



OHIO AUDITOR OF STATE  
**KEITH FABER**





**WEST BRANCH LOCAL SCHOOL DISTRICT  
MAHONING COUNTY  
JUNE 30, 2025**

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MAHONING COUNTY  
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# OHIO AUDITOR OF STATE KEITH FABER

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## INDEPENDENT AUDITOR'S REPORT

West Branch Local School District  
Mahoning County  
14277 Main Street  
Beloit, Ohio 44609

To the Board of Education:

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of West Branch Local School District, Mahoning 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 as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of West Branch Local School District, Mahoning 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 22 to the financial statements, during 2025, the 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 Federal Awards Receipts and Expenditures 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 Federal Awards Receipts and Expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 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

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**West Branch Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2025*  
*Unaudited*

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As management of the West Branch Local School District (the School District), we offer readers of the School District's financial statements this narrative and analysis of the financial activities of the School District for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with financial statements and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

- Net position increased in fiscal year 2025 primarily due to an increase in both program and general revenues as well as a decrease in expenses for the year. General revenues increased in several categories including property taxes and unrestricted contributions. The School District also received capital grants to be used for capital improvements.
- Total program expenses decreased in fiscal year 2025 due to changes in the net pension/OPEB asset/liability that are the results of the School District's adjusting proportionate share of the total State-wide liabilities (assets) for both pension and OPEB across retirement systems.
- The School District's enrollment decreased from 1,772 students in fiscal year 2024 to 1,643 students in fiscal year 2025.
- Capital asset additions included construction in progress for the energy conservation project, stadium turf project, agriculture barn project and wellness center project completion of the expansion of the woodshop, four school buses, vocational education equipment, and technology equipment.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements are comprised of three components: (1) government-wide statements, (2) fund financial statements, and (3) notes to the basic financial statements.

***Government-wide Financial Statements*** The government-wide financial statements are designed to provide the reader with a broad overview of the School District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the School District's non-fiduciary assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statement distinguishes functions of the School District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from those that are primarily supported through user charges (*business-type activities*). The School District has no business-type activities.

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*Management's Discussion and Analysis*  
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The governmental activities of the School District include instruction, support services, extracurricular activities, operation of non-instructional services and interest.

**Fund Financial Statements** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like the State and local governments, uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements. These fund financial statements focus on the School District's most significant funds. The School District's major governmental fund is the general fund. All of the funds of the School District can be divided into two categories: governmental and fiduciary.

**Governmental Funds** Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District's general 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 difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**Fiduciary Fund** A fiduciary fund is used to account for resources held for the benefit of parties outside the government. The fiduciary fund is not reflected in the government-wide financial statement because the resources of this fund are not available to support the School District's own programs. These funds use the accrual basis of accounting.

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

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Table 1 provides a comparison of the School District's Net Position for 2025 compared to 2024.

**Table 1**  
Net Position  
Governmental Activities

|                                             | 2025               | 2024               | Change           |
|---------------------------------------------|--------------------|--------------------|------------------|
| <b>Assets</b>                               |                    |                    |                  |
| Current and Other Assets                    | \$20,305,281       | \$20,522,230       | (\$216,949)      |
| Noncurrent Assets:                          |                    |                    |                  |
| Net OPEB Asset                              | 1,338,522          | 1,319,799          | 18,723           |
| Capital Assets, Net                         | 26,778,002         | 24,458,657         | 2,319,345        |
| <i>Total Assets</i>                         | <u>48,421,805</u>  | <u>46,300,686</u>  | <u>2,121,119</u> |
| <b>Deferred Outflows of Resources</b>       |                    |                    |                  |
| Pension                                     | 3,842,342          | 3,726,825          | 115,517          |
| OPEB                                        | 600,597            | 675,617            | (75,020)         |
| <i>Total Deferred Outflows of Resources</i> | <u>\$4,442,939</u> | <u>\$4,402,442</u> | <u>\$40,497</u>  |

continued

**West Branch Local School District**  
*Management's Discussion and Analysis*  
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*Unaudited*

