



**DAWSON-BRYANT LOCAL SCHOOL DISTRICT
LAWRENCE COUNTY
JUNE 30, 2025**

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OHIO AUDITOR OF STATE KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Dawson-Bryant Local School District
Lawrence County
701 High Street
Coal Grove, Ohio 45638

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

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

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

Required Supplementary Information

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2026, on our consideration of the School 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 School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

March 12, 2026

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Dawson-Bryant Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
Unaudited

The discussion and analysis of the Dawson-Bryant Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the 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 \$686,573.
- General revenues accounted for \$15,402,604 in revenue or 73 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$5,631,694 or 27 percent of total revenues of \$21,034,298.
- The School District had \$20,347,725 in expenses related to governmental activities; only \$5,631,694 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues (primarily taxes and intergovernmental) of \$15,402,604 were adequate to cover the remaining expenses.
- Total governmental funds had \$26,263,934 in revenues and other financing sources and \$26,978,565 in expenditures and other financing uses. The total governmental fund balances decreased \$714,631.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Dawson-Bryant Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains 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 fiscal year 2025?" 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 year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's Net Position and changes in that position. This change in Net Position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some

Dawson-Bryant Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
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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 activities are reported as governmental including instruction, support services, operation of non-instructional services, debt service, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multiple 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 Permanent Improvement Capital Projects Fund.

Governmental Funds All 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 be readily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's Net Position for 2025 compared to 2024.

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Dawson-Bryant Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
Unaudited

Table 1
Net Position

	2025	2024	Change
Assets			
Current and Other Assets	\$15,565,769	\$15,176,903	\$388,866
Capital Assets	28,452,689	25,479,620	2,973,069
Net OPEB Asset	931,802	981,389	(49,587)
Total Assets	44,950,260	41,637,912	3,312,348
Deferred Outflows of Resources			
Pension	2,967,132	3,174,645	(207,513)
OPEB	606,878	730,138	(123,260)
Total Deferred Outflows	3,574,010	3,904,783	(330,773)
Liabilities			
Other Liabilities	3,447,799	2,448,649	999,150
Long-Term Liabilities			
Due Within One Year	882,546	344,088	538,458
Due in More Than One Year			
Net Pension Liability	12,755,436	14,454,776	(1,699,340)
Net OPEB Liability	668,595	1,095,553	(426,958)
Other Amounts	5,511,720	3,623,764	1,887,956
Total Liabilities	23,266,096	21,966,830	1,299,266
Deferred Inflow of Resources			
Property Taxes	3,491,691	3,245,997	245,694
Pension	1,691,335	950,879	740,456
OPEB	1,694,961	1,776,513	(81,552)
Total Deferred Inflow of Resources	6,877,987	5,973,389	904,598
Net Position			
Net Investment in Capital Assets	23,163,436	22,263,527	899,909
Restricted	1,601,285	1,420,630	180,655
Unrestricted (Deficit)	(6,384,534)	(6,081,681)	(302,853)
Total Net Position	\$18,380,187	\$17,602,476	\$777,711

Please note that the impact of the implementation of GASB Statement No. 101 was not reflected in the above table in accordance with GASB Statement No. 100.

The net pension liability (NPL) is the largest single 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.

Dawson-Bryant Local School District
Management's Discussion and Analysis
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Unaudited

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

Total assets of governmental activities increased \$3,312,348. This is primarily due to an increase in capital assets, property taxes receivable, and intergovernmental receivable as of the end of the fiscal year. The increase in capital assets is due to current year additions exceeding deletions and current year depreciation. The increase in intergovernmental receivables is due to state grant monies increasing. The increase in property taxes received is due to an increase in estimates to be received for the current year. Total liabilities increased between years. This increase was due primarily to a new financed purchase for construction on facilities. This increase was partially offset by current year payments made on debt and decreases in the net pension and OPEB liabilities. Deferred Outflows of resources decreased \$330,773 due primarily to a decrease net pension and OPEB obligations. Deferred inflows of resources increased \$904,598 due primarily to the changes in pension obligations.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2025, and comparisons to fiscal year 2024.

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Dawson-Bryant Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
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Table 2
Changes in Net Position

Revenues	2025	2024*	Change
Program Revenues:			
Charges for Services and Sales	\$563,522	\$406,045	\$157,477
Operating Grants, Contributions and Interest	3,879,592	4,561,805	(682,213)
Capital Grants and Contributions	1,188,580	380,272	808,308
Total Program Revenues	5,631,694	5,348,122	283,572
General Revenues:			
Property Taxes	3,434,487	3,335,599	98,888
Grants and Entitlements	11,399,192	12,091,804	(692,612)
Investment Earnings	516,814	574,966	(58,152)
Miscellaneous	52,111	171,431	(119,320)
Total General Revenues	15,402,604	16,173,800	(771,196)
Total Revenues	21,034,298	21,521,922	(487,624)
Program Expenses			
Instruction:			
Regular	7,299,666	7,922,086	(622,420)
Special	2,338,070	2,308,393	29,677
Vocational	594,655	192,788	401,867
Adult/Continuing	60,998	143,173	(82,175)
Other	436,153	494,154	(58,001)
Support Services:			
Pupils	926,222	834,859	91,363
Instructional Staff	233,406	377,048	(143,642)
Board of Education	151,194	120,532	30,662
Administration	1,227,888	1,288,463	(60,575)
Fiscal	533,075	524,296	8,779
Business	204,108	56,202	147,906
Operation and Maintenance of Plant	2,128,361	2,112,436	15,925
Pupil Transportation	1,211,166	1,220,938	(9,772)
Central	424,448	393,367	31,081
Operation of Non-Instructional Services	1,102,908	1,021,443	81,465
Extracurricular Activities	1,286,700	920,195	366,505
Interest	188,707	78,261	110,446
Total Expenses	20,347,725	20,008,634	339,091
Change in Net Position	686,573	1,513,288	(826,715)
Net Position at Beginning of Year, As Previously Reported	17,602,476	16,089,188	1,513,288
Implementation of GASB No. 101	91,138	0	
Net Position at Beginning of Year, As Restated	17,693,614	16,089,188	1,604,526
Net Position at End of Year	\$18,380,187	\$17,602,476	\$777,711

*Certain reclassifications were made for consistency of reporting between years.

Property taxes made up approximately 16.3 percent of revenues for governmental activities for the Dawson-Bryant Local School District. Of the remaining revenues, the School District receives 78.3 percent from state foundation,

Dawson-Bryant Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
Unaudited

federal, and state grants, and contributions; with the remaining in charges for services and sales, unrestricted investment earnings, and miscellaneous.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. As the result of legislation enacted in 1976, the overall revenue generated by a levy will not increase solely as a result of inflation. Additionally, increases in property taxes would only have a nominal effect upon the School District's total revenue. This is due to the funding formula in place in Ohio, any increase in property tax revenue would be offset by a corresponding decrease in state funding the School District would receive. Operating grants, contributions, and interest decreased due to a decrease in ESSER funding as compared to the prior year. Capital grants and contributions increased between years due to an increase in funds recognized for the Ohio Career Technical Education Equipment Grant Program. Property taxes increased due to assessed valuations. Grants and entitlements decreased due to a decrease in foundation monies received.

Approximately 52.7 percent of the School District's expenses are comprised of instructional expenses. Support services make up 34.6 percent of expenses and 12.7 percent is used for interest, extracurricular activities, and operation of non-instructional services. Various expense functions increased due to increases in personnel and contract service costs.

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. In other words, it identifies the cost of those services supported by tax revenue and unrestricted State entitlements.

Table 3
Cost of Services

	2025 Total Cost of Services	2025 Net Cost of Services	2024 Total Cost of Services*	2024 Net Cost of Services*
Program Expenses				
Instruction:				
Regular	\$7,299,666	\$6,488,094	\$7,922,086	\$6,547,782
Special	2,338,070	434,607	2,308,393	395,988
Vocational	594,655	(598,839)	192,788	(199,420)
Adult/Continuing	60,998	60,998	143,173	143,173
Other	436,153	436,153	494,154	494,154
Support Services:				
Pupils	926,222	600,064	834,859	477,325
Instructional Staff	233,406	127,504	377,048	261,658
Board of Education	151,194	148,952	120,532	110,173
Administration	1,227,888	1,227,888	1,288,463	1,283,088
Fiscal	533,075	533,075	524,296	524,296
Business	204,108	204,108	56,202	56,202
Operation and Maintenance of Plant	2,128,361	2,128,361	2,112,436	2,014,478
Pupil Transportation	1,211,166	1,211,166	1,220,938	1,219,907
Central	424,448	424,448	393,367	393,367
Non-Instructional Services	1,102,908	229,440	1,021,443	188,594
Extracurricular Activities	1,286,700	876,995	920,195	686,125
Interest on Long-Term Debt	188,707	183,017	78,261	63,622
Totals	\$20,347,725	\$14,716,031	\$20,008,634	\$14,660,512

Dawson-Bryant Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
Unaudited

*Certain reclassifications were made for consistency of reporting between years.

The dependence upon tax revenues and state subsidies for governmental activities is apparent. 72.3 percent of total expenses are supported through taxes and other general revenues.

THE SCHOOL DISTRICT FUNDS

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had \$26,263,934 in revenues and other financing sources and \$26,978,565 in expenditures and other financing uses.

The fund balance of the General Fund decreased \$1,136,940. This decrease is primarily due to a decrease in intergovernmental revenues, which were partially offset by an increase in current year expenditures for personnel and contract service expenditures.

The fund balance of the Permanent Improvement Fund increased \$488,448. This increase is primarily due to transfers in and proceeds from a financed purchase agreement, which was partially offset by operating expenditures exceeding revenues, due to payments for ongoing projects.

