

**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY**

**SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**



GUEYE & ASSOCIATES, CPA, INC.

2246 S. Hamilton Rd.
Suite 102
Columbus, OH 43232

Tel: 614-342-0297
Fax: 614-423-6615
www.gueyecpa.com



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

Board of Education
Caldwell Exempted Village School District
516 Fairground Street
Caldwell, OH 43724

We have reviewed the *Independent Auditor's Report* of the Caldwell Exempted Village School District, Noble County, prepared by Gueye & Associates, CPA, for the audit period July 1, 2024 through June 30, 2025. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Caldwell Exempted Village School District is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

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

June 11, 2026

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**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY**

JUNE 30, 2025

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NOBLE COUNTY**

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2246 S. Hamilton Rd
Suite 102
Columbus, Ohio 43232

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www.gueyecpa.com

INDEPENDENT AUDITOR'S REPORT

Caldwell Exempted Village School District
Noble County
516 Fairground Street
Caldwell, Ohio 43724

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 Caldwell Exempted Village School District, Noble County, Ohio (the District), as of and for the fiscal 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 Caldwell Exempted Village School District, Noble County, Ohio as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General fund, for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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, 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.

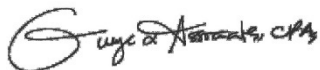
Supplementary Information

Our audit was conducted to opine on the financial statements as a whole 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 (are) presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied to the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this Schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 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.

A handwritten signature in dark ink, appearing to read "Guy D. Armstrong, CPA". The signature is stylized with a large, looped initial "G".

Columbus, Ohio
March 31, 2026

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

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

Financial Highlights

Key financial highlights for fiscal year 2025 are as follows:

- Net position of governmental activities increased \$1,167,117.
- Total capital assets increased from the prior fiscal year. The change was driven by significant additions to capital assets, primarily construction in progress and buildings and improvements related to the ongoing field house, football field, track, and building improvements outpacing current year amortization/depreciation.
- During the fiscal year, the School District received an \$8.3 million dollar grant from the Ohio Facilities Construction Commission (OFCC) that will fund the construction of a new multi-use health care facility for the community. This facility is in the design phase at the end of fiscal year 2025.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Caldwell Exempted Village School District as a financial whole, an entire operating entity. The statements then proceed to present a detailed outline of specific financial activities and conditions.

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

Government-Wide Financial Statements

Statement of Net Position and the Statement of Activities

While these documents contain information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during the 2025 fiscal year?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

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

In the Statement of Net Position and the Statement of Activities, all of the School District's programs and services are reported as Governmental Activities including instruction, support services, operation of non-instructional services, extracurricular activities, and interest.

Reporting the School District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Building Capital Projects Fund.

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

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The School District's only fund of this type is the Self-Insurance Internal Service Fund. However, the activity of this fund is combined with the Governmental Activities on the entity wide financial statements.

The School District as a Whole

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

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

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Table 1 - Net Position

	Governmental Activities		
	2025	Restated* 2024	Change
Assets			
Current and Other Assets	\$15,098,306	\$18,444,171	(\$3,345,865)
Capital Assets, Net	11,888,784	7,366,668	4,522,116
<i>Total Assets</i>	<u>26,987,090</u>	<u>25,810,839</u>	<u>1,176,251</u>
Deferred Outflows of Resources			
Pension	2,788,878	2,758,494	30,384
OPEB	469,518	493,378	(23,860)
<i>Total Deferred Outflows of Resources</i>	<u>3,258,396</u>	<u>3,251,872</u>	<u>6,524</u>
Liabilities			
Current and Other Liabilities	2,594,596	1,936,839	657,757
Long-term Liabilities:			
Due Within One Year	884,649	325,917	558,732
Due in More than One Year:			
Net Pension Liability	9,485,173	9,943,063	(457,890)
Net OPEB Liability	471,979	719,953	(247,974)
Other Amounts	5,650,435	4,140,828	1,509,607
<i>Total Liabilities</i>	<u>19,086,832</u>	<u>17,066,600</u>	<u>2,020,232</u>
Deferred Inflows of Resources			
Property Taxes	5,314,323	5,391,967	(77,644)
Pension	1,013,753	553,279	460,474
OPEB	1,177,481	1,154,198	23,283
<i>Total Deferred Inflows of Resources</i>	<u>7,505,557</u>	<u>7,099,444</u>	<u>406,113</u>
Net Position			
Net Investment in Capital Assets	8,841,535	6,682,466	2,159,069
Restricted	807,868	821,110	(13,242)
Unrestricted (Deficit)	(5,996,306)	(2,606,909)	(3,389,397)
<i>Total Net Position</i>	<u>\$3,653,097</u>	<u>\$4,896,667</u>	<u>(\$1,243,570)</u>

New Accounting Pronouncement/Restatements

Table 1 provides a summary of the School District's net position for fiscal year 2025 compared to 2024. For 2025, the School District implemented GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 100, *Accounting Changes and Error Corrections*, does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principles.

The implementation of GASB 101 resulted in recognizing additional long-term compensated absences liabilities of \$2,410,687 in governmental activities at July 1, 2024. These amounts also impacted beginning net position for the cumulative effect of additional compensated absences expense (See Note 3).

Net position at July 1, 2024 was restated by \$650,000 to \$4,896,667. Capital assets, net and net investment in capital assets were understated by \$650,000, as explained in Note 3. Under GASB 100, *Accounting Changes and Error Corrections*, these changes are considered a correction of an error, and the effects of this restatement has been reflected in the 2024 column.

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension and OPEB benefits, contribution rates, and return on investments affect the balance of the net pension and OPEB liability, 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 pension and OPEB payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension and OPEB liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

Each year, the above referenced changes impact the balance of the net pension/OPEB asset/liability and the related deferred inflows and outflows. During fiscal year 2025, the net pension liability for STRS increased and the net OPEB liability for SERS decreased. These changes primarily resulted from increased investment earnings. The increase in deferred inflows for pension primarily results from the difference between projected and actual earning on investments recognized in the current year. The other changes in deferred inflows/outflows for pension and OPEB were not significant.

Total assets increased, primarily due to an increase in capital assets related to construction in progress for Tribe Athletic Complex, HVAC upgrades, and the planning phase of the Health Center. These increases were offset by a decrease in cash and cash equivalents due to the School District utilizing a portion of financed purchase proceeds, as well as General Fund cash, to fund capital asset additions.

Following the impact of the implementation of GASB 101, total liabilities decreased in fiscal year 2025. The decrease was primarily due to reductions in net pension liability and net OPEB liability as result of increased investment earnings as addressed earlier. The decrease in long-term liabilities was offset by an increase in current and other liabilities for additional contracts payable.

The School District's deferred inflows of resources increased, primarily due to pension as previously discussed. This was offset by a decrease in property taxes related to fluctuations in the amounts available as advance.

Table 2 shows the changes in net position for fiscal year 2025 compared to fiscal year 2024:

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Table 2 - Changes in Net Position

	Governmental Activities	Restated*	
	2025	2024	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$386,671	\$554,188	(\$167,517)
Operating Grants, Contributions, and Interest	3,256,554	3,120,999	135,555
Capital Grants and Contributions	1,809,961	683,291	1,126,670
Total Program Revenues	<u>5,453,186</u>	<u>4,358,478</u>	<u>1,094,708</u>
General Revenues:			
Property Taxes	5,650,175	4,373,174	1,277,001
Payments in Lieu of Taxes	9,019	8,305	714
Grants and Entitlements	6,220,328	5,223,467	996,861
Oil and Gas Agreement Bonus	190,850	0	190,850
Investment Earnings/Interest	337,600	347,589	(9,989)
Gifts and Donations	35,929	32,145	3,784
Miscellaneous	17,734	55,770	(38,036)
Total General Revenues	<u>12,461,635</u>	<u>10,040,450</u>	<u>2,421,185</u>
Total Revenues	<u>17,914,821</u>	<u>14,398,928</u>	<u>3,515,893</u>
Program Expenses			
Instruction:			
Regular	5,764,564	4,978,702	785,862
Special	3,056,409	3,413,415	(357,006)
Vocational	560,221	799,728	(239,507)
Support Services:			
Pupils	1,119,432	1,102,660	16,772
Instructional Staff	712,071	583,822	128,249
Board of Education	95,482	77,025	18,457
Administration	1,223,792	1,495,857	(272,065)
Fiscal	470,052	442,010	28,042
Business	3,623	3,236	387
Operation and Maintenance of Plant	1,370,661	1,283,265	87,396
Pupil Transportation	914,350	927,215	(12,865)
Central	9,927	38,724	(28,797)
Operation of Non-Instructional Services:			
Food Service Operations	630,517	568,735	61,782
Community Service	122,959	51,359	71,600
Extracurricular Activities	536,027	490,008	46,019
Interest	157,617	32,096	125,521
Total Expenses	<u>16,747,704</u>	<u>16,287,857</u>	<u>459,847</u>
Change in Net Position	1,167,117	(1,888,929)	3,056,046
<i>Net Position at Beginning of Year -</i>			
<i>as Restated for Correction</i>	4,896,667	6,785,596	(1,888,929)
<i>Change in Accounting Principles - See Note 3</i>	(2,410,687)	0	(2,410,687)
<i>Restated Net Position Beginning of Year</i>	<u>2,485,980</u>	<u>6,785,596</u>	<u>(4,299,616)</u>
<i>Net Position End of Year</i>	<u>\$3,653,097</u>	<u>\$4,896,667</u>	<u>(\$1,243,570)</u>

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

New Accounting Pronouncement/Restatements

Table 2 provides a summary of the School District's change in net position for fiscal year 2025 compared to 2024. The table also separately reflects the restatement for changes in accounting principles related to the implementation of GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 100, *Accounting Changes and Error Corrections* does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The 2024 information does not reflect activity related to the additional compensated absences expenses required under GASB 101, *Compensated Absences*. (See also explanation of new accounting pronouncements provided related to Net Position - Table 1 and explanation provided in Note 3.)

Net position beginning of year governmental activities was restated by \$650,000 to \$4,896,667 at July 1, 2024. Capital grants and contributions were understated by \$650,000, as explained in Note 3. Under GASB 100, *Accounting Changes and Error Corrections*, this change is considered a correction of an error and the restatement has been reflected in the 2024 column.

During fiscal year 2025, the School District reported an increase in program revenues mainly due to an increase in capital grants and contributions funding specifically related to capital grants from the OFCC for the multi-use health care facility, and donations from local businesses for work completed on the Tribe Athletic Complex. The increase was offset by a decrease in charges for services program revenue due to the free lunch program offered to all students in fiscal year 2025.