**Table 1**  
Net Position (continued)  
Governmental Activities

|                                            | 2025                       | 2024                       | Change                    |
|--------------------------------------------|----------------------------|----------------------------|---------------------------|
| <b>Liabilities</b>                         |                            |                            |                           |
| Current Liabilities                        | \$4,259,291                | \$4,023,893                | (\$235,398)               |
| Long-Term Liabilities:                     |                            |                            |                           |
| Due Within One Year                        | 1,015,807                  | 681,127                    | (334,680)                 |
| Due in More Than One Year:                 |                            |                            |                           |
| Net Pension Liability                      | 17,093,205                 | 18,320,949                 | 1,227,744                 |
| Net OPEB Liability                         | 715,132                    | 1,138,498                  | 423,366                   |
| Other Amounts                              | 7,009,748                  | 3,717,617                  | (3,292,131)               |
| <i>Total Liabilities</i>                   | <u>30,093,183</u>          | <u>27,882,084</u>          | <u>(2,211,099)</u>        |
| <b>Deferred Inflows of Resources</b>       |                            |                            |                           |
| Property Taxes                             | 7,611,423                  | 6,872,872                  | (738,551)                 |
| Pension                                    | 2,612,081                  | 2,443,020                  | (169,061)                 |
| OPEB                                       | 2,168,888                  | 2,318,185                  | 149,297                   |
| <i>Total Deferred Inflows of Resources</i> | <u>12,392,392</u>          | <u>11,634,077</u>          | <u>(758,315)</u>          |
| <b>Net Position</b>                        |                            |                            |                           |
| Net Investment in Capital Assets           | 22,827,515                 | 21,812,688                 | 1,014,827                 |
| Restricted for:                            |                            |                            |                           |
| Capital Projects                           | 917,518                    | 53,115                     | 864,403                   |
| Debt Service                               | 0                          | 335,638                    | (335,638)                 |
| OPEB Plans                                 | 1,338,522                  | 1,319,799                  | 18,723                    |
| Other Purposes                             | 702,774                    | 1,085,548                  | (382,774)                 |
| Unrestricted (Deficit)                     | <u>(15,407,160)</u>        | <u>(13,419,821)</u>        | <u>(1,987,339)</u>        |
| <i>Total Net Position</i>                  | <u><u>\$10,379,169</u></u> | <u><u>\$11,186,967</u></u> | <u><u>(\$807,798)</u></u> |

### New Accounting Pronouncement

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

The implementation of GASB 101 resulted in recognizing additional compensated absences liabilities of \$4,069,507 in governmental activities at July 1, 2024. These amounts also impacted beginning net position for the cumulative effect of additional compensated absences expense (See Note 22).

### Governmental Activities

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

**West Branch Local School District**  
*Management's Discussion and Analysis*  
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is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension/OPEB asset/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/OPEB asset/liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

Each year, the above referenced changes impact the balance of the net pension/OPEB asset/liability and the related deferred inflows and outflows.

- During fiscal year 2025, the net pension liability and the net OPEB asset/liability decreased for both STRS and SERS. These changes primarily resulted from increased investment earnings.
- The increase in deferred outflows for pension primarily results from the difference between expected and actual experience amounts recognized in 2025 for STRS, offset by the amortization recognized in the current year for both STRS and SERS.
- The increase in deferred inflows for pension resulted from the difference between projected and actual earnings on investments recognized in the current year offset by the amortization recognized in the current year.
- For STRS, the net difference between projected and actual earnings on investments for OPEB changed from a net deferred outflow to a net deferred inflow as a result of prior year amortization offset by the deferred inflow amount recognized in 2025.
- The decrease in the remaining deferred outflows for OPEB resulted primarily from the amortization of prior year SERS amounts.
- The decrease in deferred inflows for OPEB resulted from the amortization recognized in the current year exceeding the difference between expected and actual experience amounts, change of assumptions amounts, and the difference between projected and actual earnings on investments amounts, recognized in fiscal year 2025.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the School District, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$10,379,169 in fiscal year 2025 and \$11,186,967 in fiscal year 2024.

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A large portion of the School District's net position reflects "Net Investment in Capital Assets" (i.e. land, construction in progress, buildings, improvements, furniture, equipment and vehicles) less any related debt to acquire those assets that are still outstanding. The School District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the School District's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The School District continues to provide the services that the School District residents expect while maintaining the costs of providing those services. The most dramatic changes were to cash, capital assets, long-term liabilities and the net pension/OPEB asset/liability as noted previously. Cash and cash equivalents decreased from fiscal year 2024 mainly due to spend down of cash received from the financed purchase agreement issued in the prior year. Capital assets increased due to additions to capital assets exceeding depreciation/amortization. Long-term liabilities decreased due to the decrease in net pension/opeb liabilities. The net pension/OPEB asset and liabilities changed from factors previously discussed.

