</u>	<u>909,047</u>	<u>-</u>
Total other long-term obligations	<u>26,594,171</u>	<u>526,305</u>	<u>(1,664,843)</u>	<u>25,455,633</u>	<u>922,028</u>
Total governmental activities	<u>\$ 68,741,008</u>	<u>\$ 548,601</u>	<u>\$ (3,566,642)</u>	<u>\$ 65,722,967</u>	<u>\$ 2,750,125</u>

*The change in compensated absences liability is presented as a net change.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

School Improvement Bonds - Buildings and Improvements: In April 2010, school improvement bonds at 5.80% interest were issued in the amount of \$26,500,000, as a result of the District being approved for school facilities funding through the State Department of Education for the renovation of the High School Building and to construct a new grades 5-8 middle school building. The bonds were issued for a twenty-seven year period with final maturity at December 1, 2037. The District issued the general obligation bonds to provide a partial cash match to the school facilities funding. As a requirement of the school facilities funding program, the District passed a 5.8 mill levy in November 2009. These bonds will be retired through the Bond Retirement Fund using these tax revenues.

Energy Conservation Bonds: In June 2012, energy conservation bonds at 3.70% interest were issued in the amount of \$515,229. The bonds are to be used for energy conservation measures including installations, modifications or remodeling to reduce energy consumption in buildings owned by the District. The bonds were issued for fifteen year period with final maturity at December 2027. These bonds will be retired through the Bond Retirement Fund.

General Obligation Refunding Bonds: In June 2013, general obligation refunding bonds were issued in the amount of \$10,761,731 for the purpose of refunding a portion of the 2010 School Improvement Bonds. \$3,505,000 was issued as serial bonds with interest rates ranging from 2.00% to 4.00%. \$6,145,000 was issued as term bonds with interest rates ranging from 3.50% to 4.00%. \$1,085,000 was issued as taxable serial bonds with interest rates ranging from 3.50% to 3.65%. Finally, \$26,732 was issued as capital appreciation bonds with an interest rate of 37.00%. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$568,518 and a reduction of \$859,540 in future debt service payments. The bonds were issued for a twenty-five year period, with final maturity December 1, 2037. The remaining serial bonds of \$2,530,000 were retired during fiscal year 2021 through the Bond Retirement Fund, using the proceeds from the 2021 General Obligation Refunding Bonds issuance.

General Obligation Refunding Bonds: In October 2016, general obligation refunding bonds were issued in the amount of \$8,000,000 for the purpose of refunding a portion of the 2013 Serial Bonds, the 2013 Term Bonds and the 2013 Taxable Serial Bonds. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$363,614 and a reduction of \$479,739 in future debt service payments. The bonds were issued for a twenty year period, with final maturity December 1, 2037. The bonds will be retired through the Bond Retirement Fund.

School Improvement Bonds: In July 2018, school improvement bonds A and B were issued in the amount of \$21,500,000 and \$8,500,000 for the construction of a new elementary school. The \$2,524,423 premium on the issuance of the serial bonds is netted against this debt and is being amortized over the life of the debt. The serial bonds are retired through the Bond Retirement Fund using tax revenues.

General Obligation Refunding Bonds: In February 2021, general obligation refunding bonds were issued in the amount of \$2,530,000 for the purpose of refunding the 2013 General Obligation Refunding Bonds. \$2,505,000 was issued as serial bonds with an interest rate of 1.52%. \$25,000 was issued as term bonds with an interest rate of 1.52%. \$1,085,000 was issued as taxable serial bonds with interest rates ranging from 3.50% to 3.65%. The refunding was undertaken to reduce total future debt service payments. The refunding resulted in an economic gain of \$388,799 and a reduction of \$430,299 in future debt service payments. The bonds were issued for a ten year period, with final maturity on December 1, 2031. The bonds will be retired through the Bond Retirement Fund.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

Mandatory Sinking Fund Redemption: The Series 2018A Bonds due November 1, 2038 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on November 1, 2036 and each November 1, thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2037	\$ 510,000
2038	530,000
Total	<u>\$ 1,040,000</u>

Unless otherwise called for redemption, the remaining \$545,000 principal amount of the Series 2018A Bonds due November 1, 2038 is to be paid at stated maturity.