Total general revenues increased from 2024 driven by increases in property tax revenue. Property tax payments collected by the County by June 30th are available to finance current fiscal year operations. The impact of the recognition of this revenue for fiscal year 2023 reduced property taxes in fiscal year 2024 and contributed to the increase in fiscal year 2025. There was also an increase in grants and entitlements related to additional state aid through the foundation program. State support increases were driven by increase in base cost, targeted assistance, and economically disadvantaged support.

Overall fiscal year 2025 program expenses were impacted by School District increased spending on instructional and support services programs, related to increases in student enrollment, as well as increases in salaries and benefits.

The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted State entitlements.

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Table 3 - Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2025	2025	2024	2024
Program Expenses				
Instruction:				
Regular	\$5,764,564	\$5,329,007	\$4,978,702	\$4,629,535
Special	3,056,409	1,930,290	3,413,415	2,268,726
Vocational	560,221	82,039	799,728	335,695
Support Services:				
Pupils	1,119,432	1,093,509	1,102,660	1,082,330
Instructional Staff	712,071	528,493	583,822	503,257
Board of Education	95,482	95,482	77,025	77,025
Administration	1,223,792	1,223,792	1,495,857	1,485,010
Fiscal	470,052	470,052	442,010	442,010
Business	3,623	3,623	3,236	3,236
Operation and Maintenance of Plant	1,370,661	1,204,445	1,283,265	1,081,409
Pupil Transportation	914,350	150,504	927,215	214,973
Central	9,927	9,927	38,724	38,724
Operation of Non-Instructional Services:				
Food Service Operations	630,517	252,005	568,735	62,536
Community Service	122,959	(490,853)	51,359	2,778
Extracurricular Activities	536,027	(745,414)	490,008	(329,961)
Interest	157,617	157,617	32,096	32,096
Total	<u>\$16,747,704</u>	<u>\$11,294,518</u>	<u>\$16,287,857</u>	<u>\$11,929,379</u>

Table 3 reflects how the School District funds its programs through program revenues. The dependence upon tax revenues and State subsidies for governmental activities is apparent.

The School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting.

The General Fund's balance decreased in fiscal year 2025. Total expenditures increased overall but mainly related to increases in capital outlay expenditures as several large projects are ongoing through fiscal year 2025. This was offset by increases in intergovernmental and gifts and donations revenue. The increase in intergovernmental revenue was due to an increase in state aid through the foundation program for base cost, targeted assistance, and economically disadvantaged support. The increase in gifts and donation revenue was related to the donations and in-kind contributions for the construction of the Tribe Athletic Complex.

The Building Capital Projects Fund's balance decreased, mainly related to expenditures for the Tribe Athletic Complex, and HVAC upgrades.

Total fund balances decreased, primarily due to the changes in fund balances of the major funds, as addressed above.

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

General Fund Budgeting Highlights

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

During the course of fiscal year 2025, the School District amended its General Fund budget. The School District closely monitors its resources and uses and, if necessary, modifies the budgetary documents on a timely basis. The School District continues to work to improve its General Fund budgeting process and the changes reflect the efforts to amend budgets as needs change. Overall, all final appropriation amounts decreased compared to original. This was a result of School District further developing its budget estimates as the fiscal year progressed. The variance between original and final estimated revenue was due to increases in all estimated revenue amounts except property tax revenue as the School District was able to more accurately estimate the revenues for the fiscal year. The increase in estimated donation revenue was related to updated estimates for donations related to the construction of the Tribe Athletic Complex.

Actual revenues and expenditures were less than their final budgeted totals. The School District continues to be conservative in its spending.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the School District had \$11,888,784 in capital assets. See Note 10 for more detailed information of the School District's capital assets. Table 4 shows fiscal year 2025 balances compared to fiscal year 2024.

**Table 4 - Capital Assets
(Net of Depreciation)**

	Government Activities	
	2025	Restated* 2024
Land	\$810,183	\$810,183
Construction in Progress	5,730,048	1,092,780
Buildings and Improvements	4,893,148	4,683,776
Vehicles	307,725	416,825
Machinery, Equipment, Furniture, and Fixtures	90,640	363,104
Intangible Right to Use Equipment	57,040	0
Totals	\$11,888,784	\$7,366,668

Caldwell Exempted Village School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
Unaudited

Debt

During fiscal year 2025, the School District had the following outstanding long-term debt obligations:

Table 5 - Outstanding Debt

	Governmental Activities	
	2025	2024
Energy Conservation Bonds	\$421,757	\$462,842
Energy Conservation Note	125,678	149,905
Financed Purchase	3,144,000	3,363,000
Lease Payable	63,797	0
Totals	<u>\$3,755,232</u>	<u>\$3,975,747</u>

See Note 15 for more information on the School District's debt.

Economic Factors

The Board of Education and Administration closely monitor the School District's revenues and expenses in accordance with its financial forecast and work to prudently utilize, efficiently and effectively, the tax dollars and other resources available.

The School District still faces many challenges in today's environment. The School District anticipates an increase in State Revenue and property tax revenues throughout the most recent five-year forecast. Although revenues are projected to increase, the School District's most recent Board of Education approved five-year forecast reflects deficit spending as expenditures are still projected to outpace revenues.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Taylor Clark, Treasurer at Caldwell Exempted Village School District, 516 Fairground St., Caldwell, Ohio 43724.

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Caldwell Exempted Village School District, Ohio
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$6,024,794
Cash and Cash Equivalents with Fiscal Agents	1,757,844
Accounts Receivable	156,130
Intergovernmental Receivable	522,398
Prepaid Items	60,681
Inventory Held for Resale	5,883
Property Taxes Receivable	5,864,073
Net OPEB Asset	706,503
Nondepreciable Capital Assets	6,540,231
Depreciable Capital Assets, Net	5,348,553
<i>Total Assets</i>	<u>26,987,090</u>
Deferred Outflows of Resources	
Pension	2,788,878
OPEB	469,518
<i>Total Deferred Outflows of Resources</i>	<u>3,258,396</u>
Liabilities	
Accounts Payable	75,803
Accrued Wages and Benefits Payable	1,083,541
Contracts Payable	506,979
Intergovernmental Payable	512,774
Accrued Interest Payable	20,170
Matured Compensated Absences Payable	17,715
Claims Payable	377,614
Long-Term Liabilities:	
Due Within One Year	884,649
Due In More Than One Year:	
Net Pension Liability	9,485,173
Net OPEB Liability	471,979
Other Amounts	5,650,435
<i>Total Liabilities</i>	<u>19,086,832</u>
Deferred Inflows of Resources	
Property Taxes	5,314,323
Pension	1,013,753
OPEB	1,177,481
<i>Total Deferred Inflows of Resources</i>	<u>7,505,557</u>
Net Position	
Net Investment in Capital Assets	8,841,535
Restricted for:	
Capital Projects	30,862
Student Activities	52,494
State Programs	3,404
Federal Programs	97
Classroom Facilities	2,965
OPEB Plan	706,503
Unclaimed Monies	4,843
Other Grants	6,700
Unrestricted (Deficit)	(5,996,306)
<i>Total Net Position</i>	<u><u>\$3,653,097</u></u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2025

			Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$5,764,564	\$155,272	\$280,285	\$0	(5,329,007)
Special	3,056,409	0	1,126,119	0	(1,930,290)
Vocational	560,221	0	441,494	36,688	(82,039)
Support Services:					
Pupils	1,119,432	14,473	11,450	0	(1,093,509)
Instructional Staff	712,071	0	183,578	0	(528,493)
Board of Education	95,482	0	0	0	(95,482)
Administration	1,223,792	0	0	0	(1,223,792)
Fiscal	470,052	0	0	0	(470,052)
Business	3,623	0	0	0	(3,623)
Operation and Maintenance of Plant	1,370,661	0	19,463	146,753	(1,204,445)
Pupil Transportation	914,350	2,017	761,829	0	(150,504)
Central	9,927	0	0	0	(9,927)
Operation of Non-Instructional Services:					
Food Service Operations	630,517	37,000	341,512	0	(252,005)
Community Services	122,959	40,925	20,342	552,545	490,853
Extracurricular Activities	536,027	136,984	70,482	1,073,975	745,414
Interest	157,617	0	0	0	(157,617)
<i>Total Governmental Activities</i>	<u>\$16,747,704</u>	<u>\$386,671</u>	<u>\$3,256,554</u>	<u>\$1,809,961</u>	<u>(11,294,518)</u>
General Revenues					
Property Taxes Levied for General Purposes					5,650,175
Payments in Lieu of Taxes for General Purposes					9,019
Grants and Entitlements not Restricted to Specific Programs					6,220,328
Oil and Gas Agreement Bonus					190,850
Investment Earnings/Interest					337,600
Gifts and Donations not Restricted to Specific Programs					35,929
Miscellaneous					17,734
<i>Total General Revenues</i>					<u>12,461,635</u>
<i>Change in Net Position</i>					1,167,117
<i>Net Position at Beginning of Year as Previously Reported</i>					4,246,667
<i>Restatement - (See Note 3)</i>					(1,760,687)
<i>Restated Net Position at Beginning of Year</i>					<u>2,485,980</u>
<i>Net Position End of Year</i>					<u><u>\$3,653,097</u></u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio

*Balance Sheet
Governmental Funds
June 30, 2025*

	General	Building	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,737,502	\$1,214,962	\$67,487	\$6,019,951
Accounts Receivable	152,457	0	3,673	156,130
Interfund Receivable	368,799	0	0	368,799
Intergovernmental Receivable	59,357	0	463,041	522,398
Prepaid Items	59,706	0	975	60,681
Inventory Held for Resale	0	0	5,883	5,883
Property Taxes Receivable	5,864,073	0	0	5,864,073
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	4,843	0	0	4,843
<i>Total Assets</i>	<u>\$11,246,737</u>	<u>\$1,214,962</u>	<u>\$541,059</u>	<u>\$13,002,758</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances Liabilities				
Accounts Payable	\$58,252	\$0	\$17,551	75,803
Accrued Wages and Benefits Payable	1,001,817	0	81,724	1,083,541
Contracts Payable	251,371	224,746	30,862	506,979
Interfund Payable	0	0	368,799	368,799
Intergovernmental Payable	489,616	0	23,158	512,774
Matured Compensated Absences Payable	17,715	0	0	17,715
<i>Total Liabilities</i>	<u>1,818,771</u>	<u>224,746</u>	<u>522,094</u>	<u>2,565,611</u>
Deferred Inflows of Resources				
Property Taxes	5,314,323	0	0	5,314,323
Unavailable Revenue	157,067	0	25,060	182,127
<i>Total Deferred Inflows of Resources</i>	<u>5,471,390</u>	<u>0</u>	<u>25,060</u>	<u>5,496,450</u>
Fund Balances (Deficits)				
Nonspendable	64,549	0	975	65,524
Restricted	0	990,216	65,177	1,055,393
Committed	395,353	0	0	395,353
Assigned	1,807,050	0	0	1,807,050
Unassigned (Deficit)	1,689,624	0	(72,247)	1,617,377
<i>Total Fund Balances</i>	<u>3,956,576</u>	<u>990,216</u>	<u>(6,095)</u>	<u>4,940,697</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$11,246,737</u>	<u>\$1,214,962</u>	<u>\$541,059</u>	<u>\$13,002,758</u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2025*