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for fiscal years 2025 and 2024.

**Table 2**  
Change in Net Position  
Governmental Activities

|                                    | 2025                | 2024                | Change             |
|------------------------------------|---------------------|---------------------|--------------------|
| <b>Program Revenues</b>            |                     |                     |                    |
| Charges for Services               | \$1,964,137         | \$1,891,577         | \$72,560           |
| Operating Grants and Contributions | 3,402,883           | 4,282,389           | (879,506)          |
| Capital Grants                     | 1,445,373           | 0                   | 1,445,373          |
| <i>Total Program Revenues</i>      | <u>6,812,393</u>    | <u>6,173,966</u>    | <u>638,427</u>     |
| <b>General Revenues</b>            |                     |                     |                    |
| Property Taxes                     | 7,509,655           | 7,158,712           | 350,943            |
| Grants and Entitlements            | 12,526,934          | 12,392,016          | 134,918            |
| Unrestricted Contributions         | 717,823             | 191,063             | 526,760            |
| Investment Earnings/Interest       | 521,546             | 550,315             | (28,769)           |
| Payments in Lieu of Taxes          | 1,083               | 1,129               | (46)               |
| Miscellaneous                      | 135,209             | 197,323             | (62,114)           |
| <i>Total General Revenues</i>      | <u>21,412,250</u>   | <u>20,490,558</u>   | <u>921,692</u>     |
| <i>Total Revenues</i>              | <u>\$28,224,643</u> | <u>\$26,664,524</u> | <u>\$1,560,119</u> |

continued

**West Branch Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2025*  
*Unaudited*

**Table 2**  
Change in Net Position (continued)  
Governmental Activities

|                                                          | 2025                       | 2024                       | Change                    |
|----------------------------------------------------------|----------------------------|----------------------------|---------------------------|
| <b>Program Expenses</b>                                  |                            |                            |                           |
| Instruction:                                             |                            |                            |                           |
| Regular                                                  | \$10,233,893               | \$10,069,859               | (\$164,034)               |
| Special                                                  | 3,254,641                  | 3,399,841                  | 145,200                   |
| Vocational                                               | 751,069                    | 881,688                    | 130,619                   |
| Support Services:                                        |                            |                            |                           |
| Pupils                                                   | 1,644,879                  | 1,587,597                  | (57,282)                  |
| Instructional Staff                                      | 793,480                    | 832,334                    | 38,854                    |
| Board of Education                                       | 26,332                     | 36,764                     | 10,432                    |
| Administration                                           | 1,395,522                  | 1,608,440                  | 212,918                   |
| Fiscal                                                   | 592,829                    | 545,844                    | (46,985)                  |
| Business                                                 | 22,083                     | 22,986                     | 903                       |
| Operation and Maintenance of Plant                       | 2,829,853                  | 3,017,126                  | 187,273                   |
| Pupil Transportation                                     | 1,234,063                  | 1,264,287                  | 30,224                    |
| Central                                                  | 115,663                    | 199,860                    | 84,197                    |
| Extracurricular Activities                               | 824,317                    | 769,127                    | (55,190)                  |
| Operation of Non-Instructional Services                  | 46,630                     | 57,416                     | 10,786                    |
| Operation of Food Service                                | 1,045,003                  | 1,193,031                  | 148,028                   |
| Interest                                                 | 152,677                    | 132,904                    | (19,773)                  |
| <i>Total Program Expenses</i>                            | <u>24,962,934</u>          | <u>25,619,104</u>          | <u>656,170</u>            |
| <i>Change in Net Position</i>                            | <u>3,261,709</u>           | <u>1,045,420</u>           | <u>2,216,289</u>          |
| Net Position Beginning of Year<br>as Previously Reported | 11,186,967                 | 10,141,547                 | 1,045,420                 |
| Change in Accounting Principle                           | <u>(4,069,507)</u>         | <u>0</u>                   | <u>(4,069,507)</u>        |
| Restated Net Position Beginning of Year                  | <u>7,117,460</u>           | <u>10,141,547</u>          | <u>(3,024,087)</u>        |
| Net Position End of Year                                 | <u><u>\$10,379,169</u></u> | <u><u>\$11,186,967</u></u> | <u><u>(\$807,798)</u></u> |

**New Accounting Pronouncement**

Table 2 provides a summary of the School District's change in net position for fiscal year 2025 compared to 2024. The above table also separately reflects the restatement for changes in accounting principles related to the implementation of GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 100, *Accounting Changes and Error Corrections* does not require Management Discussion and Analysis information for years prior to periods presented in the basic financial statements to be restated for changes in accounting principle. The 2024 information does not reflect activity related to the additional compensated absences expenses required under GASB 101, *Compensated Absences*. (See also explanation of new accounting pronouncements provided related to Net Position - Table 1 and explanation provided in Note 22.)