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 2025, the School District amended its General Fund estimated revenues and appropriations. The School District uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, final estimated revenues and other financing sources were \$17,413,884. Original estimated revenues and other financing sources were increased \$127,953 mainly to account for increases in intergovernmental revenues. The actual revenues and other financing sources of \$17,324,469 were \$89,415 below final budget basis revenues mainly due to less intergovernmental revenues received. Final expenditures and other financing uses of \$19,458,557 were \$192,509 below the final appropriations of \$19,651,066 due to lower than anticipated regular instruction expenditures, which was partially offset by additional special instruction, administration, operation of maintenance of plant, and pupil transportation. Original appropriations were increased \$841,518 due primarily to an increase in transfers out.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025, the School District had \$28,452,689 invested in capital assets. Table 4 shows fiscal year 2025 balances compared to 2024.

Dawson-Bryant Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
Unaudited

Table 4
Capital Assets
(Net of Depreciation)

	2025	2024
Land	\$1,092,127	\$946,107
Construction in Progress	3,085,027	1,873,854
Land Improvements	2,957,145	1,424,748
Buildings and Improvements	19,586,495	19,722,556
Furniture, Fixtures, and Equipment	1,078,580	727,904
Vehicles	653,315	784,451
Totals	<u>\$28,452,689</u>	<u>\$25,479,620</u>

For additional information on capital assets, see Note 10 to the basic financial statements.

Debt

Table 5 shows fiscal year 2025 balances compared to 2024.

Table 5
Outstanding Debt, at Fiscal Year End

	2025	2024
2011 Qualified School Construction Bond	\$50,000	\$100,000
Certificates of Participation - Financed Purchases	5,301,000	2,835,000
Totals	<u>\$5,351,000</u>	<u>\$2,935,000</u>

For additional information on debt, see Note 15 to the basic financial statements.

CURRENT ISSUES

The School District is not without its challenges. These challenges are external and internal in nature. The internal challenges continued to exist, as the School District relied heavily on local property taxes. Due to slow economic growth, management diligently planned expenses from the modest growth attained, staying carefully within its five-year forecast.

Externally, the School District is largely dependent on State funding sources. State foundation revenue is fundamentally a function of student enrollment and a district's property tax wealth.

As the preceding information shows, the School District continued to depend upon its taxpayers. Although Dawson-Bryant Local School District has attempted to keep spending in line with revenues, and carefully watched financial planning, it must improve its revenue to expense ratios if the School District hopes to remain on firm financial footing.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizen's, 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 any questions or need additional information, contact Brad Miller, Treasurer at Dawson-Bryant Local School District, 701 High Street, Coal Grove, Ohio 45638.

Dawson Bryant Local School District
Statement of Net Position
As of June 30, 2025

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$10,491,540
Inventory Held for Resale	4,618
Materials and Supplies Inventory	5,182
Accrued Interest Receivable	26,933
Accounts Receivable	5,275
Intergovernmental Receivable	863,237
Prepaid Items	301,446
Property Taxes Receivable	3,803,884
Restricted Cash and Cash Equivalents	63,654
Net OPEB Asset	931,802
Nondepreciable Capital Assets, net	4,177,154
Depreciable Capital Assets, net	24,275,535
<i>Total Assets</i>	44,950,260
Deferred Outflows of Resources:	
Pension	2,967,132
OPEB	606,878
<i>Total Deferred Outflows of Resources</i>	3,574,010
Liabilities:	
Accounts Payable	693,209
Accrued Wages and Benefits Payable	1,627,807
Contracts Payable	673,396
Intergovernmental Payable	300,863
Accrued Interest Payable	13,451
Retainage Payable	139,073
Long-Term Liabilities:	
Due Within One Year	882,546
Due in More Than One Year	5,511,720
Net Pension Liability	12,755,436
Net OPEB Liability	668,595
<i>Total Liabilities</i>	23,266,096
Deferred Inflows of Resources:	
Property Taxes not Levied to Finance Current Year Operations	3,491,691
Pension	1,691,335
OPEB	1,694,961
<i>Total Deferred Inflows of Resources</i>	6,877,987
Net Position:	
Net Investment in Capital Assets	23,163,436
Restricted for Capital Outlay	181,566
Restricted for Other Purposes	888,043
Restricted for Net OPEB Asset	529,758
Restricted for Unclaimed Monies	1,918
Unrestricted (Deficit)	(6,384,534)
<i>Total Net Position</i>	\$18,380,187

The notes to the basic financial statements are an integral part of this statement

Dawson Bryant Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2025

		Program Revenues			Net (Expense)
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:					
Instruction:					
Regular	\$7,299,666	\$69,701	\$741,871	\$0	(\$6,488,094)
Special	2,338,070	0	1,903,463	0	(434,607)
Vocational	594,655	0	54,914	1,138,580	598,839
Adult/Continuing	60,998	0	0	0	(60,998)
Other	436,153	0	0	0	(436,153)
Support Services:					
Pupils	926,222	0	326,158	0	(600,064)
Instructional Staff	233,406	28,858	27,044	50,000	(127,504)
Board of Education	151,194	0	2,242	0	(148,952)
Administration	1,227,888	0	0	0	(1,227,888)
Fiscal	533,075	0	0	0	(533,075)
Business	204,108	0	0	0	(204,108)
Operation and Maintenance of Plant	2,128,361	0	0	0	(2,128,361)
Pupil Transportation	1,211,166	0	0	0	(1,211,166)
Central	424,448	0	0	0	(424,448)
Operation of Non-Instructional Services	1,102,908	56,640	816,828	0	(229,440)
Extracurricular Activities	1,286,700	408,323	1,382	0	(876,995)
Interest	188,707	0	5,690	0	(183,017)
<i>Total Governmental Activities</i>	<u>\$20,347,725</u>	<u>\$563,522</u>	<u>\$3,879,592</u>	<u>\$1,188,580</u>	<u>(14,716,031)</u>
General Revenues:					
Property Taxes Levied for:					
General Purposes					3,434,487
Grants and Entitlements not Restricted for Specific Programs					11,399,192
Investment Earnings					516,814
Miscellaneous					<u>52,111</u>
<i>Total General Revenues</i>					<u>15,402,604</u>
<i>Change in Net Position</i>					686,573
<i>Net Position Beginning of Year, As Previously Reported</i>					17,602,476
<i>Adjustment for Implementation of GASB 101</i>					<u>91,138</u>
<i>Net Position Beginning of Year, As Adjusted</i>					<u>17,693,614</u>
<i>Net Position End of Year</i>					<u>\$18,380,187</u>

The notes to the basic financial statements are an integral part of this statement

Dawson Bryant Local School District
Balance Sheet
Governmental Funds
As of June 30, 2025

	General Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$6,896,386	\$2,601,065	\$992,171	\$10,489,622
Inventory Held for Resale	0	0	4,618	4,618
Materials and Supplies Inventory	0	0	5,182	5,182
Accrued Interest Receivable	26,933	0	0	26,933
Accounts Receivable	4,525	0	750	5,275
Interfund Receivable	149,357	0	0	149,357
Intergovernmental Receivable	14,184	0	849,053	863,237
Prepaid Items	281,197	0	20,249	301,446
Property Taxes Receivable	3,803,884	0	0	3,803,884
Restricted Cash and Cash Equivalents	1,918	63,654	0	65,572
<i>Total Assets</i>	<u>\$11,178,384</u>	<u>\$2,664,719</u>	<u>\$1,872,023</u>	<u>\$15,715,126</u>
Liabilities:				
Accounts Payable	\$159,408	\$22,020	\$511,781	\$693,209
Accrued Wages and Benefits	1,481,811	0	145,996	1,627,807
Contracts Payable	0	673,396	0	673,396
Interfund Payable	0	0	149,357	149,357
Intergovernmental Payable	277,120	0	23,743	300,863
Retainage Payable	0	63,654	75,419	139,073
<i>Total Liabilities</i>	<u>1,918,339</u>	<u>759,070</u>	<u>906,296</u>	<u>3,583,705</u>
Deferred Inflows of Resources:				
Property Taxes not Levied to Finance Current Year Operations	3,491,691	0	0	3,491,691
Unavailable Revenue	213,796	0	21,925	235,721
<i>Deferred Inflows of Resources</i>	<u>3,705,487</u>	<u>0</u>	<u>21,925</u>	<u>3,727,412</u>
Fund Balances:				
Nonspendable	283,115	0	24,867	307,982
Restricted	0	181,566	994,776	1,176,342
Committed	0	203,407	21,503	224,910
Assigned	1,637,562	1,520,676	0	3,158,238
Unassigned (Deficit)	3,633,881	0	(97,344)	3,536,537
<i>Total Fund Balances</i>	<u>5,554,558</u>	<u>1,905,649</u>	<u>943,802</u>	<u>8,404,009</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$11,178,384</u>	<u>\$2,664,719</u>	<u>\$1,872,023</u>	<u>\$15,715,126</u>

The notes to the basic financial statements are an integral part of this statement.