The Series 2018A Bonds due November 1, 2043 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on November 1, 2039 and each November 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2040	\$ 565,000
2041	585,000
2042	610,000
2043	630,000
Total	<u>\$ 2,390,000</u>

Unless otherwise called for redemption, the remaining \$655,000 principal amount of the Series 2018A Bonds due November 1, 2043 is to be paid at stated maturity.

The Series 2018A Bonds due November 1, 2048 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on November 1, 2044 and each November 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2045	\$ 675,000
2046	710,000
2047	745,000
2048	785,000
Total	<u>\$ 2,915,000</u>

Unless otherwise called for redemption, the remaining \$820,000 principal amount of the Series 2018A Bonds due November 1, 2048 is to be paid at stated maturity.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The Series 2018A Bonds due November 1, 2055 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on November 1, 2049 and each November 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2050	\$ 865,000
2051	905,000
2052	950,000
2053	1,000,000
2054	1,050,000
2055	1,100,000
2056	1,155,000
Total	<u>\$ 7,025,000</u>

The Series 2018B Bonds due November 1, 2035 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on November 1, 2032 and each November 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2033	\$ 315,000
2034	335,000
2035	345,000
Total	<u>\$ 995,000</u>

Unless otherwise called for redemption, the remaining \$365,000 principal amount of the Series 2018B Bonds due November 1, 2035 is to be paid at stated maturity.

The Series 2018B Bonds due November 1, 2038 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on November 1, 2036 and each November 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2037	\$ 385,000
2038	395,000
Total	<u>\$ 780,000</u>

Unless otherwise called for redemption, the remaining \$415,000 principal amount of the Series 2018B Bonds due November 1, 2038 is to be paid at stated maturity.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The Series 2018B Bonds due November 1, 2041 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on November 1, 2039 and each November 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2040	\$ 425,000
2041	450,000
2042	<u>470,000</u>
Total	<u>\$ 1,345,000</u>

The Series 2021 Bonds due December 1, 2031 are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, 2029 and each December 1 thereafter at 100% of the principal amount thereof plus accrued interest to the date of redemption according to the following schedule:

<u>Fiscal Year</u>	<u>Principal Amount to be Redeemed</u>
2031	\$ 837,000
2032	<u>850,000</u>
Total	<u>\$ 1,687,000</u>

Optional Redemption: The Bonds maturing on or after November 1, 2029 are subject to optional redemption prior, in whole or in part on any date in any order maturity as determined by the Board of Education and by lot within a maturity, at the option of the Board of Education on or after November 1, 2028 at par plus accrued interest thereon.

If fewer than all of the outstanding Bonds of a single maturity are called for redemption, the selection of the Bonds to be redeemed, or portions thereof in amount of \$5,000 or any integral multiple thereof, shall be made by lot by the Paying Agent and Registrar in any manner which the Paying Agent and Registrar may determine. In the case of a partial redemption of Bonds when Bonds of denominations greater than \$5,000 are then outstanding, each \$5,000 unit of face value of principal thereof shall be treated as though it were a separate Bond of the denomination of \$5,000. If one or more, but not all, of such \$5,000 units of face value represented by a Bond are to be called for redemption, then upon notice of redemption of a \$5,000 unit or units, the registered holder of that Bond shall surrender the Bond to the Paying Agent and Registrar (a) for payment of the redemption price for the \$5,000 unit or units of face value called for redemption (including without limitation, the interest accrued to the date fixed for redemption and any premium). And (b) for issuance, without charge to the registered holder thereof, of a new Bond or Bonds of the same series, of any authorized denomination or denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The notice of call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Paying Agent and Registrar on behalf of the Board of Education by mailing a copy of the redemption notice by regular first class mail, at least 30 days prior to the date fixed for redemption, to the registered holder of each Bond subject to redemption in whole or in part at such registered holder's address shown on the Bond registration records on the fifteenth day preceding that mailing. Failure to receive notice by mailing or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any Bond. Notice having been mailed in the manner provided above, the Bonds and portions thereof called for redemption shall become due and payable on the redemption date and on such redemption date, interest on such Bonds or portions thereof so called shall cease to accrue; and upon presentation and surrender of such Bonds or portions thereof at the place or places specified in that notice, such Bonds or portions thereof shall be paid at the redemption price, including interest accrued to the redemption date.