**Governmental Activities**

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. It increases as a result of new construction or collection from a new voted levy. Although school districts experience inflationary growth in expenses, tax revenue does not keep pace with the increased expenses due

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to House Bill 920. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00 and the School District would collect the same dollar value the levy generated in the year it passed. The 10 percent rollback on all residential/agricultural property and the 2.5 percent rollback on all owner occupied homes would reduce the amount of taxes paid.

Thus school districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

Revenue is divided into two major components: program revenues and general revenues. Program revenues are defined as fees, restricted grants and charges for services that are program specific. General revenues include taxes and unrestricted grants such as State Foundation support.

Program revenues increased for governmental activities in fiscal year 2025. Charges for services and contributions increased due to higher customer sales related to food service. Operating grants and contributions decreased in fiscal year 2025 primarily due to a decrease in grant revenue received compared to the prior year. Capital Grants increased due to the receipt of grant revenue for capital improvements. General revenues increased in fiscal year 2025 resulting from increases in property taxes and unrestricted contributions. Property taxes increased from an increase in County assessed values on property.

Instruction composes the most significant portion of governmental program expenses. Program expenses decreased from the prior year due to changes in the net pension/OPEB asset/liability. As mentioned previously, change in the net pension/OPEB asset/liability and associated deferred outflows/inflows are the result of the School District's adjusting proportionate share of the total State-wide liabilities (assets) for both pension and OPEB across retirement systems.

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

**Table 3**  
Total and Net Cost of Program Services  
Governmental Activities

|                                         | 2025                     |                        | 2024                     |                        |
|-----------------------------------------|--------------------------|------------------------|--------------------------|------------------------|
|                                         | Total Cost<br>of Service | Net Cost<br>of Service | Total Cost<br>of Service | Net Cost<br>of Service |
| Instruction                             | \$14,239,603             | \$10,980,395           | \$14,351,388             | \$11,083,456           |
| Support Services:                       |                          |                        |                          |                        |
| Pupils and Instructional Staff          | 2,438,359                | 1,444,231              | 2,419,931                | 1,934,294              |
| Board of Education, Administration      |                          |                        |                          |                        |
| Fiscal and Business                     | 2,036,766                | 2,024,847              | 2,214,034                | 2,208,916              |
| Operation and Maintenance of Plant      | 2,829,853                | 2,211,999              | 3,017,126                | 2,253,485              |
| Pupil Transportation                    | 1,234,063                | 891,866                | 1,264,287                | 1,177,832              |
| Central                                 | 115,663                  | 87,485                 | 199,860                  | 108,137                |
| Extracurricular Activities              | 824,317                  | 382,224                | 769,127                  | 346,817                |
| Operation of Non-Instructional Services | 46,630                   | (32,947)               | 57,416                   | 42,258                 |
| Operation of Food Service               | 1,045,003                | 7,764                  | 1,193,031                | 157,039                |
| Interest                                | 152,677                  | 152,677                | 132,904                  | 132,904                |
| Total                                   | <u>\$24,962,934</u>      | <u>\$18,150,541</u>    | <u>\$25,619,104</u>      | <u>\$19,445,138</u>    |

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The dependence upon general revenues for governmental activities is apparent from Table 3. The majority of expenses are supported through taxes and other general revenues.

### **Financial Analysis of the Government's Funds**

**Governmental Funds** Information about the School District's major fund begins with the balance sheet. These funds are accounted for using the modified accrual basis of accounting. The general fund had a decrease in fund balance due to transfers made during the year to support programs in other funds while current year revenues continuing to exceed current year expenditures in fiscal year 2025 as management strives to keep costs within available resources.

### **General Fund Budgeting Highlights**

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

During the course of fiscal year 2025, the School District amended its general fund budget numerous times. The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, the final budget basis revenue estimate was higher than the original budget estimate. The difference can be attributed to increase in estimated property taxes, contributions and donations as well as tuition and fees as funding levels became more apparent.