Dawson Bryant Local School District
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
As of June 30, 2025*

Total Governmental Fund Balances	\$8,404,009
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	28,452,689
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Investment Earnings	26,933	
Grants	21,925	
Delinquent Taxes	186,863	
Total	235,721	235,721

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(13,451)
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The net pension and OPEB liabilities (assets) are not due and payable (receivable) in the current period. Therefore, the liabilities (assets) and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows-Pension	2,967,132	
Deferred Outflows-OPEB	606,878	
Deferred Inflows-Pension	(1,691,335)	
Deferred Inflows-OPEB	(1,694,961)	
Net Pension Liability	(12,755,436)	
Net OPEB Asset	931,802	
Net OPEB Liability	(668,595)	
Total	(12,304,515)	(12,304,515)

Long-term liabilities, including bonds and related liabilities, financed purchases, and the long-term portion of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

Qualified School Construction Bonds	(50,000)	
Financed Purchases	(5,301,000)	
Compensated Absences	(1,043,266)	
Total	(6,394,266)	(6,394,266)

Net Position of Governmental Activities	\$18,380,187
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The notes to the basic financial statements are an integral part of this statement

Dawson Bryant Local School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$3,421,374	\$0	\$0	\$3,421,374
Intergovernmental	13,361,875	0	3,210,941	16,572,816
Interest	408,103	0	0	408,103
Change in Fair Value of Investments	96,479	0	0	96,479
Tuition and Fees	80,383	0	750	81,133
Extracurricular Activities	28,858	0	407,573	436,431
Gifts and Donations	200	50,000	3,382	53,582
Customer Sales and Services	0	0	45,958	45,958
Miscellaneous	51,711	0	400	52,111
<i>Total Revenues</i>	17,448,983	50,000	3,669,004	21,167,987
Expenditures:				
Current:				
Instruction:				
Regular	6,452,982	244,275	739,041	7,436,298
Special	2,040,202	0	317,907	2,358,109
Vocational	286,793	0	311,247	598,040
Adult/Continuing	60,998	0	0	60,998
Other	243,107	0	0	243,107
Support Services:				
Pupils	854,168	0	84,371	938,539
Instructional Staff	202,255	0	27,183	229,438
Board of Education	110,679	0	14,750	125,429
Administration	1,242,776	3,123	0	1,245,899
Fiscal	547,519	0	0	547,519
Business	204,108	0	0	204,108
Operation and Maintenance of Plant	2,058,566	90,350	2,610	2,151,526
Pupil Transportation	982,037	0	0	982,037
Central	367,937	2,151	0	370,088
Operation of Non-Instructional Services	36,113	0	905,526	941,639
Extracurricular Activities	450,885	128,885	418,004	997,774
Capital Outlay	137,851	3,574,300	974,870	4,687,021
Debt Service:				
Principal	0	0	373,000	373,000
Interest	0	57,468	123,581	181,049
<i>Total Expenditures</i>	16,278,976	4,100,552	4,292,090	24,671,618
<i>Excess of Revenues Over (Under) Expenditures</i>	1,170,007	(4,050,552)	(623,086)	(3,503,631)
Other Financing Sources (Uses):				
Transfers In	0	1,750,000	556,947	2,306,947
Proceeds from Financed Purchase Agreement	0	2,789,000	0	2,789,000
Transfers Out	(2,306,947)	0	0	(2,306,947)
<i>Total Other Financing Sources (Uses)</i>	(2,306,947)	4,539,000	556,947	2,789,000
<i>Net Change in Fund Balances</i>	(1,136,940)	488,448	(66,139)	(714,631)
<i>Fund Balances at Beginning of Year</i>	6,691,498	1,417,201	1,009,941	9,118,640
<i>Fund Balances at End of Year</i>	<u>\$5,554,558</u>	<u>\$1,905,649</u>	<u>\$943,802</u>	<u>\$8,404,009</u>

The notes to the basic financial statements are an integral part of this statement.

Dawson Bryant Local School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025*

Net Change in Fund Balances - Total Governmental Funds	(\$714,631)
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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 expense. This is the amount of capital asset additions and depreciation for the current period.

Capital Asset Additions	4,826,291	
Current Year Depreciation	<u>(1,853,222)</u>	
Total		2,973,069

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Investment Earnings	12,232	
Grants	(159,034)	
Delinquent Taxes	<u>13,113</u>	
Total		(133,689)

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

Pension	1,544,408	
OPEB	<u>44,647</u>	
Total		1,589,055

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities (assets) are reported as pension/OPEB expense (gain) in the statement of activities.

Pension	(793,037)	
OPEB	<u>291,015</u>	
Total		(502,022)

Long-term debt proceeds are other financing sources in the governmental funds but the issuance increases the long-term liabilities on the statement of net position.

Proceeds from Financed Purchase Agreement	<u>(2,789,000)</u>	
Total		(2,789,000)

Repayments of long-term debt are expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net position.

373,000

Interest is reported as an expenditure when due in the governmental funds, but is accrued as outstanding debt on the statement of net position.

(7,658)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Compensated Absences	<u>(101,551)</u>	
Total		<u>(101,551)</u>

Net Change in Net Position of Governmental Activities	<u><u>\$686,573</u></u>
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The notes to the basic financial statements are an integral part of this statement

Dawson Bryant Local School District
Statement of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budgetary 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	\$3,335,892	\$3,335,892	\$3,385,940	\$50,048
Intergovernmental	13,516,919	13,644,872	13,356,666	(288,206)
Interest	356,800	356,800	409,770	52,970
Tuition and Fees	46,320	46,320	69,881	23,561
Miscellaneous	30,000	30,000	52,212	22,212
<i>Total Revenues</i>	17,285,931	17,413,884	17,274,469	(139,415)
Expenditures:				
Current:				
Instruction:				
Regular	15,814,150	15,814,151	6,718,720	9,095,431
Special	45,790	45,790	2,033,756	(1,987,966)
Vocational	5,945	5,945	283,944	(277,999)
Adult/Continuing	901	901	175,901	(175,000)
Other	2,500	2,500	273,927	(271,427)
Support Services:				
Pupils	174,004	174,004	879,345	(705,341)
Instructional Staff	800	800	162,793	(161,993)
Board of Education	11,967	11,967	124,954	(112,987)
Administration	15,749	15,749	1,237,139	(1,221,390)
Fiscal	95,813	95,813	599,628	(503,815)
Business	22,010	22,010	204,802	(182,792)
Operation and Maintenance of Plant	575,678	572,947	2,263,631	(1,690,684)
Pupil Transportation	242,339	242,339	1,077,836	(835,497)
Central	26,485	26,485	423,301	(396,816)
Operation of Non-Instructional Services	1,000	1,000	21,318	(20,318)
Extracurricular Activities	14,619	14,619	457,717	(443,098)
Capital Outlay	10,579	141,263	146,832	(5,569)
<i>Total Expenditures</i>	17,060,329	17,188,283	17,085,544	102,739
<i>Excess of Revenues Over Expenditures</i>	225,602	225,601	188,925	(36,676)
Other Financing Sources (Uses):				
Transfers In	0	0	50,000	50,000
Transfers Out	(1,749,219)	(2,462,783)	(2,373,013)	89,770
<i>Total Other Financing Sources (Uses)</i>	(1,749,219)	(2,462,783)	(2,323,013)	139,770
<i>Net Change in Fund Balance</i>	(1,523,617)	(2,237,182)	(2,134,088)	103,094
<i>Fund Balance at Beginning of Year</i>	6,957,239	6,957,239	6,957,239	0
<i>Prior Year Encumbrances Appropriated</i>	1,023,109	1,023,109	1,023,109	0
<i>Fund Balance at End of Year</i>	<u>\$6,456,731</u>	<u>\$5,743,166</u>	<u>\$5,846,260</u>	<u>\$103,094</u>

The notes to the basic financial statements are an integral part of this statement.

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Note 1 - Description of the School District and Reporting Entity

Dawson-Bryant Local 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 State statute and federal guidelines. This Board of Education controls the School District's four instructional/support facilities staffed by 57 classified employees, 92 certified teaching personnel, and 21 administrative personnel who provide services to 1,158 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 the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Dawson-Bryant Local 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 Metropolitan Educational Technology Association (META) and the Coalition of Rural and Appalachian Schools, which are defined as jointly governed organizations; and the Optimal Health Initiatives Workers' Compensation Group Rating Program, the Lawrence County Schools Council of Governments Health Benefits Program, and the Southwestern Ohio Educational Purchasing Council Liability, Fleet, and Property Program, which are defined as insurance purchasing pools. These organizations are presented in Notes 17 and 18.

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 below.

Basis of Presentation

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

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 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 or fiduciary funds.

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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 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's funds consist of governmental funds.

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.

Permanent Improvement Fund The permanent improvement fund is a fund provided to account for all transactions related to the acquiring, constructing, or improving of permanent improvements.

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

Measurement Focus

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

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

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

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 are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual bases 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 and grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 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 year when the resources are required to be used or the 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, tuition, grants, and fees.

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 position 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 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 position 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 plans, 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 funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, investment earnings, and intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities. 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.

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

Cash and Cash Equivalents

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 School District records. Interest in the pool is presented as "equity in pooled cash and cash equivalents".

During fiscal year 2025, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposit, government treasury and agency instrumentalities, and a money market fund.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest is credited to the General Fund. Interest revenue credited to the General Fund during fiscal year 2025 amounted to \$408,103. The School District also recorded a change in fair value of investments in the amount of \$96,479.

During fiscal year 2025, the School District invested in STAR Ohio, negotiable certificates of deposit and money markets. Investments, other than STAR Ohio, are reported at fair value which is based on quoted market prices.

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.

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 as cash and cash equivalents. The School District's certificates of deposit are reported on the financial statements as equity in pooled cash and cash equivalents.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets include amounts due to contracts at year end for retainage as well as amounts required by statute to be set-aside by the School District for unclaimed monies.

Prepaid Items

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

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Inventory

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

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District does not possess any infrastructure. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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>
Land Improvements	5-20 years
Buildings and Improvements	5-40 years
Furniture, Fixtures, and Equipment	5-15 years
Vehicles	8-10 years

Internal Activity

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

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.

Short term interfund loans are classified as "interfund receivables" and "interfund payables". These amounts are eliminated in the governmental activities column of the statement of net position.

Compensated Absences

The School District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave.

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

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is more likely than not that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for all accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits considered more likely than not to be used or settled at termination are recognized as a liability in the financial statements. The amount is based on accumulated sick leave and employee wage rates at fiscal year-end taking into consideration any limits specified in the School District's termination policy.

On the 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 employee who has accumulated unpaid leave is paid. The School District did not have any matured compensated absences to report as of June 30, 2025.

Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, 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 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 and financed purchases that will be paid from governmental funds are recognized as an expenditure and liability on the governmental fund financial statements when due.

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.

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.

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

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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.

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. 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 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 appropriated budget.

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 (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which the amounts in any of the unrestricted fund balance classifications can be used.

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 (gain), 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.

Estimates

The preparation of the 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.