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

Fiscal Year Ending June 30	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 1,807,000	\$ 1,910,584	\$ 3,717,584	\$ 365	\$ 24,635	\$ 25,000
2027	1,312,000	1,439,848	2,751,848	-	-	-
2028	1,262,000	1,388,969	2,650,969	739	99,261	100,000
2029	1,418,000	1,336,331	2,754,331	-	-	-
2030	1,473,000	1,294,151	2,767,151	-	-	-
2031-2035	8,192,000	5,688,051	13,880,051	-	-	-
2036-2040	7,740,000	3,973,818	11,713,818	-	-	-
2041-2045	4,075,000	2,903,595	6,978,595	-	-	-
2046-2050	3,925,000	2,049,875	5,974,875	-	-	-
2051-2055	5,005,000	938,875	5,943,875	-	-	-
2056	1,155,000	28,875	1,183,875	-	-	-
Total	\$ 37,364,000	\$ 22,952,972	\$ 60,316,972	\$ 1,104	\$ 123,896	\$ 125,000

Leases Payable - The District has entered into lease agreements for the intangible right-to-use equipment. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The District has entered into lease agreements for postage machine equipment at varying years and terms as follows:

Leases	Lease Commencement Date	Lease End Date	Lease Years	Payment Method
Postage Machine	2021	2026	5	Quarterly

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 14 - LONG-TERM OBLIGATIONS - (Continued)

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 2,981	\$ 91	\$ 3,072
Total	<u>\$ 2,981</u>	<u>\$ 91</u>	<u>\$ 3,072</u>

Notes Payable - Financed Purchases: In the prior fiscal years, the District entered into lease purchase agreements for copiers, computers, and track upgrades. In the current fiscal year, the District entered into a financed purchase agreement for a turf project. Notes payable payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds.

Capital assets consisting of equipment have been capitalized in the amount of \$187,675 on the statement of net position. Accumulated depreciation as of June 30, 2025 was \$125,116 leaving a current book value of \$62,559. A corresponding liability is recorded in the government-wide financial statements. Principal payments in fiscal year 2025 totaled \$68,944 paid by the general fund and permanent improvement fund (a nonmajor governmental fund).

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the future minimum lease payments as of June 30, 2025:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 29,147
Total minimum lease payments	29,147
Less: amount representing interest	<u>(525)</u>
Total	<u>\$ 28,622</u>

Compensated Absences: Compensated absences will be paid from the fund from which the employees' salaries are paid.

Net Pension Liability and Net OPEB Liability/Asset: The District pays obligations related to employee compensation from the fund benefiting from their service. See Notes 12 and 13 for details.

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The District's voted legal debt margin was \$21,681,060 with an unvoted debt margin of \$603,427 at June 30, 2025. The District was granted permission to exceed the voted debt limit of 9% of their total assessed valuation by the State Superintendent of Public Instruction and the Ohio Department of Taxation before issuing these bonds.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 15 - SET-ASIDES

The District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. The amount not spent by the end of the fiscal year or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end. This amount must be carried forward and used for the same purpose in future years. The following cash basis information identifies the change in the fund balance set aside for capital improvements during fiscal year 2025.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2024	\$ -
Current year set-aside requirement	559,292
Current year offsets	(509,250)
Prior year offset from bond proceeds	<u>(50,042)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2026	<u>\$ -</u>
Set-aside balance June 30, 2024	<u>\$ -</u>

NOTE 16 - ENCUMBRANCE COMMITMENTS

At June 30, 2025, the District had encumbrance commitments in the governmental funds as follows:

	<u>Year-End Encumbrances</u>
<u>Fund</u>	
General	\$ 703,799
Total	<u>\$ 703,799</u>