The final budget appropriations were higher than the original budget appropriations for the general fund. This change was attributed to increases in estimate for instructional activities and support services, as a more accurate picture of the fiscal year was realized.

### **Capital Assets and Long-term Obligations**

#### *Capital Assets*

The increase in capital assets was due to current year additions exceeding depreciation/amortization. Capital asset additions included construction in progress for the stadium turf, agricultural barn project and the energy conservation improvements, completion of woodshop expansion, fieldhouse scoreboard, maintenance and educational equipment and four new school buses. For more information about the School District's capital assets, see Note 10 to the basic financial statements.

#### *Long-Term Obligations*

On September 18, 2023, the School District issued \$3,335,000 for a financed purchase agreement, for making energy conservation measures through the School District's facilities. The obligation was issued with a lease term of fifteen years with a final maturity at September 1, 2038.

GASB 87 establishes lease standards for financed purchased assets as well as leases payable and assets not taken possession of after the lease period concludes. The School District entered into leases for their copiers in fiscal year 2022 and a postage machine in fiscal year 2025.

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The School District's overall legal debt margin was \$35,447,139 with an unvoted debt margin of \$393,857. For more information about the School District's long-term obligations, see Note 11 to the basic financial statements.

### **Current Financial Related Activities**

As the statement of revenues, expenditures and changes in fund balances indicates, the School District relies heavily upon property taxes, revenue from the State, tuition and other local revenues. This reliance presents certain internal and external challenges with respect to the future financial stability of the School District.

The School District anticipates that it must look towards a combination of increased reliance on local property taxes and expenditure reductions in order to fund its operations beyond fiscal year 2025 as State revenue, already the major source of operational revenue, is expected to provide little, if any, growth in the foreseeable future. At the same time, the School District foresees a reduction in local revenue due to new property tax legislation passed in November 2025, as well as little to no sustainable growth in revenue from current levied property taxes due to continued lack of significant growth in new construction. Management must diligently adjust planned expenditures in future years to fit within projected revenues.

The School District continues to be concerned with the lack of any significant growth in district of residence enrollment. Resident enrollment is projected to decline over the forecast period resulting in at best a modest decline in State funding, given the current funding formula, as we move through the forecast period. The School District no longer accepts new open enrollment students.

The School District has committed itself to academic and financial excellence for many years as reflected by "Excellent" and "Excellent with Distinction" ratings for many years. With continued changes to the report card over the succeeding three academic years, the criteria has become increasingly more stringent impacting the rating scale in comparison to prior years. The 2024-2025 report card indicates the School District received an overall five-star rating.

In April 2010, Standard and Poor's Rating Services upgraded its rating on the School District's 2007 general obligation bonds to an "A+" rating from its prior "A" rating and changed its outlook to stable from developing. In July 2015, it affirmed its confirmation of the "A+" rating and stable outlook. This rating remains in place and may not only have a favorable impact upon future debt issuance but could also improve the perception of outstanding debt currently in the marketplace.

Improvements continue in the quality of fiscal management as demonstrated by a proactive approach to cash management, not only to maximize funds but also to achieve optimal income on cash balances. With the ongoing banking environment, safety of the School District's dollars remains top priority. Meeting the needs of the natural budget cycles continues to be our greatest challenge.

### **Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Treasurer's office, at 14277 Main Street, Beloit, Ohio 44609.

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**West Branch Local School District***Statement of Net Position**June 30, 2025*