Total Governmental Fund Balances		\$4,940,697
<i>Amounts reported for governmental activities in 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.		11,888,784
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes	143,657	
Intergovernmental Revenues	36,084	
Tuition and Fees	533	
Charges for Services and Sales	893	
Miscellaneous Revenues	<u>960</u>	182,127
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal fund are included in governmental activities in the statement of net position.		1,380,230
Accrued Interest Payable is recognized for outstanding long-term liabilities with interest accrual that are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.		(20,170)
The net pension liability, net OPEB asset, and net OPEB liability is not due and payable in the current period; therefore, the asset, the liabilities, and related deferred inflows/outflows are not reported in the funds:		
Net OPEB Asset	706,503	
Deferred Outflows - Pension	2,788,878	
Deferred Outflows - OPEB	469,518	
Net Pension Liability	(9,485,173)	
Net OPEB Liability	(471,979)	
Deferred Inflows - Pension	(1,013,753)	
Deferred Inflows - OPEB	<u>(1,177,481)</u>	(8,183,487)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Energy Conservation Bonds Payable	(421,757)	
Energy Conservation Note Payable	(125,678)	
Financed Purchase	(3,144,000)	
Leases Payable	(63,797)	
Compensated Absences Payable	<u>(2,779,852)</u>	(6,535,084)
Net Position of Governmental Activities		<u><u>\$3,653,097</u></u>

See accompanying notes to the basic financial statements

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

	General	Building	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$5,651,169	\$0	\$0	\$5,651,169
Intergovernmental	8,053,254	0	2,076,388	10,129,642
Investment Earnings/Interest	271,477	0	0	271,477
Tuition and Fees	193,138	0	0	193,138
Extracurricular Activities	16,333	0	136,984	153,317
Charges for Services and Sales	157	0	41,867	42,024
Gifts and Donations	1,039,971	0	82,033	1,122,004
Payments in Lieu of Taxes	9,019	0	0	9,019
Oil and Gas Agreement Bonus	190,850	0	0	190,850
Miscellaneous	13,011	0	3,763	16,774
<i>Total Revenues</i>	<u>15,438,379</u>	<u>0</u>	<u>2,341,035</u>	<u>17,779,414</u>
Expenditures				
Current:				
Instruction:				
Regular	4,843,053	0	297,242	5,140,295
Special	2,334,853	0	626,146	2,960,999
Vocational	603,212	0	4,958	608,170
Support Services:				
Pupils	1,068,842	0	3,673	1,072,515
Instructional Staff	581,709	0	56,973	638,682
Board of Education	95,592	0	0	95,592
Administration	1,370,414	0	0	1,370,414
Fiscal	451,532	0	0	451,532
Business	3,623	0	0	3,623
Operation and Maintenance of Plant	1,315,751	1,232	31,336	1,348,319
Pupil Transportation	752,161	0	0	752,161
Central	10,925	0	0	10,925
Operation of Non-Instructional Services:				
Food Service Operations	0	0	603,866	603,866
Community Services	34,980	0	26,244	61,224
Extracurricular Activities	284,207	0	270,662	554,869
Capital Outlay	1,753,273	2,310,329	733,766	4,797,368
Debt Service:				
Principal Retirement	296,569	0	0	296,569
Interest	162,691	0	0	162,691
<i>Total Expenditures</i>	<u>15,963,387</u>	<u>2,311,561</u>	<u>2,654,866</u>	<u>20,929,814</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(525,008)</u>	<u>(2,311,561)</u>	<u>(313,831)</u>	<u>(3,150,400)</u>
Other Financing Sources (Use)				
Inception of Lease	76,054	0	0	76,054
Transfers In	0	0	258,559	258,559
Transfers Out	(258,559)	0	0	(258,559)
<i>Total Other Financing Sources (Use)</i>	<u>(182,505)</u>	<u>0</u>	<u>258,559</u>	<u>76,054</u>
<i>Net Change in Fund Balances</i>	<u>(707,513)</u>	<u>(2,311,561)</u>	<u>(55,272)</u>	<u>(3,074,346)</u>
<i>Fund Balances Beginning of Year</i>	<u>4,664,089</u>	<u>3,301,777</u>	<u>49,177</u>	<u>8,015,043</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$3,956,576</u></u>	<u><u>\$990,216</u></u>	<u><u>(\$6,095)</u></u>	<u><u>\$4,940,697</u></u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, 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	(\$3,074,346)
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*Amounts reported for governmental activities in the statement of activities
are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period:

Capital Outlay	4,979,477	
Current Year Depreciation/Amortization	<u>(400,890)</u>	4,578,587

Capital contributions of assets that are not reported in the funds, but are additions to capital assets on the entity-wide statements	80,243
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Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(136,714)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent Property Taxes	(994)	
Intergovernmental Revenues	(9,117)	
Tuition and Fees	(37,866)	
Charges for Services and Sales	893	
Miscellaneous Revenues	<u>(4,800)</u>	(51,884)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	296,569
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In the Statement of Activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due.	5,074
--	-------

Inception of a lease increases long-term liabilities on the statement of activities.	(76,054)
--	----------

Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:

Pension	1,030,594	
OPEB	<u>33,822</u>	1,064,416

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities:

Pension	(1,002,794)	
OPEB	<u>187,181</u>	(815,613)

Expenses resulting from compensated absences in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	121,833
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The 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.
The net change of the internal service fund is reported with governmental activities.

(824,994)

<i>Change in Net Position of Governmental Activities</i>	<u><u>\$1,167,117</u></u>
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See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$5,742,711	\$5,595,820	\$5,595,820	\$0
Intergovernmental	7,213,496	7,786,696	7,837,091	50,395
Interest	250,000	268,352	271,465	3,113
Tuition and Fees	130,000	181,102	185,578	4,476
Gifts and Donations	0	1,025,000	878,164	(146,836)
Payments in Lieu of Taxes	5,000	5,940	9,019	3,079
Oil and Gas Agreement Bonus	0	190,850	190,850	0
Miscellaneous	45,650	58,804	7,445	(51,359)
<i>Total Revenues</i>	<u>13,386,857</u>	<u>15,112,564</u>	<u>14,975,432</u>	<u>(137,132)</u>
Expenditures				
Current:				
Instruction:				
Regular	4,974,849	4,710,260	4,788,455	(78,195)
Special	2,415,526	2,328,173	2,310,269	17,904
Vocational	639,997	628,758	612,109	16,649
Support Services:				
Pupils	1,084,221	1,042,388	1,036,976	5,412
Instructional Staff	632,375	627,399	613,465	13,934
Board of Education	106,417	98,389	101,780	(3,391)
Administration	1,400,718	1,336,342	1,340,304	(3,962)
Fiscal	468,132	449,807	451,733	(1,926)
Business	3,788	3,623	3,623	0
Operation and Maintenance of Plant	1,269,035	1,269,007	1,218,728	50,279
Pupil Transportation	775,635	767,332	742,574	24,758
Central	15,657	13,794	14,975	(1,181)
Operation of Non-Instructional Services	36,744	35,147	35,143	4
Extracurricular Activities	291,954	307,607	279,232	28,375
Capital Outlay	1,578,727	1,703,814	1,960,897	(257,083)
Debt Service:				
Principal	285,039	284,297	284,312	(15)
Interest	161,021	161,763	161,748	15
<i>Total Expenditures</i>	<u>16,139,835</u>	<u>15,767,900</u>	<u>15,956,323</u>	<u>(188,423)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,752,978)</u>	<u>(655,336)</u>	<u>(980,891)</u>	<u>(325,555)</u>
Other Financing Source (Use)				
Refund of Prior Year Expenditures	30,000	216,415	216,609	194
Transfers Out	(258,559)	(266,244)	(258,559)	7,685
<i>Total Other Financing Source (Use)</i>	<u>(228,559)</u>	<u>(49,829)</u>	<u>(41,950)</u>	<u>7,879</u>
<i>Net Change in Fund Balance</i>	<u>(2,981,537)</u>	<u>(705,165)</u>	<u>(1,022,841)</u>	<u>(317,676)</u>
<i>Fund Balance Beginning of Year</i>	<u>5,446,208</u>	<u>5,446,208</u>	<u>5,446,208</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>196,523</u>	<u>196,523</u>	<u>196,523</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$2,661,194</u>	<u>\$4,937,566</u>	<u>\$4,619,890</u>	<u>(\$317,676)</u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio
Statement of Fund Net Position
Proprietary Fund
June 30, 2025

	Governmental Activities - <u>Internal Service</u>
Current Assets	
Cash and Cash Equivalents with Fiscal Agents	\$1,757,844
Current Liabilities	
Claims Payable	<u>377,614</u>
Net Position	
Unrestricted	<u><u>\$1,380,230</u></u>
See accompanying notes to the basic financial statements	

Caldwell Exempted Village School District, Ohio

*Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Fund*

For the Fiscal Year Ended June 30, 2025

	<u>Governmental Activities - Internal Service</u>
Operating Revenues	
Charges for Services	\$3,485,633
Miscellaneous	<u>472,603</u>
<i>Total Operating Revenues</i>	<u>3,958,236</u>
Operating Expenses	
Purchased Services	835,446
Claims	<u>4,013,907</u>
<i>Total Operating Expenses</i>	<u>4,849,353</u>
<i>Operating Loss</i>	(891,117)
Non-Operating Revenue	
Investment Earnings/Interest	<u>66,123</u>
<i>Change in Net Position</i>	(824,994)
<i>Net Position Beginning of Year</i>	<u>2,205,224</u>
<i>Net Position End of Year</i>	<u><u>\$1,380,230</u></u>

See accompanying notes to the basic financial statements

Caldwell Exempted Village School District, Ohio

Statement of Cash Flows

Proprietary Fund

For the Fiscal Year Ended June 30, 2025

	<u>Governmental Activities - Internal Service</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Transactions with Other Funds	\$3,485,633
Miscellaneous Revenues	472,603
Cash Payments for Goods and Services	(835,446)
Cash Payments for Claims	<u>(3,974,693)</u>
<i>Net Cash Used for Operating Activities</i>	(851,903)
Cash Flows from Investing Activities	
Interest on Investments	<u>66,123</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(785,780)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,543,624</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$1,757,844</u></u>
Reconciliation of Operating Loss to Net Cash	
Used for Operating Activities	
<i>Operating Loss</i>	(\$891,117)
Increase in Claims Payable	<u>39,214</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>(\$851,903)</u></u>
See accompanying notes to the basic financial statements	

Caldwell Exempted Village School District, Ohio

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

Note 1 - Description of the School District and Reporting Entity

Caldwell Exempted Village School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The School District operates under a locally elected five-member Board form of government and provides educational services as authorized by its charter and further mandated by State and federal agencies.