NOTE 17 - INSURANCE PURCHASING POOL

Sheakley Uniservice, Inc. Worker's Compensation Group Rating Plan

The District participates in a Worker's Compensation Group Rating Program (GRP), and insurance purchasing pool with the Sheakley Uniservice, Inc. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 18 - CONTINGENCIES

A. Grants

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 18 - CONTINGENCIES - (Continued)

B. Litigation

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

C. Foundation Funding

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODEW has finalized the impact of enrollment adjustments to the June 30, 2025 Foundation funding for the District and the FTE adjustments are immaterial; therefore, the adjustments were not recorded in the accompanying financial statements.

NOTE 19 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2025, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

REQUIRED SUPPLEMENTARY INFORMATION

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - over (under) Actual Amounts</u>
	<u>Original</u>	<u>Final</u>		
Budgetary revenues and other financing sources	\$ 28,348,451	\$ 31,201,960	\$ 31,458,889	\$ 256,929
Budgetary expenditures and other financing uses	<u>27,851,537</u>	<u>28,415,384</u>	<u>28,549,449</u>	<u>134,065</u>
Net change in fund balance	496,914	2,786,576	2,909,440	122,864
Budgetary fund balance at beginning of year	9,796,962	9,796,962	9,796,962	-
Prior year encumbrances appropriated	<u>250,329</u>	<u>250,329</u>	<u>250,329</u>	<u>-</u>
Budgetary fund balance at end of year	<u>\$ 10,544,205</u>	<u>\$ 12,833,867</u>	<u>\$ 12,956,731</u>	<u>\$ 122,864</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND
DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.088250600%	\$ 4,514,546	\$ 3,940,807	114.56%	78.52%
2024	0.085307400%	4,713,674	3,496,393	134.82%	76.06%
2023	0.084565100%	4,573,938	3,566,093	128.26%	75.82%
2022	0.084749700%	3,127,018	3,306,857	94.56%	82.86%
2021	0.081653900%	5,400,761	3,159,943	170.91%	68.55%
2020	0.082113900%	4,913,019	3,021,943	162.58%	70.85%
2019	0.082846800%	4,744,790	2,869,029	165.38%	71.36%
2018	0.076343500%	4,561,355	2,769,771	164.68%	69.50%
2017	0.079909100%	5,848,609	2,876,057	203.36%	62.98%
2016	0.079749100%	4,550,561	3,006,064	151.38%	69.16%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 540,989	\$ (540,989)	\$ -	\$ 3,864,207	14.00%
2024	551,713	(551,713)	-	3,940,807	14.00%
2023	489,495	(489,495)	-	3,496,393	14.00%
2022	499,253	(499,253)	-	3,566,093	14.00%
2021	462,960	(462,960)	-	3,306,857	14.00%
2020	442,392	(442,392)	-	3,159,943	14.00%
2019	407,962	(407,962)	-	3,021,941	13.50%
2018	387,319	(387,319)	-	2,869,030	13.50%
2017	387,768	(387,768)	-	2,769,771	14.00%
2016	402,648	(402,648)	-	2,876,057	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY AND
DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.077417340%	\$ 14,896,347	\$ 11,011,743	135.28%	82.55%
2024	0.073172680%	15,757,690	10,006,543	157.47%	80.02%
2023	0.073333380%	16,302,103	9,517,636	171.28%	78.88%
2022	0.071802282%	9,180,567	8,767,114	104.72%	87.78%
2021	0.070051530%	16,949,978	9,214,886	183.94%	75.48%
2020	0.068752830%	15,204,275	7,995,029	190.17%	77.40%
2019	0.068591550%	15,081,742	7,959,429	189.48%	77.31%
2018	0.067363890%	16,002,436	7,448,571	214.84%	75.30%
2017	0.067367270%	22,549,856	7,101,543	317.53%	66.80%
2016	0.065125500%	17,998,783	7,047,821	255.38%	72.10%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 1,626,785	\$ (1,626,785)	\$ -	\$ 11,619,893	14.00%
2024	1,541,644	(1,541,644)	-	11,011,743	14.00%
2023	1,400,916	(1,400,916)	-	10,006,543	14.00%
2022	1,332,469	(1,332,469)	-	9,517,636	14.00%
2021	1,227,396	(1,227,396)	-	8,767,114	14.00%
2020	1,290,084	(1,290,084)	-	9,214,886	14.00%
2019	1,119,304	(1,119,304)	-	7,995,029	14.00%
2018	1,114,320	(1,114,320)	-	7,959,429	14.00%
2017	1,042,800	(1,042,800)	-	7,448,571	14.00%
2016	994,216	(994,216)	-	7,101,543	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY AND
DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST NINE AND TEN FISCAL YEARS