Net Position

Net position represents the difference between assets, liabilities and deferred inflows/outflows of resources. Net investment in capital assets, consist of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions, or enabling legislation adopted or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Other purposes restricted net position includes various grants and other resources restricted for various purposes. Restricted net position for net OPEB assets represents the corresponding restricted amounts held in trust by the OPEB plans for future benefits, net of related deferred outflows and inflows of resources. The School District's policy is to first apply restricted resources when an expense is incurred for

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purposes for which both restricted and unrestricted net position are available. Of the School District's restricted net position, none are restricted by enabling legislation.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The School District reported no extraordinary or special items as of June 30, 2025.

Budgetary Process

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements 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 throughout the fiscal year with the restriction that appropriations may not exceed estimated resources. 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 – New Accounting Pronouncement

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

GASB Statement No. 101 provides updated guidance on accounting for and reporting compensated absences, which includes recognizing a liability for leave that is attributable to service already rendered and is more likely than not to be used or otherwise paid or settled. The implementation of GASB Statement No. 101 has the following impact on beginning net position:

	Governmental Activities
Net Position at June 30, 2024	\$17,602,476
Adjustments: GASB No. 101 Implementation	91,138
Restated Net Position at June 30, 2024	<u>\$17,693,614</u>

GASB Statement 102 requires school districts to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. A concentration, as defined by Statement 102, is a lack of diversity related to an aspect of a significant inflow or outflow of resources, for example, a small number of companies that represent a majority of employment in a school district's jurisdiction, or a school district that relies on one revenue source for most of its revenue. A constraint is a limitation imposed on a school district by an external party or by

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formal action of the school district's highest level of decision-making authority, such as a voter-approved property tax cap or a state-imposed debt limit. The School District had no disclosures related to concentrations or constraints. This GASB pronouncement relates to note disclosure only and had no effect on beginning net position/fund balance.

Note 4 - Fund Deficits

The following funds had deficit fund balances as of June 30, 2025:

Nonmajor Funds:	
Miscellaneous State Grants	\$75,419
Title I	9,014
Title II-A	5,635

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) 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).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than committed or assigned fund balance (GAAP basis).
4. Prepaid items, negative cash advances, and unreported items are reported on the balance sheet (GAAP basis), but not on the cash basis.
5. Certain funds are accounted for as separate funds internally with legally adopted budgets (budget basis) that do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

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

GAAP Basis	(\$1,136,940)
Revenue Accruals	(134,268)
Expenditure Accruals	258,225
Transfers	(2,066)
Encumbrances	(1,121,137)
(Excess) Deficit of Funds Combined with General Fund for Reporting Purposes	2,098
Budget Basis	<u>(\$2,134,088)</u>

Note 6 - Deposits and Investments

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

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

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

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

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 monies available for investment at the time of purchase.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2025, the School District's bank balance of \$2,691,284 was either covered by FDIC or collateralized by the financial institution's public entity deposit pool in the manner described below.

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

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- Eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

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.

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.

Investments

Investments are reported at fair value. As of June 30, 2025, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Rating	Percent of Total Investments
Fair Value – Level 1 Inputs				
Money Market Fund	\$29,215	< 1 Year	AAAm-S&P	0.36%
U.S. Treasury Notes	389,182	< 1 Year	Aaa-Moody's	4.81%
U.S. Treasury Notes	351,298	1-3 Years	Aaa-Moody's	4.35%
U.S. Treasury Notes	658,625	3-5 Years	Aaa-Moody's	8.15%
Federal Home Loan Bank	248,367	< 1 Year	AA+-S&P	3.07%
Federal Home Loan Bank	358,613	1-3 Years	AA+-S&P	4.44%
Fair Value – Level 2 Inputs				
Negotiable Certificates of Deposit	698,676	< 1 Year	N/A	8.64%
Negotiable Certificates of Deposit	1,626,725	1-3 Years	N/A	20.12%
Negotiable Certificates of Deposit	1,410,671	3-5 Years	N/A	17.45%
Net Asset Value Per Share				
STAR Ohio	2,313,262	< 1 Year	AAAm-S&P	28.61%
Total Investments	<u>\$8,084,634</u>			<u>100.00%</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2025. As discussed further in note 2, STAR Ohio is reported at its share price. The School District's investments measured at fair value are valued using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

Interest Rate Risk The School District has no investment policy that addresses interest rate risk beyond the requirements of state statute. State statute requires that an investment mature within five years from the date of

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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 Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District has no deposit policy for custodial risk beyond the requirements of State statute.

Concentration of Credit Risk Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The School District places no limit on the amount it may invest in any one issuer.

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

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

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

Accrued property taxes receivable includes real property and public utility property taxes which were 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 - property taxes.

The amount available as an advance at June 30, 2025 was \$125,330 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 deferred inflows of resources – unavailable revenue.

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

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	2024 Second Half Collections		2025 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$87,877,260	49.38%	\$88,009,360	49.36%
Public Utility Personal	90,083,070	50.62%	90,300,210	50.64%
Total	<u>\$177,960,330</u>	<u>100.00%</u>	<u>\$178,309,570</u>	<u>100.00%</u>
Tax Rate per \$1,000 of Assessed Valuation	\$20.60		\$20.60	

Note 8 - Receivables

Receivables at June 30, 2025, consisted of accounts, property taxes, interfund, accrued interest, and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. Except for property taxes, all receivables are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be received within one year. The delinquent property taxes amounted to \$186,863.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amounts</u>
General Fund	\$14,184
Miscellaneous State Grants	450,999
Public School Preschool	36,551
Federal School Meal Reimbursements	151,433
Title IV-B	67,316
Title I	76,644
Title VI-B	60,475
Title II-A	5,635
Total	<u>\$863,237</u>

Note 9 - Significant Commitments

Encumbrances

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at fiscal year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At fiscal year end, the School District's commitments for encumbrances in the governmental funds were as follows:

<u>Fund</u>	<u>Amount</u>
General	\$1,129,653
Permanent Improvement	1,741,763
Nonmajor Governmental Funds	975,139
Total	<u>\$3,846,555</u>

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Contract Commitments

The School District had the following outstanding contract commitments as of June 30, 2025:

Contractor/Project	Contract Amount	Amount Paid as of June 30, 2025	Balance
Thoroughbred Construction Group, LLC			
Roof Repair and Replacement Project	\$1,976,317	\$992,148	\$984,169
Mullins Construction			
HVAC Project	903,179	517,226	385,953

Note 10 - Capital Assets

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

	Balance at 6/30/24	Additions	Deductions	Balance at 6/30/25
Capital Assets:				
Capital Assets not being Depreciated:				
Land	\$946,107	\$146,020	\$0	\$1,092,127
Construction in Progress	1,873,854	3,098,938	(1,887,765)	3,085,027
Total Nondepreciable Capital Assets	2,819,961	3,244,958	(1,887,765)	4,177,154
Depreciable Capital Assets:				
Land Improvements	3,250,015	1,724,191	0	4,974,206
Buildings and Improvements	44,693,852	1,230,153	0	45,924,005
Furniture, Fixtures, and Equipment	2,382,780	514,754	0	2,897,534
Vehicles	1,968,775	0	(60,000)	1,908,775
Total Depreciable Capital Assets	52,295,422	3,469,098	(60,000)	55,704,520
Less Accumulated Depreciation:				
Land Improvements	(1,825,267)	(191,794)	0	(2,017,061)
Buildings and Improvements	(24,971,296)	(1,366,214)	0	(26,337,510)
Furniture, Fixtures, and Equipment	(1,654,876)	(164,078)	0	(1,818,954)
Vehicles	(1,184,324)	(131,136)	60,000	(1,255,460)
Total Accumulated Depreciation	(29,635,763)	(1,853,222)	60,000	(31,428,985)
Total Capital Assets being Depreciated, Net	22,659,659	1,615,876	0	24,275,535
Capital Assets, Net	<u>\$25,479,620</u>	<u>\$4,860,834</u>	<u>(\$1,887,765)</u>	<u>\$28,452,689</u>

The School District's capital assets reported above include \$4,709,756 of fully depreciated assets that are still being utilized by the School District.

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Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$378,051
Special	106,904
Vocational	16,036
Other	213,808
Support Services:	
Pupils	56,424
Instructional Staff	16,036
Board of Education	26,976
Administration	85,523
Fiscal	10,690
Operation and Maintenance of Plant	221,343
Pupil Transportation	256,280
Central	65,255
Operation of Noninstructional Services	78,288
Extracurricular Activities	321,608
Total Depreciation Expense	<u>\$1,853,222</u>

Note 11 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School District contracted with the Southwestern Ohio Educational Purchasing Council Liability, Fleet, and Property Program for general liability, property, and fleet insurance.

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

For fiscal year 2025, the School District participated in the Optimal Health Initiatives Workers' Compensation Group Rating Program (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 of the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice, Inc. Managed Care Organization provides administrative, cost control, and actuarial services to the GRP.

The School District participates in the Lawrence County Schools Council of Governments Health Benefits Program (Note 18) to provide employee medical benefits. Rates are set through an annual calculation process. The School District pays monthly premiums to the fiscal agent, which is placed into a Council Fund from which claim payments are made for all participating School Districts.

Note 12 - Defined Benefit Pension Plans

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

Net Pension/OPEB Liability (Asset)

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

The net pension/OPEB liability (asset) represent the 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 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.

Age and service requirements for retirement are as follows:

Dawson-Bryant Local School District
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	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 \$532,649 for fiscal year 2025. Of this amount, \$61,128 is reported as an intergovernmental payable in the accompanying financial statements.

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.

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

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

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

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

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are 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 \$1,011,759 for fiscal year 2025. Of this amount, \$173,336 is reported as an intergovernmental payable in the accompanying financial statements.