The School District is located in Caldwell, Ohio, in Noble County, and also consists of Aurelius Township in Washington County. The Board of Education controls the School District's three instructional/support facilities staffed by 58 classified employees and 75 certified full-time teaching personnel who provide services to 745 students and other community members.

Reporting Entity

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

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments, the Coalition of Rural and Appalachian Schools, and the Mid-East Career and Technology Centers, which are defined as jointly governed organizations; the Ohio School Plan, which is defined as a group insurance purchasing pool; the South Central Ohio Insurance Consortium, and the Ohio School Boards Association Workers' Compensation Group Rating Plan, which are defined as insurance purchasing pools; and is associated with the Caldwell Public Library, which is defined as a Related Organization. Additional information concerning these organizations is presented in Notes 18 and 19.

Note 2 - Summary of Significant Accounting Policies

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

Caldwell Exempted Village School District, Ohio

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements usually distinguish between those activities that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District, however, has no business-type activities.

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

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

Fund Accounting

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

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

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

Caldwell Exempted Village School District, Ohio

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

Building Fund The Building Fund accounts for funds associated with debt proceeds. The Building Fund balance is available to the School District for any building improvements, provided it is expended according to the general laws of Ohio.

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

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The School District's only proprietary fund type is an Internal Service Fund.

Health Self-Insurance Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for the operations of the School District's self-insurance program for employee medical/surgical, vision, prescription drug, and dental insurance claims. In addition, this fund accounts for insurance activity from outside participation related to the Caldwell Public Library.

Measurement Focus

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

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

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

For the proprietary fund, the Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activity.

Caldwell Exempted Village School District, Ohio

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

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 statements presented for the proprietary fund is prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, revenue in lieu of taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes and revenue in lieu of taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, investment earnings/interest, tuition, grants, fees, and miscellaneous.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources 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. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, 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 on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental fund's balance sheet and represents receivables that will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental, tuition and fees, charges for services and sales, and miscellaneous revenue. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to

Caldwell Exempted Village School District, Ohio

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

Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13).

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

The purpose of 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, are not recognized in governmental funds.

Cash and Investments

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

The School District participates in the South Central Ohio Insurance Consortium for self-insurance. These monies are held separate from the School District's central bank account and are reflected in the financial statements as "cash and cash equivalents with fiscal agents".

During fiscal year 2025, the School District's investments were limited to 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 School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Under existing Ohio statutes all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Investment earnings/interest credited to the General Fund during 2025 amounted to \$271,477, which includes \$106,053 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an original maturity of greater than three months and not purchased from the cash management pool are presented on the financial statements as cash and cash equivalents and investments in segregated accounts. The School District reports the change in fair value of investments. The calculation of realized gains/losses is independent of the calculation of the change in fair value of investments. The realized gains/losses of the current period include unrealized amounts from prior periods.

Caldwell Exempted Village School District, Ohio

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

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 the services are consumed.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expended when used. Inventory consists of expendable supplies held for consumption and purchased and donated food held for resale.

Capital Assets

All capital assets (except for intangible right-to-use lease assets, which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e. estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level index to deflate the cost to the acquisition year or estimated acquisition year). The School District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	5-50 years
Vehicles	10 years
Machinery, Equipment, Furniture, and Fixtures	5-20 years

The School District is reporting intangible right to use assets related to lease assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. These intangible rights to use assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans and unpaid amounts for interfund services are classified as "interfund receivables/payables". These amounts are eliminated on the Statement of Net Position.

Compensated Absences

For the School District, compensated absences includes leave for which employees may receive cash payments when the leave is used for time off or receive cash payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. The School District does not offer noncash settlements. The School District uses a first-in first-out flow assumption for compensated absences.

Caldwell Exempted Village School District, Ohio

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

Liabilities should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates and is allowed to be carried over to subsequent years, and the leave is more likely than not to be used for time off or otherwise paid in cash. For the School District, this leave includes sick and vacation time. However, the School District also has certain compensated absences that are dependent upon the occurrence of sporadic events that affect a relatively small proportion of employees. A liability for these types of leave is recognized when the leave commences. For the School District, this type of leave includes bereavement leave, military leave, on-the-job injury leave, and court leave. Holiday leave taken on a specific date, not at the discretion of the employee, is recognized as a liability when used. The liability for compensated absences includes salary-related payments, where applicable.

Liabilities for compensated absences are recognized in financial statements prepared using the economic resources measurement focus for leave that has not been used and leave that has been used but not yet paid or settled.

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated unpaid leave are paid.

Leases

The School District serves as lessee and lessor in various noncancellable leases which are accounted for as follows:

Lessee At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Pensions/Other Postemployment Benefits (OPEB)

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

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the proprietary fund are reported on the proprietary fund 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 compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the

Caldwell Exempted Village School District, Ohio

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

current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds, financed purchases, and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Internal Activity

Transfers within governmental activities are eliminated on the government-wide statements. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments of interfund services provided and used are not eliminated.

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

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the General Fund represent unclaimed monies legally required to be maintained until the end of a five-year holding period.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes prepaid items for all governmental fund types. Nonspendable fund balance in the general fund includes unclaimed monies legally required to be maintained until the end of a five-year holding period offset by any estimated liability for payments to claimants.

Restricted The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or it is imposed by law through constitutional provisions. Under Ohio law, amounts paid into any fund, including transfers, shall have the same constraints placed on the use of funds as those externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

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

Caldwell Exempted Village School District, Ohio

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District's Board of Education. In the General Fund, assigned amounts represent intended uses established by policies of the School District's Board of Education or a School District official delegated that authority by resolution or by State Statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The School District's Board of Education assigned fund balance to cover a gap between estimated revenue and appropriations in fiscal year 2026's budget. The Board of Educational has also assigned fund balance for school support services.

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

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

Net Position

Net Position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, 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 its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted net position for unclaimed monies represents amounts required to be maintained until the end of a five-year holding period, offset by any estimated liability for payments to claimants. Restricted Net Position for the OPEB plan represents the corresponding restricted asset amounts held in trust by the OPEB plan for future benefits.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

Capital Contribution

Contribution of capital arise from outside contribution of capital assets, tap-in fees to extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Estimates

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

Caldwell Exempted Village School District, Ohio

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

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the School District may appropriate.

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 for all funds except the General Fund where the legal level of control is at the fund, function, and object level. The Treasurer maintains budgetary information at the fund, function, and object level and has the authority to allocate appropriations to the function and object level for all funds.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement are based on estimates made before the end of the prior fiscal year. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate in effect when final appropriations for the fiscal year were passed.

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

Note 3 – Changes in Accounting Principle and Restatement of Net Position

Change in Accounting Principles

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

GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs such an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. For the School District, GASB Statement No. 101 increased the compensated absences liability, and the cumulative effects of compensated absences related expense decreased beginning net position as shown on the following table.

GASB 102 will provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. GASB 102 requirements apply only to note disclosure and do not have any effect on beginning net position/fund balance. The School District evaluated its concentrations and constraints but did not have any events that required disclosure.

Caldwell Exempted Village School District, Ohio

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

Correction of Errors

During fiscal year 2024, the School District began a construction project, for which the value of donated assets was not included. As a result of this error, non-depreciable capital assets, net investment in capital assets net position, and capital grants and contributions program revenue were understated by \$650,000. The impact of the restatement for this error correction is presented on the following table.

Restatement of Net Position

During fiscal year 2025, the implementation of GASB 101, and error corrections under GASB 100 resulted in restatements of beginning net position, as follows:

	6/30/2024 As Previously Reported	Changes in Accounting Principles GASB 101	Error Corrections Capital Assets	6/30/2024 As Restated
Government Wide Governmental Activities	\$4,246,667	(\$2,410,687)	\$650,000	\$2,485,980

Note 4 - Fund Deficits

As of June 30, 2025, the following funds had a deficit fund balances:

Special Revenue Funds:	
Cafeteria	\$39,356
IDEA Part B	23,272
Athletic and Music	8,232
Title IV	874
Miscellaneous Federal Grants	21

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget 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 GAAP (modified accrual) basis are as follows:

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

Caldwell Exempted Village School District, Ohio

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

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget) rather than assigned fund balance (GAAP).
4. Unrecorded interest is reported on the balance sheet (GAAP basis), but not on the budgetary basis.
5. Prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
6. Budgetary revenues and expenditures of the Public School Support Fund are reclassified to the General Fund for GAAP reporting.

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

Net Change in Fund Balance

GAAP Basis	(\$707,513)
Net Adjustment for Revenue Accruals	(217,231)
Unreported Interest:	
Beginning of Fiscal Year	26
End of Fiscal Year	(38)
Prepaid Items:	
Beginning of Fiscal Year	51,625
End of Fiscal Year	(59,706)
Net Adjustment for Expenditure Accruals	377,986
To Reclassify Excess of Revenues Over	
Expenditures into Financial Statement Fund Types	2,355
Encumbrances	(470,345)
Budget Basis	<u><u>(\$1,022,841)</u></u>

Note 6 - Deposits and Investments

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

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

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

Caldwell Exempted Village School District, Ohio

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

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

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

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and,
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Caldwell Exempted Village School District, Ohio

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

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

At June 30, 2025, the School District's internal service fund had a cash balance of \$1,757,844 with South Central Ohio Insurance Consortium, a claims servicing pool (See Note 18). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the School District. Disclosures for the South Central Ohio Insurance Consortium as a whole may be obtained from the consortium's fiscal agent.