|                                             | Governmental<br>Activities |
|---------------------------------------------|----------------------------|
| <b>Assets</b>                               |                            |
| Equity in Pooled Cash and Cash Equivalents  | \$10,559,180               |
| Accrued Interest Receivable                 | 23,751                     |
| Intergovernmental Receivable                | 615,763                    |
| Inventory Held for Resale                   | 10,122                     |
| Materials and Supplies Inventory            | 2,241                      |
| Prepaid Items                               | 11,996                     |
| Property Taxes Receivable                   | 9,082,228                  |
| Net OPEB Asset (See Note 18)                | 1,338,522                  |
| Nondepreciable Capital Assets               | 5,444,748                  |
| Depreciable Capital Assets, Net             | 21,333,254                 |
| <i>Total Assets</i>                         | <u>48,421,805</u>          |
| <b>Deferred Outflows of Resources</b>       |                            |
| Pension                                     | 3,842,342                  |
| OPEB                                        | 600,597                    |
| <i>Total Deferred Outflows of Resources</i> | <u>4,442,939</u>           |
| <b>Liabilities</b>                          |                            |
| Accounts Payable                            | 229,847                    |
| Accrued Wages and Benefits                  | 2,702,046                  |
| Contracts Payable                           | 416,482                    |
| Retainage Payable                           | 319,468                    |
| Intergovernmental Payable                   | 516,351                    |
| Matured Compensated Absences Payable        | 24,629                     |
| Unearned Revenue                            | 683                        |
| Accrued Interest Payable                    | 49,785                     |
| Long-Term Liabilities:                      |                            |
| Due Within One Year                         | 1,015,807                  |
| Due in More Than One Year                   |                            |
| Net Pension Liability (See Note 17)         | 17,093,205                 |
| Net OPEB Liability (See Note 18)            | 715,132                    |
| Other Amounts                               | 7,009,748                  |
| <i>Total Liabilities</i>                    | <u>30,093,183</u>          |
| <b>Deferred Inflows of Resources</b>        |                            |
| Property Taxes                              | 7,611,423                  |
| Pension                                     | 2,612,081                  |
| OPEB                                        | 2,168,888                  |
| <i>Total Deferred Inflows of Resources</i>  | <u>12,392,392</u>          |
| <b>Net Position</b>                         |                            |
| Net Investment in Capital Assets            | 22,827,515                 |
| Restricted for:                             |                            |
| Capital Projects                            | 917,518                    |
| OPEB Plans                                  | 1,338,522                  |
| Other Purposes                              | 702,774                    |
| Unrestricted (Deficit)                      | (15,407,160)               |
| <i>Total Net Position</i>                   | <u><u>\$10,379,169</u></u> |

See accompanying notes to the basic financial statements

**West Branch Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2025

|                                                              |                     | Program Revenues        |                                       |                    | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|--------------------------------------------------------------|---------------------|-------------------------|---------------------------------------|--------------------|------------------------------------------------------------|
|                                                              | Expenses            | Charges for<br>Services | Operating Grants<br>and Contributions | Capital Grants     | Governmental<br>Activities                                 |
| <b>Governmental Activities</b>                               |                     |                         |                                       |                    |                                                            |
| Instruction:                                                 |                     |                         |                                       |                    |                                                            |
| Regular                                                      | \$10,233,893        | \$638,337               | \$58,942                              | \$0                | (\$9,536,614)                                              |
| Special                                                      | 3,254,641           | 180,100                 | 1,653,164                             | 0                  | (1,421,377)                                                |
| Vocational                                                   | 751,069             | 42,275                  | 116,017                               | 570,373            | (22,404)                                                   |
| Support Services:                                            |                     |                         |                                       |                    |                                                            |
| Pupils                                                       | 1,644,879           | 147,216                 | 156,145                               | 0                  | (1,341,518)                                                |
| Instructional Staff                                          | 793,480             | 0                       | 659,892                               | 30,875             | (102,713)                                                  |
| Board of Education                                           | 26,332              | 0                       | 0                                     | 0                  | (26,332)                                                   |
| Administration                                               | 1,395,522           | 0                       | 11,919                                | 0                  | (1,383,603)                                                |
| Fiscal                                                       | 592,829             | 0                       | 0                                     | 0                  | (592,829)                                                  |
| Business                                                     | 22,083              | 0                       | 0                                     | 0                  | (22,083)                                                   |
| Operation and Maintenance of Plant                           | 2,829,853           | 121,894                 | 0                                     | 495,960            | (2,211,999)                                                |
| Pupil Transportation                                         | 1,234,063           | 0                       | 51,207                                | 290,990            | (891,866)                                                  |
| Central                                                      | 115,663             | 22,205                  | 5,973                                 | 0                  | (87,485)                                                   |
| Extracurricular Activities                                   | 824,317             | 384,756                 | 57,337                                | 0                  | (382,224)                                                  |
| Operation of Non-Instructional Services                      | 46,630              | 4,960                   | 17,442                                | 57,175             | 32,947                                                     |
| Operation of Food Service                                    | 1,045,003           | 422,394                 | 614,845                               | 0                  | (7,764)                                                    |
| Interest                                                     | 152,677             | 0                       | 0                                     | 0                  | (152,677)                                                  |
| <b>Totals</b>                                                | <b>\$24,962,934</b> | <b>\$1,964,137</b>      | <b>\$3,402,883</b>                    | <b>\$1,445,373</b> | <b>(18,150,541)</b>                                        |
| <b>General Revenues</b>                                      |                     |                         |                                       |                    |                                                            |
|                                                              |                     |                         |                                       |                    | 7,509,655                                                  |
| Property Taxes Levied for General Purposes                   |                     |                         |                                       |                    |                                                            |
| Grants and Entitlements not Restricted                       |                     |                         |                                       |                    | 12,526,934                                                 |
| to Specific Programs                                         |                     |                         |                                       |                    | 717,823                                                    |
| Unrestricted Contributions                                   |                     |                         |                                       |                    | 521,546                                                    |
| Investment Earnings/Interest                                 |                     |                         |                                       |                    | 1,083                                                      |
| Payments in Lieu of Taxes                                    |                     |                         |                                       |                    | 135,209                                                    |
| Miscellaneous                                                |                     |                         |                                       |                    |                                                            |
| <b>Total General Revenues</b>                                |                     |                         |                                       |                    | <b>21,412,250</b>                                          |
| <b>Change in Net Position</b>                                |                     |                         |                                       |                    | <b>3,261,709</b>                                           |
| <b>Net Position Beginning of Year as Previously Reported</b> |                     |                         |                                       |                    | <b>11,186,967</b>                                          |
| <b>Change in Accounting Principle (See Note 22)</b>          |                     |                         |                                       |                    | <b>(4,069,507)</b>                                         |
| <b>Restated Net Position Beginning of Year</b>               |                     |                         |                                       |                    | <b>7,117,460</b>                                           |
| <b>Net Position End of Year</b>                              |                     |                         |                                       |                    | <b>\$10,379,169</b>                                        |