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
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Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Current Measurement Date	0.06456810%	0.049124730%	
Proportion of the Net Pension Liability			
Prior Measurement Date	<u>0.06493700%</u>	<u>0.050460660%</u>	
Change in Proportionate Share	<u>-0.00036890%</u>	<u>-0.001335930%</u>	
Proportionate Share of the Net			
Pension Liability	\$3,303,044	\$9,452,392	\$12,755,436
Pension Expense	\$309,428	\$483,609	\$793,037

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$126,108	\$595,253	\$721,361
Changes of assumptions	29,548	435,618	465,166
Changes in proportion and differences between School District contributions and proportionate share of contributions	49,994	186,203	236,197
School District contributions subsequent to the measurement date	<u>532,649</u>	<u>1,011,759</u>	<u>1,544,408</u>
Total Deferred Outflows of Resources	<u>\$738,299</u>	<u>\$2,228,833</u>	<u>\$2,967,132</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$0	\$5,176	\$5,176
Changes of assumptions	0	327,898	327,898
Net difference between projected and actual earnings on pension plan investments	206,602	812,715	1,019,317
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>0</u>	<u>338,944</u>	<u>338,944</u>
Total Deferred Inflows of Resources	<u>\$206,602</u>	<u>\$1,484,733</u>	<u>\$1,691,335</u>

\$1,544,408 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (gain) as follows:

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	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	(\$139,853)	(\$590,578)	(\$730,431)
2027	221,982	841,924	1,063,906
2028	(22,336)	(265,595)	(287,931)
2029	(60,745)	(253,410)	(314,155)
Total	<u>(\$952)</u>	<u>(\$267,659)</u>	<u>(\$268,611)</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.

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, 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

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

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

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

Discount Rate The total pension liability for 2024 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of 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	\$5,053,199	\$3,303,044	\$1,829,507

Actuarial Assumptions – STRS

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

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

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

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

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

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

* Final target weights reflected at October 1, 2022.

** 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 allocation 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.

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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	\$15,248,364	\$9,452,392	\$4,549,995

Note 13 – Defined Benefit OPEB Plans

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

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.

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

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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 \$44,647.

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 \$44,647 for fiscal year 2025, which was recorded as an intergovernmental payable in the accompanying financial statements.

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.

Net 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 actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.06564540%	0.04912473%	
Prior Measurement Date	0.06650010%	0.05046066%	
Change in Proportionate Share	-0.00085470%	-0.00133593%	
Proportionate Share of the:			
Net OPEB Liability	\$668,595	\$0	\$668,595
Net OPEB (Asset)	\$0	(\$931,802)	(\$931,802)
Net OPEB Gain	(\$74,818)	(\$216,197)	(\$291,015)

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

	SERS	STRS	Total
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$0	\$40,507	\$40,507
Changes of assumptions	286,958	114,692	401,650
Net difference between projected and actual earnings on pension plan investments	3,266	0	3,266
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	108,097	8,711	116,808
School District contributions subsequent to the measurement date	44,647	0	44,647
Total Deferred Outflows of Resources	<u>\$442,968</u>	<u>\$163,910</u>	<u>\$606,878</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$720,919	\$100,416	\$821,335
Changes of assumptions	307,130	420,231	727,361
Net difference between projected and actual earnings on OPEB plan investments	0	40,009	40,009
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	100,958	5,298	106,256
Total Deferred Inflows of Resources	<u>\$1,129,007</u>	<u>\$565,954</u>	<u>\$1,694,961</u>

\$44,647 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 increase in the net OPEB asset in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (gain) as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	(\$180,482)	(\$142,473)	(\$322,955)
2027	(111,697)	(62,225)	(173,922)
2028	(88,769)	(79,750)	(168,519)
2029	(95,238)	(74,265)	(169,503)
2030	(94,256)	(60,043)	(154,299)
Thereafter	(160,244)	16,712	(143,532)
Total	<u>(\$730,686)</u>	<u>(\$402,044)</u>	<u>(\$1,132,730)</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).

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
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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:

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

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

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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 long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

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

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.

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
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	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
School District's proportionate share of the net OPEB liability	\$891,548	\$668,595	\$491,429

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$451,945	\$668,595	\$953,364

Actuarial Assumptions – STRS

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

	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.

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
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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 actual rate of return, without net value added by management.

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or 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	(\$757,617)	(\$931,802)	(\$1,083,382)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$1,093,621)	(\$931,802)	(\$737,195)

Note 14 - Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn five to twenty days of vacation per fiscal year, depending upon length of service. Bargaining unit employees shall be permitted to carry over two years worth of vacation from year to year. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month up to a maximum of 375 days for certified employees and 325 days for classified employees. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave to a maximum of 85 days for all employees.

Insurance Benefits

The School District provides health and prescription card coverage through Anthem Blue Cross and Blue Shield. The School District provides two options in which the School District pays 80 percent of the total monthly premium. Option 1 has a \$750 deductible with premiums of \$2,707.07 for family coverage and \$1,095.97 for single coverage. Option 2 has a \$4,000 deductible with premiums of \$2,067.64 for family coverage and \$837.10 for single coverage.

The School District provides life insurance and accidental death and dismemberment insurance to all full-time employees through Guardian Insurance in the amount of \$30,000. The School District pays 100 percent of the total monthly premium of \$5.34.

The School District provides dental insurance to all full-time employees through Guardian. The School District pays 100 percent of the total monthly premiums of \$66.50 for family coverage and \$21.94 for single coverage.

The School District provides vision insurance to all full-time employees through Guardian. The School District pays 100 percent of the total monthly premiums of \$19.56 for family coverage and \$9.10 for single coverage.

Deferred Compensation

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

Note 15 - Long-Term Obligations

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

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
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	Restated Balance 6/30/24	Additions	Deductions	Balance 6/30/25	Amounts Due in One Year
Governmental Activities:					
Direct Placements:					
2011 6.90% Qualified School					
Construction Bonds	\$100,000	\$0	\$50,000	\$50,000	\$50,000
2011 7.25% Financed Purchase	140,000	0	140,000	0	0
2022 2.08% Financed Purchase	2,695,000	0	183,000	2,512,000	187,000
2024 4.09% Financed Purchase	0	2,789,000	0	2,789,000	136,000
Total Direct Placements	2,935,000	2,789,000	373,000	5,351,000	373,000
Net Pension Liability:					
STRS	10,866,672	0	285,060	10,581,612	0
SERS	3,588,104	0	1,414,280	2,173,824	0
Total Net Pension Liability	14,454,776	0	1,699,340	12,755,436	0
Net OPEB Liability:					
SERS	1,095,553	0	426,958	668,595	0
Compensated Absences	941,714	101,552	0	1,043,266	509,546
Total Governmental Activities					
Long-Term Liabilities	\$19,427,043	\$2,890,552	\$2,499,298	\$19,818,297	\$882,546

The change in compensated absences reported above is a net change.

Compensated absences are paid from the fund from which the employees' salaries are paid, which includes the General Fund and the Food Service, Student Wellness and Success, Elementary Secondary School Emergency Relief, Title VI-B, Title I, and Miscellaneous Federal Grants Special Revenue Funds. There are no repayment schedules for the net pension and OPEB liabilities. However, employer pension contributions are made from the following funds: General Fund, and the Food Service, Student Wellness and Success, Miscellaneous State Grants, Elementary Secondary School Emergency Relief, Title I, IDEA-B, and Title II-A Special Revenue Funds. For additional information related to the net pension and net OPEB liabilities, see Notes 12 and 13.

Qualified School Construction Bonds (QSCB) On February 23, 2011, the School District issued \$705,000 of Qualified School Construction Bonds (QSCB), in accordance with the American Recovery and Reinvestment Act of 2009 (ARRA). These bonds were issued for the purpose of improving and reducing energy consumption in each of the School District's instructional facilities. The QSCB was issued through a series of lease agreements and trust indentures in accordance with Section 133.06 of the Ohio Revised Code.

In accordance with the lease terms, the project assets are leased to the All Points Capital Corporation, and then subleased back to the School District. The QSCB was issued through a series of annual leases with an initial lease term of fifteen years which includes the right to renew for fifteen successive one-year leases through December 1, 2025, subject to annual appropriations. To satisfy trustee requirements, the School District is required to make annual base rent payments, subject to lease terms and appropriations, annually.

Upon a determination of Loss of Qualifies School Construction Bond status, the Tax Credit bonds are subject to extraordinary mandatory redemption prior to their fixed maturity date, in whole, on the date designated by the School District, which date shall be a date prior to 60 days succeeding, after a Determination of Loss of Qualified School Construction Bond status, at a redemption price equal to (i) the principal amount of the Tax Credit Bonds called for redemption, plus (ii) the redemption premium, plus (iii) accrued interest on the principal amount of the Tax Credit Bonds called for redemption plus the interest owed from the supplemental coupon from the Tax Credit

Dawson-Bryant Local School District
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Allowance Date immediately preceding the redemption date, to the date of redemption. The Bonds are being retired from the Bond Retirement Debt Service Fund.

As part of the ARRA Act of 2009, issuers of QSCBs are eligible to receive direct payments from the federal government which offset interest payments on the bonds. As an alternate, QSCBs may be issued as tax credit bonds under which bond holders receive federal tax credits in lieu of interest as a means to significantly reduce the issuer's interest cost. The School District, under agreement with the federal government, has chosen to receive a forty-two percent semi-annual direct payment from the federal government to help offset interest expense on the QSCBs.

Annual base rent requirements to retire the Qualified School Construction Bonds outstanding at June 30, 2025, are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Direct</u> <u>Subsidy</u>	<u>Total</u> <u>Payment</u>
2026	\$50,000	\$1,725	(\$1,317)	\$50,408
Total	<u>\$50,000</u>	<u>\$1,725</u>	<u>(\$1,317)</u>	<u>\$50,408</u>

Financed Purchases

On February 23, 2011, the School District issued \$940,000 in certificates of participation (COPs), for the purpose of improving and reducing energy consumption in each of the School District's instructional facilities. The COPs were issued through a series of agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be "qualified tax-exempt obligations" within the meaning of 26 U.S.C. 265 (b)(3) of the Internal Revenue Service Code.