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

	Measurement Amount	Maturity	Standard & Poor's Rating
Net Asset Value Per Share STAR Ohio	\$4,278,191	Average 30.4 days	AAAm

Interest Rate Risk: The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sell negotiable instruments prior to maturity in accord with the law. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: STAR Ohio carries a rating of AAAm by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization. The School District has no investment policy that would further limit its investment choices.

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2025 represents collections of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed value listed as of January 1, 2024, the lien date. Assessed values for real property taxes are established by State statute 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 2025 represents collections of calendar year 2024 taxes. Public utility real property taxes received in calendar year 2025 became a lien December 31, 2023, were levied after April 1, 2024, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Caldwell Exempted Village School District, Ohio

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

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

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

The amount available as an advance at June 30, 2025, was \$385,387 in the General Fund. At June 30, 2024, \$350,744 was available as an advance in the General Fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

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

	2024 Second Half Collections		2025 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$117,740,280	59.36%	\$119,155,360	60.43%
Commerical/Industrial and Public Utility Real	21,213,340	10.69%	20,880,440	10.59%
Public Utility Personal	59,409,290	29.95%	57,133,050	28.98%
	<u>\$198,362,910</u>	<u>100.00%</u>	<u>\$197,168,850</u>	<u>100.00%</u>
Tax Rate per \$1,000 of assessed valuation		\$39.50	\$39.50	

Note 8 - Receivables

Receivables at June 30, 2025, consisted primarily of property taxes, accounts (rent, student fees, and tuition), interfund, and intergovernmental receivables arising from entitlements and shared revenues. 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. All receivables, except property taxes, are expected to be received within one fiscal year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one fiscal year. The delinquent property taxes amounted to \$143,657 as of June 30, 2025.

Caldwell Exempted Village School District, Ohio

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

A summary of intergovernmental receivables is as follows:

	<u>Amounts</u>
Governmental Activities:	
OFCC Appalachian Community Innovation	\$382,244
Title I	37,085
Idea Part-B	23,781
Foundation Adjustment	21,686
Title II	10,009
Safety State Grant	4,959
Medicaid Reimbursement	4,430
Summer Youth Reimbursement	3,627
SRTS	2,581
Title IV	2,382
Miscellaneous Reimbursements	<u>29,614</u>
Total	<u>\$522,398</u>

Note 9 - Interfund Transactions

Transfers

The General Fund transferred \$213,705 and \$43,610 respectively, to the Cafeteria Fund and District Managed Student Activity Special Revenue Funds, during fiscal year 2025. These transfers were made to move unrestricted balances to cover revenue shortfalls for the fiscal year of the funds' program operations. The General Fund also transferred \$1,244 to the Other Grants Special Revenue Fund to move funds originally deposited into the General Fund to the proper fund.

Interfund Balances

Interfund balances due to cash deficits at June 30, 2025, consist of the following individual interfund receivables and payables:

	<u>Receivables</u>	<u>Payables</u>
General Fund	<u>\$368,799</u>	<u>\$0</u>
Nonmajor Special Revenue Funds:		
ESSER Grant	0	1,555
Title I Grant	0	1,940
Title II-A Grant	0	8,959
Title IV - Grant	0	2,382
Miscellaneous Federal Grants	0	2,581
Total Nonmajor Special Revenue Funds	<u>0</u>	<u>17,417</u>
Total Nonmajor Capital Projects Fund	<u>0</u>	<u>351,382</u>
Total All Funds	<u>\$368,799</u>	<u>\$368,799</u>

Caldwell Exempted Village School District, Ohio

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

Note 10 - Capital Assets

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

	Restated Balance 06/30/2024	Additions	Deletions	Transfers	Balance 06/30/2025
Nondepreciable Capital Assets					
Land	\$810,183	\$0	\$0	\$0	\$810,183
Construction in Progress	1,092,780	4,859,378	222,110	0	5,730,048
Total Non-Depreciable Capital Assets	1,902,963	4,859,378	222,110	0	6,540,231
Depreciable Capital Assets					
<i>Tangible Assets</i>					
Buildings and Improvements	11,646,786	312,467	(93,303)	230,075	12,096,025
Vehicles	1,247,339	12,984	(145,028)	0	1,115,295
Machinery, Equipment, Furniture, and Fixtures	1,567,785	20,947	(869,131)	(230,075)	489,526
Total Tangible Assets	14,461,910	346,398	(1,107,462)	0	13,700,846
<i>Intangible Right to Use</i>					
<i>Lease Assets</i>					
<i>Intangible Right to Use- Furniture, Fixtures, and Equipment</i>	0	76,054	0	0	76,054
Total Depreciable/Amortizable Capital Assets	14,461,910	422,452	(1,107,462)	0	13,776,900
<i>Less Accumulated Depreciation/Amortization</i>					
<i>Depreciation</i>					
Buildings and Improvements	(6,963,010)	(270,833)	43,495	(12,529)	(7,202,877)
Vehicles	(830,514)	(101,646)	124,590	0	(807,570)
Machinery, Equipment, Furniture, and Fixtures	(1,204,681)	(9,397)	802,663	12,529	(398,886)
Total Depreciation	(8,998,205)	(381,876)	970,748	0	(8,409,333)
<i>Amortization</i>					
<i>Intangible Right to use</i>					
<i>Lease Assets</i>	0	(19,014)	0	0	(19,014)
Total Accumulated Deprecation/Amortization	(8,998,205)	(400,890)	970,748	0	(8,428,347)
Total Depreciable Capital Assets, Net	5,463,705	21,562	(136,714)	0	5,348,553
Governmental Activities Capital Assets, Net	\$7,366,668	\$4,880,940	\$358,824	\$0	\$11,888,784

Included in the additions and deletions in the above table is a reclass of construction in progress to building and improvements in the amount of \$222,110 as a result of the completion of the high school parking lot and window project. Capital asset additions for construction in progress includes capital contributions in the amount of \$80,243.

* Depreciation/amortization expense was charged to governmental functions as follows:

Caldwell Exempted Village School District, Ohio*Notes to the Basic Financial Statements**For the Fiscal Year ended June 30, 2025*

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction:			
Regular	\$230,473	\$7,986	\$238,459
Vocational	3,177	0	3,177
Support Services:			
Pupils	378	0	378
Administration	0	9,507	9,507
Fiscal	266	1,521	1,787
Operation and Maintenance of Plant	47,628	0	47,628
Pupil Transportation	93,422	0	93,422
Food Service Operations	5,687	0	5,687
Extracurricular Activities	845	0	845
Total	<u>\$381,876</u>	<u>\$19,014</u>	<u>\$400,890</u>

Note 11 - Risk Management***Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2025, the School District contracted with Ohio School Plan, through Hylant Administrative Services, LLC, for property, crime insurance, general liability insurance, and fleet insurance.

During fiscal year 2025, the School District purchased the following coverage:

<u>State National Insurance Company, Inc</u>	
Building and Contents-replacement cost (\$2,500 deductible)	\$47,512,750
Crime Insurance	
Forgery or Alterations Coverage (\$1,000 deductible)	25,000
Employee Theft (\$1,000 deductible)	75,000
General Liability	
Per occurrence	2,000,000
Aggregate Per Year	4,000,000
Medical Expense	10,000
Violent Event Response	
Aggregate Limit	1,000,000
Each Event	1,000,000
Education Umbrella Liability Policy	
For General Liability	
Per occurrence	1,000,000
Aggregate Per Year	1,000,000
Automobile Insurance (\$2,500 Comprehensive/ \$2,500 Collision)	2,000,000
Uninsured Motorists	1,000,000
Medical Payments	5,000
Treasurer Bond	75,000
<u>Travelers Casualty and Surety Company of America</u>	
Superintendent and Board President Bond (Each)	25,000

Caldwell Exempted Village School District, Ohio

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

Settled claims have not exceeded their commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the prior year.

Workers' Compensation

For fiscal year 2025, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm MinuteMen OhioComp, Inc. provides administrative, cost control, and actuarial services to the GRP.

Medical/Surgical, Dental, Vision, and Prescription Drug Insurances

Medical/surgical, dental, prescription drugs, and vision insurance is offered to employees through a self-insurance internal service fund. The School District pays all but \$30 per month for single and \$60 for family for classified employees and all but \$75 per month for single and \$125 for family for certified employees in premiums for basic medical insurance. In addition, the School District pays the entire premium for dental and prescription drug coverage and covers one-half of the cost of vision insurance for all employees. The School District is a member of a claims servicing pool in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The School District's stop loss amount per person is \$100,000 for fiscal year 2025. The claims liability of \$377,614 reported in the internal service fund at June 30, 2025, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims cost, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by the incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in claims activity for 2024 and 2025 were:

	Balance Beginning of Fiscal Year	Current Fiscal Year Claims	Claim Payments	Balance End of Fiscal Year
2024	\$168,200	\$2,880,320	\$2,710,120	\$338,400
2025	338,400	4,013,907	3,974,693	377,614

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 represent liabilities to employees for pensions and OPEB, respectively. Pensions/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

Caldwell Exempted Village School District, Ohio

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

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 have already occurred.

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature.

Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Caldwell Exempted Village School District, Ohio

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contribution to SERS was \$283,054 for fiscal year 2025. Of this amount, \$117,024 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

Caldwell Exempted Village School District, Ohio

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

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

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

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

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

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

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

Caldwell Exempted Village School District, Ohio

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

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

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

The School District's contractually required contribution to STRS was \$747,540 for fiscal year 2025. Of this amount, \$110,602 is reported as an intergovernmental payable.

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

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

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.045317400%	0.037246960%	
Prior Measurement Date	0.042412600%	0.035289390%	
Change in Proportionate Share	<u>0.002904800%</u>	<u>0.001957570%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$2,318,256	\$7,166,917	\$9,485,173
Pension Expense	\$319,925	\$682,869	\$1,002,794

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

Caldwell Exempted Village School District, Ohio

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$88,509	\$451,329	\$539,838
Changes of assumptions	20,738	330,291	351,029
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	154,917	712,500	867,417
School District contributions subsequent to the measurement date	<u>283,054</u>	<u>747,540</u>	<u>1,030,594</u>
Total Deferred Outflows of Resources	<u>\$547,218</u>	<u>\$2,241,660</u>	<u>\$2,788,878</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$3,924	\$3,924
Changes of assumptions	0	248,614	248,614
Net difference between projected and actual earnings on pension plan investments	<u>145,005</u>	<u>616,210</u>	<u>761,215</u>
Total Deferred Inflows of Resources	<u>\$145,005</u>	<u>\$868,748</u>	<u>\$1,013,753</u>

\$1,030,594 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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	(\$53,983)	(\$125,809)	(\$179,792)
2027	198,599	829,096	1,027,695
2028	17,184	(10,634)	6,550
2029	<u>(42,641)</u>	<u>(67,281)</u>	<u>(109,922)</u>
Total	<u>\$119,159</u>	<u>\$625,372</u>	<u>\$744,531</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 termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Caldwell Exempted Village School District, Ohio

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

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

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

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

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

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. ORC 3309.15 and the SERS Board-adopted Investment Policy govern investment activity. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

Caldwell Exempted Village School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2025

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$3,546,610	\$2,318,256	\$1,284,047

Actuarial Assumptions – STRS

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

Caldwell Exempted Village School District, Ohio

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

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

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

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

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

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

* Final target weights reflected at October 1, 2022.