See accompanying notes to the basic financial statements

**West Branch Local School District**

*Balance Sheet  
Governmental Funds  
June 30, 2025*

|                                                                               | <u>General</u>      | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|-------------------------------------------------------------------------------|---------------------|-----------------------------------------|-----------------------------------------|
| <b>Assets</b>                                                                 |                     |                                         |                                         |
| Equity in Pooled Cash and                                                     |                     |                                         |                                         |
| Cash Equivalents                                                              | \$7,034,775         | \$3,524,405                             | \$10,559,180                            |
| Accrued Interest Receivable                                                   | 23,751              | 0                                       | 23,751                                  |
| Intergovernmental Receivable                                                  | 236,159             | 379,604                                 | 615,763                                 |
| Prepaid Items                                                                 | 11,447              | 549                                     | 11,996                                  |
| Interfund Receivable                                                          | 175,130             | 0                                       | 175,130                                 |
| Inventory Held for Resale                                                     | 0                   | 10,122                                  | 10,122                                  |
| Materials and Supplies Inventory                                              | 0                   | 2,241                                   | 2,241                                   |
| Property Taxes Receivable                                                     | 9,082,228           | 0                                       | 9,082,228                               |
|                                                                               | <u>\$16,563,490</u> | <u>\$3,916,921</u>                      | <u>\$20,480,411</u>                     |
| <i>Total Assets</i>                                                           |                     |                                         |                                         |
| <b>Liabilities</b>                                                            |                     |                                         |                                         |
| Accounts Payable                                                              | \$175,515           | \$54,332                                | \$229,847                               |
| Accrued Wages and Benefits                                                    | 2,497,881           | 204,165                                 | 2,702,046                               |
| Contracts Payable                                                             | 0                   | 416,482                                 | 416,482                                 |
| Retainage Payable                                                             | 309,123             | 10,345                                  | 319,468                                 |
| Intergovernmental Payable                                                     | 450,005             | 66,346                                  | 516,351                                 |
| Interfund Payable                                                             | 0                   | 175,130                                 | 175,130                                 |
| Matured Compensated Absences Payable                                          | 24,629              | 0                                       | 24,629                                  |
| Unearned Revenue                                                              | 0                   | 683                                     | 683                                     |
|                                                                               | <u>3,457,153</u>    | <u>927,483</u>                          | <u>4,384,636</u>                        |
| <i>Total Liabilities</i>                                                      |                     |                                         |                                         |
| <b>Deferred Inflows of Resources</b>                                          |                     |                                         |                                         |
| Property Taxes                                                                | 7,611,423           | 0                                       | 7,611,423                               |
| Unavailable Revenue                                                           | 1,479,984           | 46,612                                  | 1,526,596                               |
|                                                                               | <u>9,091,407</u>    | <u>46,612</u>                           | <u>9,138,019</u>                        |
| <i>Total Deferred Inflows of Resources</i>                                    |                     |                                         |                                         |
| <b>Fund Balances</b>                                                          |                     |                                         |                                         |
| Nonspendable                                                                  | 11,447              | 2,790                                   | 14,237                                  |
| Restricted                                                                    | 0                   | 1,299,480                               | 1,299,480                               |
| Committed                                                                     | 848,412             | 1,783,176                               | 2,631,588                               |
| Assigned                                                                      | 925,425             | 0                                       | 925,425                                 |
| Unassigned (Deficit)                                                          | 2,229,646           | (142,620)                               | 2,087,026                               |
|                                                                               | <u>4,014,930</u>    | <u>2,942,826</u>                        | <u>6,957,756</u>                        |
| <i>Total Fund Balances</i>                                                    |                     |                                         |                                         |
| <i>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</i> | <u>\$16,563,490</u> | <u>\$3,916,921</u>                      | <u>\$20,480,411</u>                     |