In accordance with the terms, the project assets are leased to All Points Capital Corporation, and then subleased back to the School District. The COP contains provisions that in an event of default, (1) the School District will promptly return possession of the personal property or allow the lessor to remove any or all of the property, at the fiscal agent's option; or (2) the lessor can sublease the project for the account of the lessee; or (3) the total remaining lease payments will be paid immediately.

The COPs were issued through a series of annual finance purchases with an initial term of fifteen years which includes the right renew for fifteen successive one-year terms through December 1, 2025, subject to annual appropriations. To satisfy the trustee requirements, the School District is required to make annual base rent payments, subject to the finance purchase terms and appropriations, semi-annually. The base rent includes an interest component of 7.25 percent. The School District has the option to purchase the Project Facilities on any Finance Purchase Payment Date after June 1, 2021, by paying a 1 percent premium plus the amount necessary to defease the indenture.

As part of the ARRA Act of 2009, issuers of COPS are eligible to receive direct payments from the federal government which offset interest payments on the lease. As an alternate, COPS may be issued as tax credit bonds under which bond holders receive federal tax credits in lieu of interest as a means to significantly reduce the issuer's interest cost. The School District, under agreement with the federal government, has chosen to receive a forty-two percent semi-annual direct payment from the federal government to help offset interest expense on the COPS.

In March 2022, the School District issued a certificate of participation in the amount of \$3,067,000 at 2.08% interest, maturing in December 2036. The financed purchase agreement was for the construction, improvement, furnishing and equipping of project facilities. In accordance with the terms, the project assets are leased to JP Morgan Chase Bank, NA and then subleased back to the School District.

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In November 2024, the School District issued a certificate of participation in the amount of \$2,789,000 at 4.09% interest, maturing in December 2039. The financed purchase agreement was for the construction, improvement, furnishing and equipping of project facilities. In accordance with the terms, the project assets are leased to The Huntington National Bank and then subleased back to the School District.

These agreements meet the criteria of a financed purchase which is defined as a financed purchase which transfers ownership to the lessee. Financed purchase payments are reflected as debt service expenditures in the fund financial statements. Principal payments made during the fiscal year totaled \$323,000 from the Debt Service Fund.

Annual base rent requirements to retire the certificates of participation at June 30, 2025, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Payment
2026	\$323,000	\$161,594	\$484,594
2027	334,000	151,947	485,947
2028	344,000	141,941	485,941
2029	354,000	131,607	485,607
2030	366,000	120,913	486,913
2031-2035	1,995,000	431,432	2,426,432
2036-2037	1,585,000	128,088	1,713,088
Total	<u>\$5,301,000</u>	<u>\$1,267,522</u>	<u>\$6,568,522</u>

The School District's overall legal debt margin was \$15,997,861, with an unvoted debt margin of \$178,310 at June 30, 2025.

Note 16 - Interfund Activity

Transfers

During fiscal year 2025, the General Fund made transfers to the following funds:

	Transfers In	Transfers Out
<i>Major Funds:</i>		
General	\$0	\$2,306,947
Permanent Improvement	1,750,000	0
<i>Nonmajor Funds:</i>		
Bond Retirement	475,947	0
Athletics	67,000	0
Education Foundation	14,000	0
Total Nonmajor Funds	<u>556,947</u>	<u>0</u>
Total All Funds	<u>\$2,306,947</u>	<u>\$2,306,947</u>

The transfers were used to move unrestricted revenue collected in the General Fund to make debt payments, provide funds to be used for permanent improvements, and to finance various athletic and scholarship programs accounted for in other funds in accordance with budgetary authorizations.

Dawson-Bryant Local School District
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Interfund Balances

Interfund balances at June 30, 2025, are as follows:

	Receivables	Payables
<i>Major Fund:</i>		
General	\$149,357	\$0
<i>Nonmajor Funds:</i>		
Public School Preschool	0	36,551
Miscellaneous State Grants	0	6,705
Title IV-B	0	67,316
Title VI-B	0	15,654
Title II-D	0	17,496
Title II-A	0	5,635
Total Nonmajor Funds	0	149,357
 Total	 \$149,357	 \$149,357

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

Note 17 - Jointly Governed Organizations

Metropolitan Educational Technology Association (META)

The School District participates in the Metropolitan Educational Technology Association (META), formed from the merger of the Metropolitan Educational Council (MEC) and the South Central Ohio Computer Association Regional Council of Governments (SCOCARCoG) during fiscal year 2016, which is a jointly governed organization, created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During 2025, the School District paid \$96,163 for services with META. Financial information can be obtained from Metropolitan Educational Technology Association at 100 Executive Drive, Marion, Ohio 43302.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization composed of 136 school districts and other educational institutions in the 32-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One elected and one appointed from each of the eight regions into which the 32 Appalachian counties are divided; and one from Ohio University College of Education. The Council 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 School paid \$400 for membership fees during fiscal year

Dawson-Bryant Local School District
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2025. The financial information for the Coalition can be obtained from the Executive Director, at McCracken Hall, Ohio University, Athens, Ohio 45701.

Note 18 - Insurance Purchasing Pools

Optimal Health Initiatives Workers' Compensation Group Rating Program

The School District participates in the Optimal Health Initiatives Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of trustees consisting of the President, the Vice President, and the Secretary. The Executive Director of the Northwest Division of OH, or a designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Lawrence County Schools Council of Governments Health Benefits Program

The School District participates in the Lawrence County Schools Council of Governments Health Benefits Program (Council), a shared risk pool created pursuant to State statute for the purpose of administering health care benefits. The Council is governed by a council, which consists of the superintendent from each participating school district. The council elects officers for one-year terms to serve on the Board of Directors. The council exercises control over the operation of the Council. All council revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. The Lawrence County Educational Service Center is the fiscal agent of the council. Each School District reserves the right to withdraw from the plan. If this is done, no further contributions will be made and the school district's net pooled share will be distributed and all claims submitted by covered members of the school district after the distribution will be exclusively the liability of the school district.

Southwestern Ohio Educational Purchasing Council Liability, Fleet, and Property Program

The School District participates in the Southwestern Ohio Educational Purchasing Council Liability, Fleet and Property Program (LFP). The LFP's business and affairs are conducted by a six-member committee consisting of various LFP representatives that are elected by the general assembly. The purpose of the Property, Fleet, and Liability Program of the SOEPC is to jointly provide or obtain casualty, property, employer liability, general liability, risk management, professional liability, group coverage and other protections for participants.

Note 19 - Set-Aside Calculations

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

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

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	<u>Capital Improvements</u>
Set-Aside Balance as of as of June 30, 2024	\$0
Current Year Set-Aside Requirement	272,238
Current Year Qualifying Expenditures	(495,840)
Current Year Offsets	<u>(1,750,000)</u>
Totals	<u>(\$1,973,602)</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>

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

Note 20 - Contingencies

Grants

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

Litigation

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

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. Adjustments for fiscal year 2025 have been finalized. A receivable of \$11,419 has been reported in the accompanying financial statements as a result of these adjustments.

Dawson-Bryant Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 21 – Fund Balances

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

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable</i>				
Unclaimed Monies	\$1,918	\$0	\$0	\$1,918
Inventory	0	0	4,618	4,618
Prepaid Items	281,197	0	20,249	301,446
Total Nonspendable	283,115	0	24,867	307,982
<i>Restricted</i>				
Other Purposes	0	0	31,078	31,078
Capital Improvements	0	181,566	0	181,566
Food Service	0	0	112,690	112,690
Classroom Facilities Maintenance	0	0	621,543	621,543
District Managed Activities	0	0	229,465	229,465
Total Restricted	0	181,566	994,776	1,176,342
<i>Committed</i>				
Capital Improvements	0	203,407	0	203,407
Donations	0	0	21,503	21,503
Total Committed	0	203,407	21,503	224,910
<i>Assigned</i>				
Future Purchases	1,029,147	0	0	1,029,147
Other Purposes	69,995	1,520,676	0	1,590,671
Deficit in Future Budget	538,420	0	0	538,420
Total Assigned	1,637,562	1,520,676	0	3,158,238
<i>Unassigned (Deficit)</i>	3,633,881	0	(97,344)	3,536,537
Total Fund Balances	\$5,554,558	\$1,905,649	\$943,802	\$8,404,009

Note 22 - Compliance

Contrary to Ohio law (Ohio Rev. Code 5705.41(B)), the School District had budgetary expenditures in excess of appropriations in the amount of \$666,045 in the Permanent Improvement Fund.