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.089253900%	\$ 909,047	\$ 3,940,807	23.07%	44.50%
2024	0.087450700%	1,440,702	3,496,393	41.21%	30.02%
2023	0.086368000%	1,212,616	3,566,093	34.00%	30.34%
2022	0.086955500%	1,645,704	3,306,857	49.77%	24.08%
2021	0.083300000%	1,810,382	3,159,943	57.29%	18.17%
2020	0.083602600%	2,102,430	3,021,943	69.57%	15.57%
2019	0.083288800%	2,310,656	2,869,029	80.54%	13.57%
2018	0.077095900%	2,069,051	2,769,771	74.70%	12.46%
2017	0.077095900%	2,197,518	2,876,057	76.41%	11.49%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 65,226	\$ (65,226)	\$ -	\$ 3,864,207	1.69%
2024	60,290	(60,290)	-	3,940,807	1.53%
2023	62,143	(62,143)	-	3,496,393	1.78%
2022	55,889	(55,889)	-	3,566,093	1.57%
2021	-	-	-	3,306,857	0.00%
2020	-	-	-	3,159,943	0.00%
2019	15,110	(15,110)	-	3,021,941	0.50%
2018	14,345	(14,345)	-	2,869,030	0.50%
2017	-	-	-	2,769,771	0.00%
2016	-	-	-	2,876,057	0.00%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/(ASSET) AND
DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST NINE AND TEN FISCAL YEARS

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability/(Asset)	District's Proportionate Share of the Net OPEB Liability/(Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2025	0.077417340%	\$ (1,468,459)	\$ 11,011,743	13.34%	158.01%
2024	0.073172680%	(1,423,108)	10,006,543	14.22%	168.52%
2023	0.073333380%	(1,898,844)	9,517,636	19.95%	230.73%
2022	0.071802282%	(1,513,891)	8,767,114	17.27%	174.73%
2021	0.070051530%	(1,231,154)	9,214,886	13.36%	182.10%
2020	0.068752830%	(1,138,712)	7,995,029	14.24%	174.74%
2019	0.068591550%	(1,102,196)	7,959,429	13.85%	176.00%
2018	0.067363890%	2,628,290	7,448,571	35.29%	47.10%
2017	0.067363890%	3,602,638	7,101,543	50.73%	37.30%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ -	\$ -	\$ -	\$ 11,619,893	0.00%
2024	-	-	-	11,011,743	0.00%
2023	-	-	-	10,006,543	0.00%
2022	-	-	-	9,517,636	0.00%
2021	-	-	-	8,767,114	0.00%
2020	-	-	-	9,214,886	0.00%
2019	-	-	-	7,995,029	0.00%
2018	-	-	-	7,959,429	0.00%
2017	-	-	-	7,448,571	0.00%
2016	-	-	-	7,101,543	0.00%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 - BUDGETARY PROCESS

While 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 and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) 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 GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis is as follows:

Net Change in Fund Balance

	<u>General fund</u>
Budget basis	\$ 2,909,440
Net adjustment for revenue accruals	924,320
Net adjustment for expenditure accruals	(504,364)
Net adjustment for other sources/uses	(11,790)
Funds budgeted elsewhere	13,174
Adjustments for encumbrances	<u>886,038</u>
GAAP Basis	<u>\$ 4,216,818</u>

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

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- For fiscal year 2023, SERS changed from a Cost of Living Adjustment (COLA) of 2.0% to 2.5%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50% - 18.20% to 3.25% - 13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2025.