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

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

Caldwell Exempted Village School District, Ohio

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$11,561,493	\$7,166,917	\$3,449,861

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System, or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2025, no Board Members have elected Social Security. The contribution rate would be 6.2 percent of wages.

Note 13 - Defined Benefit OPEB Plans

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

Plan Description - School Employees Retirement System (SERS)

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

Caldwell Exempted Village School District, Ohio

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the School District's surcharge obligation was \$33,822.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$33,822 for fiscal year 2025. Of this amount \$33,822 is reported as an intergovernmental payable.

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 percent of covered payroll. For the fiscal year ended June 30, 2025, STRS did not allocate any employer contributions to post-employment health care.

Caldwell Exempted Village School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year ended June 30, 2025

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

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

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net OPEB Liability(Asset):			
Current Measurement Date	0.046340800%	0.037246960%	
Prior Measurement Date	<u>0.043701200%</u>	<u>0.035289390%</u>	
Change in Proportionate Share	<u>0.002639600%</u>	<u>0.001957570%</u>	
			<u>Total</u>
Proportionate Share of the:			
Net OPEB Liability	\$471,979	\$0	\$471,979
Net OPEB (Asset)	\$0	(\$706,503)	(\$706,503)
OPEB Expense	(\$32,315)	(\$154,866)	(\$187,181)

At June 30, 2025, the School 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	\$0	\$30,713	\$30,713
Changes of assumptions	202,573	86,961	289,534
Net difference between projected and actual earnings on OPEB plan investments	2,304	0	2,304
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	112,143	1,002	113,145
School District contributions subsequent to the measurement date	<u>33,822</u>	<u>0</u>	<u>33,822</u>
Total Deferred Outflows of Resources	<u>\$350,842</u>	<u>\$118,676</u>	<u>\$469,518</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$508,916	\$76,137	\$585,053
Changes of assumptions	216,810	318,629	535,439
Net difference between projected and actual earnings on OPEB plan investments	0	30,335	30,335
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>3,641</u>	<u>23,013</u>	<u>26,654</u>
Total Deferred Inflows of Resources	<u>\$729,367</u>	<u>\$448,114</u>	<u>\$1,177,481</u>

Caldwell Exempted Village School District, Ohio

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

\$33,822 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability, or an increase to the net OPEB asset, in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2026	(\$108,837)	(\$110,783)	(\$219,620)
2027	(69,660)	(51,142)	(120,802)
2028	(53,964)	(64,403)	(118,367)
2029	(49,302)	(60,233)	(109,535)
2030	(48,608)	(49,453)	(98,061)
Thereafter	<u>(81,976)</u>	<u>6,576</u>	<u>(75,400)</u>
Total	<u>(\$412,347)</u>	<u>(\$329,438)</u>	<u>(\$741,785)</u>

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, are presented below:

Caldwell Exempted Village School District, Ohio

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

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

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

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Caldwell Exempted Village School District, Ohio

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88 percent. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2059 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2023, and the June 30, 2024, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93 percent at June 30, 2024, and 3.86 percent at June 30, 2023.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB liability	\$629,367	\$471,979	\$346,913

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB liability	\$319,040	\$471,979	\$673,005

Actuarial Assumptions – STRS

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

Caldwell Exempted Village School District, Ohio

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

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

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

Caldwell Exempted Village School District, Ohio

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$574,434)	(\$706,503)	(\$821,433)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$829,196)	(\$706,503)	(\$570,592)

Note 14 - Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who are contracted to work on a twelve month basis earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators who work less than a twelve month basis do not earn vacation time. Certified and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 240 days for certified employees and up to 230 days for classified employees.

Upon retirement, certified employees receive payment for one-fourth of the total sick leave accumulation, plus one additional day for every three years spent in the School District. Classified employees, upon retirement, receive a severance payment for one-fourth of the total sick leave accumulation up to 36 total paid days plus one and one-half days for every three years of continuous employment leading up to retirement.

Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to employees through The Standard Life Insurance Company in the amount of \$200,000 for the Treasurer, \$250,000 for the superintendent, and \$15,000 for all other employees.

Caldwell Exempted Village School District, Ohio

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

Note 15 - Long-Term Obligations

	Amounts Outstanding 7/1/2024	Additions	Deductions	Amounts Outstanding 06/30/2025	Amounts Due within One Year
2020 Energy Conservation: Bonds	\$462,842	\$0	\$41,085	\$421,757	\$41,290
Note	149,905	0	24,227	125,678	24,972
Total Energy Conservation Debt	612,747	0	65,312	547,435	66,262
Financed Purchases from Direct Borrowing	3,363,000	0	219,000	3,144,000	168,000
Lease Payable	0	76,054	12,257	63,797	18,695
Net Pension Liability:					
SERS	2,343,515	0	25,259	2,318,256	0
STRS	7,599,548	0	432,631	7,166,917	0
Total Net Pension Liability	9,943,063	0	457,890	9,485,173	0
Net OPEB Liability - SERS	719,953	0	247,974	471,979	0
Compensated Absences	2,901,685	0	121,833	2,779,852	631,692
Total Long-Term Obligations	\$17,540,448	\$76,054	\$1,124,266	\$16,492,236	\$884,649

The changes in the School District's long-term obligations during the fiscal year consist of the following:
Increases and decreases to compensated absences are presented net on the above table.

During fiscal year 2020, the School District issued Energy Conservation Bonds up to the amount of \$605,565 with an interest rate of 0.25 percent. The bonds will be repaid using energy savings in the General Fund. Principal and interest requirements to retire the debt outstanding at June 30, 2025, are as follows:

Fiscal Year Ending	Energy Conservation Bonds	
	Principal	Interest
2026	\$41,290	\$2,057
2027	41,497	1,850
2028	41,704	1,642
2029	41,913	1,434
2030	42,123	1,224
2031 - 2035	213,230	2,937
	<u>\$421,757</u>	<u>\$11,144</u>

During fiscal year 2020, the School District issued a fifteen-year \$245,000 note at a fixed interest rate of 3.010 percent. The note was backed by the full faith and credit of the School District. The repayments are to be made from utility savings in the General Fund. Principal and interest requirements to retire the debt outstanding at June 30, 2025, are as follows:

Caldwell Exempted Village School District, Ohio

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

Fiscal Year Ending	Energy Conservation Note	
	Principal	Interest
2026	\$24,972	\$3,552
2027	25,744	2,782
2028	26,534	1,987
2029	27,358	1,167
2030	21,070	322
	<u>\$125,678</u>	<u>\$9,810</u>

The overall debt margin of the School District as of June 30, 2024, was \$17,745,198, with an unvoted debt margin of \$197,169.

Financed Purchase from Direct Borrowing

During fiscal year 2024, the School District entered into a financed purchase agreement as a direct borrowing with JPMorgan Chase Bank (the Bank) to fund the football field and track improvements portion of the Tribe Athletic Complex project and for capital improvement updates to various school buildings in the amount of \$3,144,000 to be paid from the Building Capital Projects Fund. This agreement includes an interest rate of 4.3793 percent. At June 30, 2025, \$1,214,962 of the financed purchase issue remain unspent.

Principal and interest requirements to retire this financed purchase are as follows:

Fiscal Year	Principal	Interest
2026	\$168,000	\$68,854
2027	175,000	130,348
2028	182,000	122,684
2029	190,000	114,712
2030	199,000	102,032
2030-2034	1,133,000	368,469
2035-2039	<u>1,097,000</u>	<u>151,853</u>
	<u>\$3,144,000</u>	<u>\$1,058,952</u>

These financed purchase from direct borrowing agreement contains provisions in the event of a default. Upon the occurrence of an event of default, and as long as the event of default is continuing, the Bank may, at its option, exercise any one or more of the following remedies; provided, however, that there shall be no right under any circumstances to accelerate the maturities of the rent payments or to otherwise declare any rent not then past due or in default to be immediately due and payable:

- i. By 30 days' prior written notice to the School District, request the School District to (and the School District agrees that it will), promptly return possession of the financed purchase property and the project facilities to the Bank, provided that the School District may first remove any or all of its personal property from the project facilities;
- ii. After written notice to the School District, sublease the financed purchase and the project facilities for the account of the School District, holding the School District liable for all applicable lease payments and any other payments due or past due during the then-current lease term to the effective date of such subleasing and for the difference between the rental and other amounts paid by the sublessee pursuant to such sublease and the amounts payable during the then-current lease term by the School District under the agreement; and

Caldwell Exempted Village School District, Ohio

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

- iii. Exercise any other right, remedy or privilege which may be available to it under the applicable laws of the State or any other applicable law, and/or proceeding by appropriate court action to enforce the terms of the agreement or to recover damages for the breach of the agreement or to rescind the agreement as to the lease of the financed purchase property to the School District.

Leases Payable – The School District has entered into a non-cancellable agreement to lease copier equipment. The future lease payments were discounted based on the interest rate implicit in the leases. These discounts are being amortized using the interest method over the life of the lease.

Lease payments are made from the General Fund. Future minimum lease payments through fiscal year 2029 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2026	\$18,695	\$1,105
2027	19,072	728
2028	19,457	343
2029	6,573	27
	<u>\$63,797</u>	<u>\$2,203</u>

There are no repayment schedules for the net pension and OPEB liability. However, employer pension contributions are made from the following funds: General Fund and the Food Service and Federal Grants Special Revenue Funds. For additional information related to the net pension and OPEB liabilities, see Note 12 or Note 13 respectively.