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Dawson-Bryant Local School District
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	2020	2019	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.06456810%	0.06493700%	0.06382780%	0.06418760%	0.05596270%	0.05767120%	0.05988920%	0.05841250%	0.05652160%	0.05770120%
School District's Proportionate Share of the Net Pension Liability	\$3,303,044	\$3,588,104	\$3,452,304	\$2,368,336	\$3,701,491	\$3,450,569	\$3,429,965	\$3,490,018	\$4,136,860	\$3,292,486
School District's Covered Payroll	\$3,140,243	\$2,468,543	\$2,379,343	\$2,231,914	\$1,972,100	\$1,968,726	\$1,957,970	\$1,901,264	\$1,764,086	\$1,729,097
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.18%	145.35%	145.09%	106.11%	187.69%	175.27%	175.18%	183.56%	234.50%	190.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.52%	76.10%	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%

*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

Dawson-Bryant Local School District
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	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.06564540%	0.06650010%	0.06509620%	0.06585900%	0.05603040%	0.05897280%	0.06052210%	0.05912600%	0.05709740%
School District's Proportionate Share of the Net OPEB Liability	\$668,595	\$1,095,553	\$913,957	\$1,246,346	\$1,217,724	\$1,483,043	\$1,679,047	\$1,586,786	\$1,627,487
School District's Covered Payroll	\$3,140,243	\$2,468,543	\$2,379,343	\$2,231,914	\$1,972,100	\$1,968,726	\$1,957,970	\$1,901,264	\$1,764,086
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	21.29%	44.38%	38.41%	55.84%	61.75%	75.33%	85.75%	83.46%	92.26%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	44.50%	30.00%	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(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

Dawson-Bryant Local School District
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	2020	2019	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.049124730%	0.050460660%	0.049334650%	0.050540888%	0.049182270%	0.049191650%	0.049801050%	0.052005330%	0.048870230%	0.048348870%
School District's Proportionate Share of the Net Pension Liability	\$9,452,392	\$10,866,672	\$10,967,155	\$6,462,107	\$11,900,359	\$10,878,438	\$10,950,133	\$12,353,978	\$16,358,339	\$13,362,213
School District's Covered Payroll	\$6,779,579	\$7,071,000	\$6,270,714	\$6,269,843	\$5,968,514	\$5,800,614	\$5,647,071	\$5,601,036	\$5,170,593	\$5,069,729
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.42%	153.68%	174.89%	103.07%	199.39%	187.54%	193.91%	220.57%	316.37%	263.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.50%	80.00%	78.90%	87.80%	75.50%	77.40%	77.30%	75.30%	66.80%	72.10%

*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

Dawson-Bryant Local School District
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	2021	2020	2019	2018	2017
School District's Proportion of the Net OPEB Liability	0.049124730%	0.050460660%	0.049334650%	0.050540888%	0.049182270%	0.049191650%	0.049801050%	0.052005330%	0.048870230%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$931,802)	(\$981,389)	(\$1,277,437)	(\$1,065,613)	(\$864,377)	(\$814,732)	(\$800,251)	\$2,029,056	\$2,613,593
School District's Covered Payroll	\$6,779,579	\$7,071,000	\$6,270,714	\$6,269,843	\$5,968,514	\$5,800,614	\$5,647,071	\$5,601,036	\$5,170,593
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	-13.74%	-13.88%	-20.37%	-17.00%	-14.48%	-14.05%	-14.17%	36.23%	50.55%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	158.00%	168.50%	230.70%	174.70%	182.10%	174.70%	176.00%	47.10%	37.30%

(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

Dawson-Bryant Local School District
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	2020	2019	2018	2017	2016
Net Pension Liability										
Contractually Required Contribution	\$532,649	\$439,634	\$345,596	\$333,108	\$312,468	\$276,094	\$265,778	\$264,326	\$266,177	\$246,972
Contributions in Relation to the Contractually Required Contribution	<u>(532,649)</u>	<u>(439,634)</u>	<u>(345,596)</u>	<u>(333,108)</u>	<u>(312,468)</u>	<u>(276,094)</u>	<u>(265,778)</u>	<u>(264,326)</u>	<u>(266,177)</u>	<u>(246,972)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$3,804,636	\$3,140,243	\$2,468,543	\$2,379,343	\$2,231,914	\$1,972,100	\$1,968,726	\$1,957,970	\$1,901,264	\$1,764,086
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>	<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability										
Contractually Required Contribution (2)	\$44,647	\$46,334	\$46,885	\$41,651	\$40,800	\$26,337	\$45,235	\$41,441	\$31,535	\$28,115
Contributions in Relation to the Contractually Required Contribution	<u>(44,647)</u>	<u>(46,334)</u>	<u>(46,885)</u>	<u>(41,651)</u>	<u>(40,800)</u>	<u>(26,337)</u>	<u>(45,235)</u>	<u>(41,441)</u>	<u>(31,535)</u>	<u>(28,115)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.17%</u>	<u>1.48%</u>	<u>1.90%</u>	<u>1.75%</u>	<u>1.83%</u>	<u>1.34%</u>	<u>2.30%</u>	<u>2.12%</u>	<u>1.66%</u>	<u>1.59%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.17%</u>	<u>15.48%</u>	<u>15.90%</u>	<u>15.75%</u>	<u>15.83%</u>	<u>15.34%</u>	<u>15.80%</u>	<u>15.62%</u>	<u>15.66%</u>	<u>15.59%</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

Dawson-Bryant Local School District
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	2020	2019	2018	2017	2016
Net Pension Liability										
Contractually Required Contribution	\$1,011,759	\$949,141	\$989,940	\$877,900	\$877,778	\$835,592	\$812,086	\$790,590	\$784,145	\$723,883
Contributions in Relation to the Contractually Required Contribution	<u>(1,011,759)</u>	<u>(949,141)</u>	<u>(989,940)</u>	<u>(877,900)</u>	<u>(877,778)</u>	<u>(835,592)</u>	<u>(812,086)</u>	<u>(790,590)</u>	<u>(784,145)</u>	<u>(723,883)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$7,226,850	\$6,779,579	\$7,071,000	\$6,270,714	\$6,269,843	\$5,968,514	\$5,800,614	\$5,647,071	\$5,601,036	\$5,170,593
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>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability										
Contractually Required Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total 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>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

See accompanying notes to the required supplementary information

Dawson Bryant Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

State Teachers Retirement System

Pension

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2016 through 2017. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017. There were no changes to benefit terms for fiscal years 2019 through 2025.

Changes in assumptions

There were no changes in assumptions for fiscal years 2016 through 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Inflation assumptions were lowered from 2.75 percent to 2.5 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered from 3.5 percent to 3.0 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

There were no changes in assumptions for fiscal years 2019 through 2021.

For fiscal year 2022, the following was the most significant change of assumptions that affected the total pension liability since the prior measurement date:

- Investment rate of return and discount rate of return assumptions were lowered from 7.45 percent to 7.0 percent.

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Updated the health and disability mortality assumption to the PUB-2010 mortality tables with generational improvement scale MP-2020.
- The projected salary increases changed from 12.50 percent at age 20 to 2.50 percent at age 65 to varying by service from 2.50 percent to 8.50 percent.

There were no changes in assumptions for fiscal years 2024 or 2025.

OPEB

Changes in benefit terms

There were no changes to benefit terms for fiscal year 2017.

For fiscal year 2018, STRS has the following changes in benefit terms since the previous measurement date:

- The HealthSpan HMO plans were eliminated.

Dawson Bryant Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

- The subsidy multiplier for non-Medicare benefit recipients was reduced to 1.9 percent per year of service from 2.1 percent.
- Medicare Part B premium reimbursements were discontinued for survivors and beneficiaries who were age 65 by 2008 and either receiving a benefit or named as a beneficiary as of January 1, 2008.
- The remaining Medicare Part B premium reimbursements will be phased out over a three-year period.

For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- 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 increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extend the current Medicare Part B partial reimbursement for one year.

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 was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For 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 was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

There were no changes to benefit terms for fiscal years 2023 through 2025.

Changes in assumptions

There were no changes in assumptions for fiscal year 2017.

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB 74.
- The long-term rate of return was reduced to 7.45 percent.
- Valuation-year per capita health costs were updated.
- The percentage of future retirees electing each option was updated based on current data.
- The assumed future trend rates were modified.
- Decrement rates including mortality, disability, retirement, and withdrawal were modified.
- The assumed percentage of future disabled retirees assumed to elect health coverage was decreased from 84 percent to 65 percent, and the assumed percentage of terminated vested participants assumed to elect health coverage at retirement was decreased from 47 percent to 30 percent.

Dawson Bryant Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

- The assumed salary scale was modified.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.
- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
 - Medical Medicare – 5 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – 6 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – -5.23 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – 8 percent initial, 4 percent ultimate

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from 5 percent to 4.93 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – from 6 percent to 5.87 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from -5.23 percent to 9.62 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – from 8 percent to 7.73 initial, 4 percent ultimate

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from 4.93 percent to -6.69 percent initial, 4 percent ultimate
 - Medical Pre-Medicare – from 5.87 percent to 5 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 9.62 percent to 11.87 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – from 7.73 percent to 6.5 initial, 4 percent ultimate

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from 7.45 percent to 7.0 percent.
- The health care trend assumption rate changed as follows:
 - Medical Medicare – from -6.69 percent initial, 4 percent ultimate to -16.18 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 11.87 percent initial, 4 percent ultimate to 29.98 percent initial, 4 percent ultimate

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Pre-Medicare – from 5.00 percent initial, 4 percent ultimate to 7.50 percent initial, 3.94 percent ultimate
 - Medical Medicare – from -16.18 percent initial, 4 percent ultimate to -68.78 percent initial, 3.94 percent ultimate
 - Prescription Drug Pre-Medicare – from 6.50 percent initial, 4 percent ultimate to 9.00 percent initial, 3.94 percent ultimate
 - Prescription Drug Medicare – from 29.98 percent initial, 4 percent ultimate to -5.47 percent initial, 3.94 percent ultimate
- Updated the health and disability mortality assumption to the PUB-2010 mortality tables with generational improvement scale MP-2020.

Dawson Bryant Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

- The projected salary increases changed from 12.50 percent at age 20 to 2.50 percent at age 65 to varying by service from 2.50 percent to 8.50 percent.

For fiscal year 2024, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Pre-Medicare – from 7.50 percent initial, 3.94 percent ultimate to 7.50 percent initial, 4.14 percent ultimate
 - Medical Medicare – from -68.78 percent initial, 3.94 percent ultimate to -10.94 percent initial, 4.14 percent ultimate
 - Prescription Drug Pre-Medicare – from 9.00 percent initial, 3.94 percent ultimate to -11.95 percent initial, 4.14 percent ultimate
 - Prescription Drug Medicare – from -5.47 percent initial, 3.94 percent ultimate to 1.33 percent initial, 4.14 percent ultimate

For fiscal year 2025, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
 - Medical Pre-Medicare – from 7.50 percent initial, 4.14 percent ultimate to 7.50 percent initial, 3.94 percent ultimate
 - Medical Medicare – from -10.94 percent initial, 4.14 percent ultimate to -112.22 percent initial, 3.94 percent ultimate
 - Prescription Drug Pre-Medicare – from -11.95 percent initial, 4.14 percent ultimate to 8.00 percent initial, 3.94 percent ultimate
 - Prescription Drug Medicare – from 1.33 percent initial, 4.14 percent ultimate to -15.14 percent initial, 3.94 percent ultimate

School Employees Retirement System

Pension

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2016 through 2017.