Changes in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

Change in assumptions:

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50% - 5.00% to a range of 5.375% - 4.75% and Pre-Medicare were changed from a range of 7.50% - 5.00% to a range of 7.25% - 4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375% - 4.75% to a range of 5.25% - 4.75% and Pre-Medicare were changed from a range of 7.25% - 4.75% to a range of 7.00% - 4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50% - 18.20% to 3.25% - 13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.
- For fiscal year 2024, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.69% to 3.86%, (b) single equivalent interest rate when from 4.08% to 4.27% and (c) medical trend assumptions went from 7.00% to 4.40% to 6.75% to 4.40%.
- For fiscal year 2025, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.86% to 3.93%, (b) single equivalent interest rate when from 4.27% to 4.88% and (c) medical trend assumptions went from 6.75% to 4.40% to 7.00% to 4.40%.

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the non-Medicare subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2025.

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)," (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)" and (b) decrease in health care cost trend rates from 6.00% - 11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate; and prescription drug Medicare from (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to - 6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from - 6.69% initial - 4.00% ultimate down to - 16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 16.18% initial - 4.00% ultimate to - 68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to - 5.47% initial - 3.94% ultimate.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)

- For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from - 68.78% initial - 3.94% ultimate to - 10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to - 11.95% initial - 4.14% ultimate; and prescription drug Medicare from - 5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.
- For fiscal year 2025, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 4.14% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 10.94% initial - 4.14% ultimate to - 112.22% initial - 3.94% ultimate; prescription drug Pre-Medicare from - 11.95% initial - 4.14% ultimate to 8.00% initial - 3.94% ultimate; and prescription drug Medicare from 1.33% initial - 4.14% ultimate to - 15.14% initial - 3.94% ultimate.

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**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures	
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Education and Workforce</i>				
Child Nutrition Cluster				
Cash Assistance				
School Breakfast Program	10.553	N/A	69,720	
National School Lunch Program	10.555	N/A	387,263	
Non-Cash Assistance				
National School Lunch Program	10.555	N/A	58,592	
Fresh Fruit and Vegetable Program	10.582	N/A	31,885	
Total Child Nutrition Cluster			<u>547,460</u>	
Total U.S. Department of Agriculture			<u>547,460</u>	
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education and Workforce</i>				
Title I Grants to Local Educational Agencies	84.010	A	N/A	127,469
Special Education Cluster				
Special Education - Grants to States	84.027	A	N/A	417,531
Total Special Education Cluster				<u>417,531</u>
Supporting Effective Instruction State Grants	84.367	A	N/A	38,201
Student Support and Academic Enrichment Program	84.424	A	N/A	11,512
COVID-19 Education Stabilization Fund	84.425	U	N/A	349,099
Total U.S. Department of Education				<u>943,812</u>
Total Expenditures of Federal Awards				<u>\$1,491,272</u>

The accompanying notes are an integral part of this schedule.

**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER



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

Bloom-Carroll Local School District
Fairfield County
5240 Plum Road
Carroll, Ohio 43112

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, each major fund, and the aggregate remaining fund information of the Bloom-Carroll Local School District, Fairfield 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 February 9, 2026, wherein we noted that the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

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

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

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

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, CPA, CFE, CGFM
Chief Deputy Auditor

February 9, 2026

OHIO AUDITOR OF STATE KEITH FABER



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

Bloom-Carroll Local School District
Fairfield County
5240 Plum Road
Carroll, Ohio 43112

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the 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 the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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Ohio Auditor of State



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February 9, 2026

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**BLOOM-CARROLL LOCAL SCHOOL DISTRICT
FAIRFIELD 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 Programs' 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
(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?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

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OHIO AUDITOR OF STATE KEITH FABER



BLOOM-CARROLL LOCAL SCHOOL DISTRICT

FAIRFIELD 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 2/24/2026

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This report is a matter of public record and is available online at
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