Note 16 - Fund Balances

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

Caldwell Exempted Village School District, Ohio

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

<u>Fund Balances</u>	<u>General Fund</u>	<u>Building Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Nonspendable:</u>				
Prepaid Items	\$59,706	\$0	\$975	\$60,681
Unclaimed Monies	4,843	0	0	4,843
<i>Total Nonspendable</i>	<u>64,549</u>	<u>0</u>	<u>975</u>	<u>65,524</u>
<u>Restricted for:</u>				
Student Activities	0	0	52,108	52,108
State Programs	0	0	3,404	3,404
Other Grants	0	0	6,700	6,700
Classroom Facilities	0	0	2,965	2,965
Capital Projects	0	990,216	0	990,216
<i>Total Restricted</i>	<u>0</u>	<u>990,216</u>	<u>65,177</u>	<u>1,055,393</u>
<u>Committed for:</u>				
Capital Improvements	395,353	0	0	395,353
<i>Total Committed</i>	<u>395,353</u>	<u>0</u>	<u>0</u>	<u>395,353</u>
<u>Assigned to:</u>				
Public School Support	20,851	0	0	20,851
Fiscal Year 2026 Appropriations	1,745,276	0	0	1,745,276
Purchases on Order	40,923	0	0	40,923
<i>Total Assigned</i>	<u>1,807,050</u>	<u>0</u>	<u>0</u>	<u>1,807,050</u>
Unassigned (Deficit)	<u>1,689,624</u>	<u>0</u>	<u>(72,247)</u>	<u>1,617,377</u>
<i>Total Fund Balances (Deficit)</i>	<u>\$3,956,576</u>	<u>\$990,216</u>	<u>(\$6,095)</u>	<u>\$4,940,697</u>

Note 17 – Significant Commitments

Encumbrances

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

Governmental Funds:	
General Fund	\$470,345
Building Fund	1,214,962
Nonmajor Funds	<u>17,009</u>
Total Governmental Funds	<u>1,702,316</u>
Proprietary Fund:	
Internal Service Fund	<u>184,242</u>
Total	<u>\$1,886,558</u>

Caldwell Exempted Village School District, Ohio

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

Contractual Commitments

As of June 30, 2025, the School District's contractual purchase commitments paid from the General Fund, Building Fund, and Ohio Facilities Construction Commission Appalachian Community Grant Fund (OFCC Grant Fund) as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 06/30/2025
Field House	General Fund	\$850,000	\$740,269	\$109,731
Football Field and Turf Project	General Fund and Building Fund	3,000,000	2,879,438	120,562
HVAC Project	General Fund and Building Fund	2,721,100	1,376,576	1,344,524
Health Center *	OFCC Grant Fund	822,834	733,765	89,069
		<u>\$7,393,934</u>	<u>\$5,730,048</u>	<u>\$1,663,886</u>

*Amount is only the planning and design phase

Note 18 - Jointly Governed Organizations and Public Entity Risk Pools

Jointly Governed Organizations

The **Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments** (OME-RESA) was created as a separate regional council of governments pursuant to State statutes. OME-RESA operates under the direction of a Board comprising a representative from each participating school district. The Board exercises total control over the operations of OME-RESA including budgeting, appropriating, contracting, and designating management. Each participants control is limited to its representation on the Board. OME-RESA provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2025, the total amount paid to OME-RESA from the School District was \$20,286 for technology services and financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency at 2230 Sunset Blvd., Steubenville, Ohio 43952.

The **Coalition of Rural and Appalachian Schools** (CORAS) is a jointly governed organization composed of 110 school districts and other educational institutions in the 32-county region of Ohio designated as Appalachia. The CORAS is operated by a nineteen-member board composed of one elected and one appointed (one appointed seat is empty) from each of the eight regions into which the 32 Appalachian counties are divided, one dean appointment from the Ohio University College of Education, and three ex-officio members. The board exercises total control over the operations of the CORAS including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation of the board. The CORAS provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The CORAS is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the CORAS. Financial information may be obtained from the Coalition of Rural and Appalachian Schools at 322 Patton Hall, Ohio University, Athens, Ohio 45701.

Caldwell Exempted Village School District, Ohio

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

The **Mid-East Career and Technology Centers** is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the 13 participating school districts' elected boards. The Board possesses its own budgeting and taxing authority. The Board controls the financial activity of the Joint Vocational School District. To obtain financial information write to the Mid-East Career and Technology Centers at 400 Richard Rd., Zanesville, Ohio 45701.

Insurance Purchasing Pools

The School District is a member of the **South Central Ohio Insurance Consortium (SCOIC)**, an insurance purchasing pool. The SCOIC's primary purpose and objective is establishing and carrying out a cost-effective cooperative health program for its member organizations. The governing board consists of the superintendent or other designee appointed by each of the members of SCOIC. Members include 27 public entities with approximately 3,600 employee lives covered for medical and prescription benefits with many different plan designs in place as well as dental, vision, life, and accidental death and dismemberment insurances. The Bloom Carroll Local School District serves as the fiscal agent for the SCOIC.

The SCOIC members are considered self-insured and pay a month premium to SCOIC that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for the participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience.

In the event of a deficiency in the internal pool, participants would be charged a higher rate or participation, and in the event of a surplus, the internal pool pays dividends to participants. SCOIC members participate in the shared risk pool through the Jefferson Health Plan for individual claims from \$100,000 to \$200,000. SCOIC members are then covered under stop loss coverage for claims over \$200,000 from IOA-Re. In the event that the School District would withdraw from SCOIC, the School District would be required to give a 180-day notice prior to the end of their three-year contract, be responsible for all run-out claims, and would have no rights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Bloom Carroll Local School District, 5240 Plum Road NW, Carroll, Ohio 43112.

The School District participates in the **Ohio School Plan (OSP)**, an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a thirteen-member Board of directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

The School District participates in the **Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP)**, an insurance purchasing pool. The GRP's business and affairs are conducted by a three-member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the plan (See Note 11). Each year, the participating School District pays an enrollment fee to the GRP to cover the costs of administering the plan.

Caldwell Exempted Village School District, Ohio

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

Note 19 - Related Organization

The **Caldwell Public Library** is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Caldwell Exempted Village School District as presented by the Library. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the School District for operational subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Caldwell Public Library at 517 Spruce Street, P.O. Box 230, Caldwell, Ohio 43724-0230.

Note 20 - Set-Asides

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements.

Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set-aside money for textbooks.

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

	Capital Improvements
Set-aside Balance as of June 30, 2024	\$0
Current Year Set-aside Requirement	181,599
Qualifying Disbursements	(537,251)
Total	(\$355,652)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0

The School District had qualifying disbursements during the fiscal year that reduced the set-aside amount below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future fiscal years.

Note 21 - Contingencies

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2025.

Caldwell Exempted Village School District, Ohio

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

Litigation

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

Oil/Gas Agreements

Caldwell EVSD School Board have entered into several “Paid-Up” Oil and Gas Agreements. Royalties are paid for all oil and other liquid hydrocarbons and by-products produced and saved from the land, and all gas and other hydrocarbons and by-products. As of the date of the financial statements, the value of any potential royalties cannot be determined.

The School District entered into “Paid-Up” Oil and Gas Agreements in 2025.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional DEW adjustments for fiscal year 2025 are finalized.

Caldwell Exempted Village School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Ten Fiscal Years**

	2025	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.04531740%	0.04241260%	0.04184790%	0.03934350%	0.03610550%
School District's Proportionate Share of the Net Pension Liability	\$2,318,256	\$2,343,515	\$2,263,460	\$1,451,661	\$2,388,094
School District's Covered Payroll	\$2,083,436	\$1,809,629	\$1,736,314	\$1,586,664	\$1,253,693
School District's Proportionate Share of the Pension Liability as a Percentage of its Covered Payroll	111.27%	129.50%	130.36%	91.49%	190.48%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.52%	76.06%	75.82%	82.86%	68.55%

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016
0.03537460%	0.03645610%	0.03468660%	0.03334090%	0.03286280%
\$2,116,524	\$2,087,909	\$2,072,448	\$2,440,247	\$1,875,185
\$1,216,370	\$1,202,674	\$1,075,729	\$1,037,500	\$995,683
174.00%	173.61%	192.66%	235.20%	188.33%
71.36%	71.36%	69.50%	62.98%	69.16%

Caldwell Exempted Village School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Ten Fiscal Years**

	2025	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.037246960%	0.035289390%	0.032716930%	0.031082189%	0.030139780%
School District's Proportionate Share of the Net Pension Liability	\$7,166,917	\$7,599,548	\$7,273,016	\$3,974,137	\$7,292,753
School District's Covered Payroll	\$5,265,893	\$4,765,579	\$4,306,350	\$3,857,029	\$3,654,336
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	136.10%	159.47%	168.89%	103.04%	199.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.50%	80.00%	78.09%	87.80%	75.50%

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016
0.030302190%	0.029504570%	0.029186820%	0.027084940%	0.029198080%
\$6,701,147	\$6,487,393	\$6,933,392	\$9,066,146	\$8,069,496
\$3,578,350	\$3,383,179	\$3,103,429	\$3,253,214	\$2,996,643
187.27%	191.75%	223.41%	278.68%	269.28%
77.30%	77.30%	75.30%	66.80%	72.10%

Caldwell Exempted Village School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
*Last Nine Fiscal Years (1)**

	2025	2024	2023	2022
School District's Proportion of the Net OPEB Liability	0.046340800%	0.043701200%	0.042848300%	0.040625800%
School District's Proportionate Share of the Net OPEB Liability	\$471,979	\$719,953	\$601,593	\$768,876
School District's Covered Payroll	\$2,083,436	\$1,809,629	\$1,736,314	\$1,586,664
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	22.65%	39.78%	34.65%	48.46%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.50%	30.02%	30.34%	24.08%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017
0.037594200%	0.036287770%	0.036947200%	0.035072000%	0.033803900%
\$817,045	\$912,560	\$1,025,016	\$941,240	\$963,536
\$1,253,693	\$1,216,370	\$1,202,674	\$1,075,729	\$1,037,500
65.17%	75.02%	85.23%	87.50%	92.87%
18.17%	13.57%	13.57%	12.46%	11.49%

Caldwell Exempted Village School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
State Teachers Retirement System of Ohio
*Last Nine Fiscal Years (1)**

	2025	2024	2023	2022
School District's Proportion of the Net OPEB Liability (Asset)	0.037246960%	0.035289390%	0.032716930%	0.031082189%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$706,503)	(\$686,331)	(\$847,150)	(\$655,343)
School District's Covered Payroll	\$5,265,893	\$4,765,579	\$4,306,350	\$3,857,029
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-13.42%	-14.40%	-19.67%	-16.99%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	158.00%	168.50%	230.70%	174.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

*Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information

2021	2020	2019	2018	2017
0.030139780%	0.030302190%	0.029504570%	0.029186820%	0.027084940%
(\$529,706)	(\$501,877)	(\$474,108)	\$1,138,762	\$1,448,510
\$3,654,336	\$3,578,350	\$3,383,179	\$3,103,429	\$3,253,214
-14.50%	-14.03%	-14.01%	36.69%	44.53%
191.00%	176.00%	176.00%	47.10%	37.30%

Caldwell Exempted Village School District, Ohio
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Net Pension Liability					
Contractually Required Contribution	\$283,054	\$291,681	\$253,348	\$243,084	\$195,767
Contributions in Relation to the Contractually Required Contribution	<u>(283,054)</u>	<u>(291,681)</u>	<u>(253,348)</u>	<u>(243,084)</u>	<u>(195,767)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$2,021,814	\$2,083,436	\$1,809,269	\$1,736,314	\$1,586,664
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>12.34%</u>
Net OPEB Liability					
Contractually Required Contribution (2)	\$33,822	\$34,251	\$32,261	\$28,281	\$26,364
Contributions in Relation to the Contractually Required Contribution	<u>(33,822)</u>	<u>(34,251)</u>	<u>(32,261)</u>	<u>(28,281)</u>	<u>(26,364)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.67%</u>	<u>1.64%</u>	<u>1.78%</u>	<u>1.63%</u>	<u>1.66%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.67%</u>	<u>15.64%</u>	<u>15.79%</u>	<u>15.63%</u>	<u>14.00%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016
\$175,517	\$164,210	\$162,361	\$150,602	\$145,250
(175,517)	(164,210)	(162,361)	(150,602)	(145,250)
\$0	\$0	\$0	\$0	\$0
\$1,253,693	\$1,216,370	\$1,202,674	\$1,075,729	\$1,037,500
14.00%	13.50%	13.50%	14.00%	14.00%
\$14,983	\$28,398	\$25,807	\$18,528	\$17,176
(14,983)	(28,398)	(25,807)	(18,528)	(17,176)
\$0	\$0	\$0	\$0	\$0
1.20%	2.33%	2.15%	1.72%	1.66%
15.20%	15.83%	15.65%	15.72%	15.66%

Caldwell Exempted Village School District, Ohio
Required Supplementary Information
Schedule of the School District's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Net Pension Liability					
Contractually Required Contribution	\$747,540	\$737,225	\$667,181	\$602,889	\$539,984
Contributions in Relation to the Contractually Required Contribution	(747,540)	(737,225)	(667,181)	(602,889)	(539,984)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$5,339,571	\$5,265,893	\$4,765,579	\$4,306,350	\$3,857,029
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Net OPEB Asset/Liability

(1) Although the covered payroll for the net OPEB liability is the same as the net pension liability, there were no OPEB related required contributions for 2015-2024 as STRS did not allocate any employer contributions to postemployment health care. There is no required supplementary information to present related to the statutorily established employer contribution requirements for the net OPEB liability.

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016
\$511,607	\$500,969	\$473,645	\$434,480	\$455,450
(511,607)	(500,969)	(473,645)	(434,480)	(455,450)
\$0	\$0	\$0	\$0	\$0
\$3,654,336	\$3,578,350	\$3,383,179	\$3,103,429	\$3,253,214
14.00%	14.00%	14.00%	14.00%	14.00%

Caldwell Exempted Village School District, Ohio

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2025

Net Pension Liability

Changes in Benefit Terms/Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used. For 2021, the cost-of-living adjustment was reduced from 2.5 percent to 2 percent. For 2023 and 2024, the cost-of-living adjustment was increased from 2 percent to 2.5 percent.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions, compared with those used in prior years, are presented below:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Year 2016 and Prior
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017, with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Amounts reported for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age setback for both males and females. Amounts reported for fiscal year 2016 and prior use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018 through 2021 and fiscal year 2017 and prior are presented below:

Caldwell Exempted Village School District, Ohio

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2025

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	See Below	See Below	See Below
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring after August 1, 2013, or later, COLA commences on fifth anniversary of retirement date.

Investment rate of return:

Beginning with Fiscal Year 2022	7.00 percent, net of investment expenses, including inflation
Fiscal Years 2018 through 2021	7.45 percent, net of investment expenses, including inflation
Fiscal Year 2017 and prior	7.75 percent, net of investment expenses, including inflation

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuations, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set back two years through age 89 and no setback for age 90 and above. Females younger than age 80 are set back four years, one year setback from age 80 through 89, and no setback from age 90 and above.

Changes in Benefit Term – STRS Pension

For 2024 and 2025, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

Caldwell Exempted Village School District, Ohio

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2025

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

Net OPEB Liability

Changes in Assumptions – SERS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions, compared with those used in fiscal year 2021 and prior, are presented below:

	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021 and Prior</u>
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:

Fiscal year 2025	3.93 percent
Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2025	4.88 percent
Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Caldwell Exempted Village School District, Ohio

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2025

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and the long-term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data, and the percentage of future disabled retirees and terminated vested participants electing health coverage was decreased. 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 discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2023, the projected salary increases were changed from age-based to service-based. Healthcare trends were updated to reflect emerging claims and recovery experience.

Changes in Benefit Terms – STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent 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 2020.

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

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

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021, premium based on June 30, 2020, enrollment distribution. The non-Medicare subsidy percentage increased effective January 1, 2021, from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021, to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022.

Caldwell Exempted Village School District, Ohio

*Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2025*

The Medicare Part D Subsidy was updated to reflect that it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recovery experience.

For fiscal year 2024, healthcare trends were updated to reflect emerging claims and recovery experience as well as benefit changes effective January 1, 2024.

For fiscal year 2024, healthcare trends were updated to reflect emerging claims and recovery experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for fiscal years 2027 and 2028 reflect the assumed impact of the expiration of the current Medicare Advantage contract on December 31, 2028.

**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE 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			
Non-Cash Assistance (Food Distribution)	10.555	2025	37,834
Cash Assistance:			
School Breakfast Program	10.553	2024	6,601
School Breakfast Program	10.553	2025	43,380
National School Lunch Program	10.555	2024	28,216
National School Lunch Program	10.555	2025	219,858
Total Cash Assistance:			<u>298,055</u>
Total Child Nutrition Cluster			<u>335,889</u>
Total U.S. Department of Agriculture			<u>335,889</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	2024	33,649
	84.010	2025	196,721
Total Title I Grants to Local Educational Agencies			<u>230,370</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	2024	89,414
	84.027	2025	181,949
Total Special Education - Grants to States			<u>271,363</u>
Special Education - Preschool Grants	84.173	2024	
	84.173	2025	7,575
Total Special Education - Preschool Grants			<u>7,575</u>
Total Special Education Cluster (IDEA)			<u>278,938</u>
Supporting Effective Instruction State Grants	84.367	2024	10,310
	84.367	2025	43,907
Total Supporting Effective Instruction State Grants			<u>54,217</u>
Student Support and Academic Enrichment Program	84.424	2024	3,273
Student Support and Academic Enrichment Program	84.424	2025	17,405
Stronger Connections Grant	84.424F	2025	874
Total Support and Academic Enrichment Program			<u>21,552</u>
Education Stabilization Fund:			
ARP Elementary and Secondary School Emergency Relief Fund (ESSER III)	84.425U	2025	185,590
ARP Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	2025	2,220
Total Education Stabilization Fund:			<u>187,810</u>
Total U.S. Department of Education			<u>772,887</u>
U.S. Treasury Coronavirus Capital Projects Fund			
<i>Direct Program</i>			
APPALACHIAN COMMUNITY INNOVATION CENTERS GRANT	21.029	2025	<u>702,904</u>
U.S. Treasury Coronavirus Capital Projects Fund			<u>702,904</u>
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Highway Planning and Construction</i>			
Safe Routes to School	20.205	2025	<u>3,230</u>
Total U.S. Department of Transportation			<u>3,230</u>
Total Expenditures of Federal Awards			<u><u>\$1,814,910</u></u>

The accompanying notes are an integral part of this schedule.

**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL 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 the Caldwell Exempted Village School District (the District's) under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with DEW's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2025 to 2026 programs:

<u>Program Title</u>	<u>Federal AL Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$ 18,455
Support Effective Instruction State Grants	84.367	\$ 3,526
Student Support and Academic Enrichment Grants	84.424	\$ 5,740
Special Education Grants to States	84.027	\$ 28,595



GUEYE & ASSOCIATES, CPA, INC.

2246 S. Hamilton Rd,
Suite 102
Columbus, Ohio 43232

Tel: 614-342-0297
Fax: 614-423-6615
www.gueyecpa.com

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

Caldwell Exempted Village School District
Noble County
516 Fairground Street
Caldwell, Ohio 43724

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 the 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 Caldwell Exempted Village School District, Noble County, Ohio, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 31, 2026.

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 opinion 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.

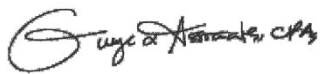
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

A handwritten signature in black ink, appearing to read "Guy D. Hemenick, CPA". The signature is stylized with a large initial "G" and a cursive script.

Columbus, Ohio
March 31, 2026



GUEYE & ASSOCIATES, CPA, INC.

2246 S. Hamilton Rd,
Suite 102
Columbus, Ohio 43232

Tel: 614-342-0297
Fax: 614-423-6615
www.gueyecpa.com

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

Caldwell Exempted Village School District
Noble County
516 Fairground Street
Caldwell, Ohio 43724

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Caldwell Exempted Village School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

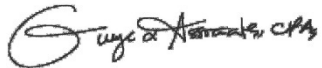
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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.

Report on Internal Control Over Compliance (Continued)

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.

A handwritten signature in black ink, appearing to read "Guy A. Harnack, CPA". The signature is stylized with a large initial "G" and a cursive script.

Columbus, Ohio
March 31, 2026

**CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Education Stabilization Fund – AL #84.425U and #84.425W Appalachian Community Innovation Centers Grant AL #21.029
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	No

**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.

Greg Gifford
Superintendent

Tiffany Speck
Curriculum

Terren Huck
Technology



Caldwell Exempted Village School District
Character. Tradition. Excellence.

www.caldwell.k12.oh.us
516 Fairground Street, Caldwell, OH 43724
740-732-5637

Taylor Clark
Treasurer

Jeannie Yontz
School Improvement

Elaine Hummerich
Transportation

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

Finding Number	Finding Summary	Status	Additional Information
2024-001	Material Weakness: Budgetary Postings	Corrected	N/A
2024-002	Non-Compliance: Expenditures in excess of appropriations	Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



CALDWELL EXEMPTED VILLAGE SCHOOL DISTRICT

NOBLE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/23/2026

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

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