For fiscal year 2018, the following were the most significant changes in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5 percent with a floor of 0 percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendars 2018, 2019, and 2020.

There were no changes to benefit terms for fiscal years 2019 through 2021.

For fiscal year 2022, the following was the most significant change in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from 2.5 percent to 2.0 percent.

Dawson Bryant Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

For fiscal year 2023, the following was the most significant change in benefit that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from 2.0 percent to 2.5 percent.

There were no changes to benefit terms for fiscal years 2024 or 2025.

Changes in assumptions

There were no changes in assumptions for fiscal years 2016 through 2017.

For fiscal year 2018, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2016 and prior are presented below:

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent
- Payroll Growth Assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Investment rate of return was reduced from 7.75 percent to 7.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled member was updated to the following:
 - RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

There were no changes in assumptions for fiscal years 2019 through 2021.

For fiscal year 2022, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

- Assumed rate of inflation was reduced from 3.0 percent to 2.4 percent
- Payroll Growth Assumption was reduced from 3.5 percent to 3.25 percent
- Investment rate of return was reduced from 7.5 percent to 7.0 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among members was updated to the following:
 - 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 updated to the following:
 - 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.

There were no changes in assumptions for fiscal years 2023 through 2025.

OPEB

Changes in benefit terms

There were no changes to benefit terms for fiscal years 2017 through 2025.

Dawson Bryant Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

Changes in assumptions

For fiscal year 2017, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25 percent to 3.0 percent
- Payroll growth assumption was reduced from 4.0 percent to 3.5 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.5 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disabled members was updated to the following:
 - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

For fiscal year 2018, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 2.98 percent to 3.63 percent.
- The municipal bond index rate increased from 2.92 percent to 3.56 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98 percent to 3.63 percent.

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was changed from 3.63 percent to 3.70 percent.
- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
 - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
 - Pre-Medicare – 2019 – 7.25 to 4.75, 2020 – 7 to 4.75 percent

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

Dawson Bryant Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2025

- The municipal bond index rate decreased from 3.13 percent to 2.45 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22 percent to 2.63 percent.

For fiscal year 2022, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The inflation rate decreased from 3.0 percent to 2.4 percent.
- Projected salary increases decreased from 3.5 percent to 3.25 percent.
- Investment rate of return decreased from 7.5 percent to 7.0 percent.
- The municipal bond index rate decreased from 2.45 percent to 1.92 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 2.63 percent to 2.27 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2020 – 5.25 to 4.75 percent, 2022 – 5.125 to 4.4 percent
 - Pre-Medicare – 2020 – 7 to 4.75 percent, 2022 – 6.75 to 4.4 percent
- Mortality among members was updated to the following:
 - 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 updated to the following:
 - 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.

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 1.92 percent to 3.69 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.27 percent to 4.08 percent.

For fiscal year 2024, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 3.69 percent to 3.86 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 4.08 percent to 4.27 percent.
- The medical trend assumption decreased from 7.00 percent to 6.75 percent.

For fiscal year 2025, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate increased from 3.86 percent to 3.93 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 4.27 percent to 4.88 percent.
- The medical trend assumption increased from 6.75 percent to 7.00 percent.

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Dawson Bryant Local School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2025

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Identifying Number	Federal Assistance Listing Number	Total Federal Expenditures
<u>United States Department of Agriculture</u>			
<i>Passed through the Ohio Department of Education and Workforce</i>			
Child Nutrition Cluster:			
School Breakfast Program	N/A	10.553	\$208,880
National School Lunch Program	N/A	10.555	401,085
National School Lunch Program-Non-Cash Assistance	N/A	10.555	48,487
Total Child Nutrition Cluster			<u>658,452</u>
Total United States Department of Agriculture			658,452
<u>United States Department of Treasury</u>			
<i>Passed through the Ohio Facilities Construction Commission</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	N/A	21.027	<u>23,366</u>
Total United States Department of Treasury			23,366
<u>United States Department of Education</u>			
<i>Passed through the Ohio Department of Education and Workforce</i>			
Special Education Cluster (IDEA):			
Special Education-Grants to States	N/A	84.027	316,738
Special Education-Preschool Grants	N/A	84.173	5,668
Total Special Education Cluster (IDEA)			<u>322,406</u>
Title I Grants to Local Educational Agencies	N/A	84.010	358,101
Twenty-First Century Community Learning Centers	N/A	84.287C	200,000
COVID-19 Education Stabilization Fund	N/A	84.425W	3,104
Supporting Effective Instruction State Grants	N/A	84.367	45,082
Student Support and Academic Enrichment Program	N/A	84.424	<u>35,344</u>
Total United States Department of Education			<u>964,037</u>
Total Federal Financial Assistance			<u><u>\$1,645,855</u></u>

N/A - pass through entity number not available.

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

Dawson Bryant Local School District
Notes to the Schedule of Expenditures of Federal Awards
2 CFR 200.510(b)(6)
For the Fiscal Year Ended June 30, 2025

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) is a summary of the activity of the School District's federal award programs. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the School District.

Note 2 – 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 3 – Indirect Cost Rate

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

Note 4 – Child Nutrition Cluster

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

Note 5 – Food Donation Program

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

OHIO AUDITOR OF STATE KEITH FABER

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Columbus, Ohio 43215
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800-282-0370

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

Dawson-Bryant Local School District
Lawrence County
701 High Street
Coal Grove, Ohio 45638

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Dawson-Bryant Local School District, Lawrence County, Ohio (the School District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 12, 2026, wherein we noted the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2025-002.

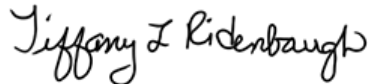
School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School District's responses to the findings identified in our audit and described in the accompanying schedule of findings and corrective action plan. The School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State



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

March 12, 2026

OHIO AUDITOR OF STATE KEITH FABER

65 East State Street
Columbus, Ohio 43215
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Dawson-Bryant Local School District
Lawrence County
701 High Street
Coal Grove, Ohio 45638

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on The Major Federal Program

We have audited Dawson-Bryant Local School District's, Lawrence County, Ohio (the School 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 Dawson-Bryant Local School District's major federal program for the year ended June 30, 2025. Dawson-Bryant Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

KEITH FABER
Ohio Auditor of State



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

March 12, 2026

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**DAWSON-BRYANT SCHOOL DISTRICT
LAWRENCE COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster – Federal AL #'s 10.553 & 10.555
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

FINDING NUMBER 2025-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

FINDING NUMBER 2025-001
(Continued)

Due to deficiencies in internal control related to financial reporting, as of June 30, 2025, the following items were noted:

- Intergovernmental Revenue was overstated in the amount of \$737,050 for the Governmental Activities and the Nonmajor Governmental Funds. Deferred Revenue was overstated by \$180,620 and Intergovernmental Revenue was overstated in the amount of \$556,430 in the Nonmajor Governmental Funds.
- Committed Fund Balance was overstated in the amount of \$1,417,296 for the Permanent Improvement Fund; Assigned Fund Balance was understated in the amount of \$1,417,296 for the Permanent Improvement Fund.
- Accounts Payable and Vocational Expense was understated in the amount of \$282,751 for the Governmental Activities and the Nonmajor Governmental Funds.
- Intergovernmental Receivable and Intergovernmental Revenue was understated in the amount of \$282,751 for the Governmental Activities and the Nonmajor Governmental Funds.
- Contracts Payable and Capital Outlay was overstated in the amount of \$44,400 for the Governmental Activities and Permanent Improvement Funds.
- Accounts Payable and Operation and Maintenance of Plant Expense was overstated in the amount of \$59,980 for the Governmental Activities and Permanent Improvement Funds.

Additional identified errors were not material and as such, are not listed above and were not adjusted on the financial statements. The amounts of these errors ranged from approximately \$712 to \$300,000. However, for those that were material, audit adjustments and reclassification to the financial statements were agreed to by management and made. None of these required posting to the School District's accounting system.

The failure to correctly classify financial activity in the accounting records and financial statements may impact the user's understanding of the financial operations, the School District's ability to make sound financial decisions or comply with budgetary law, and/or result in materially misstated reports.

To ensure the School Districts' financial statements and notes to the financial statements are complete and accurate, the School District should adopt policies and procedures, including a final review of the statements and notes by the School District Treasurer and Board of Education to identify and correct errors and omissions.

Officials' Response:

See Corrective Action Plan

FINDING NUMBER 2025-002

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the School District's Permanent Improvement Fund had expenditures in excess of appropriations of \$666,045, as of June 30, 2025.

FINDING NUMBER 2025-002
(Continued)

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The School District Board of Education should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Treasurer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response:

See Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None.

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Dawson-Bryant Local School District



*"Home of the Coal Grove
Hornets"*

Ellen Adkins
Superintendent

Bradley Miller
Treasurer

Angie LaFon
Director of Special
Education

Dean Mader
Director of Federal
Programs

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

Finding Number:	2025-001
Planned Corrective Action:	The appropriate adjustments were made to the financial statements. Those issues identified will be discussed with our compiler and ensure they are corrected for fiscal year 2026.
Anticipated Completion Date:	March 2, 2026
Responsible Contact Person:	Bradley Miller, Treasurer
Finding Number:	2025-002
Planned Corrective Action:	School District Treasurer will carefully review all Budgetary Documents to ensure there is no Expenditures exceeding Appropriations.
Anticipated Completion Date:	March 2, 2026
Responsible Contact Person:	Bradley Miller, Treasurer

OHIO AUDITOR OF STATE KEITH FABER



DAWSON-BRYANT LOCAL SCHOOL DISTRICT

LAWRENCE 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 3/26/2026

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