See accompanying notes to the basic financial statements

**West Branch Local School District**  
*Reconciliation of Total Governmental Fund Balances to*  
*Net Position of Governmental Activities*  
*June 30, 2025*

|                                                                                                                                                                                                                     |                    |                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------|
| <b>Total Governmental Funds Balances</b>                                                                                                                                                                            |                    | <b>\$6,957,756</b>                |
| <b><i>Amounts reported for governmental activities in the statement of net position are different because:</i></b>                                                                                                  |                    |                                   |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.                                                                                             |                    | 26,778,002                        |
| Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable revenue in the funds:                                                                                 |                    |                                   |
| Delinquent Property Taxes                                                                                                                                                                                           | 1,243,825          |                                   |
| Intergovernmental Grants                                                                                                                                                                                            | 46,612             |                                   |
| Tuition and Fees                                                                                                                                                                                                    | <u>236,159</u>     |                                   |
| Total                                                                                                                                                                                                               |                    | 1,526,596                         |
| In the statement of activities, interest is accrued on outstanding financed purchase, whereas in governmental funds, an interest expenditure is reported when due.                                                  |                    | (49,785)                          |
| The net pension liability and net OPEB asset/liability are not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in governmental funds: |                    |                                   |
| Net OPEB Asset                                                                                                                                                                                                      | 1,338,522          |                                   |
| Deferred Outflows - Pension                                                                                                                                                                                         | 3,842,342          |                                   |
| Deferred Outflows - OPEB                                                                                                                                                                                            | 600,597            |                                   |
| Net Pension Liability                                                                                                                                                                                               | (17,093,205)       |                                   |
| Net OPEB Liability                                                                                                                                                                                                  | (715,132)          |                                   |
| Deferred Inflows - Pension                                                                                                                                                                                          | (2,612,081)        |                                   |
| Deferred Inflows - OPEB                                                                                                                                                                                             | <u>(2,168,888)</u> |                                   |
| Total                                                                                                                                                                                                               |                    | (16,807,845)                      |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:                                                                                                    |                    |                                   |
| Financed Purchase                                                                                                                                                                                                   | (3,171,000)        |                                   |
| Leases Payable                                                                                                                                                                                                      | (43,537)           |                                   |
| Compensated Absences                                                                                                                                                                                                | <u>(4,811,018)</u> |                                   |
| Total                                                                                                                                                                                                               |                    | <u>(8,025,555)</u>                |
| <b><i>Net Position of Governmental Activities</i></b>                                                                                                                                                               |                    | <b><u><u>\$10,379,169</u></u></b> |
| See accompanying notes to the basic financial statements                                                                                                                                                            |                    |                                   |

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

|                                                     | General            | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|-----------------------------------------------------|--------------------|--------------------------------|--------------------------------|
| <b>Revenues</b>                                     |                    |                                |                                |
| Property Taxes                                      | \$7,524,624        | \$0                            | \$7,524,624                    |
| Intergovernmental                                   | 13,577,124         | 3,682,977                      | 17,260,101                     |
| Investment Earnings/Interest                        | 449,534            | 72,012                         | 521,546                        |
| Charges for Services                                | 72,880             | 422,394                        | 495,274                        |
| Tuition and Fees                                    | 890,679            | 0                              | 890,679                        |
| Extracurricular Activities                          | 139,084            | 343,683                        | 482,767                        |
| Rentals                                             | 82,923             | 0                              | 82,923                         |
| Contributions and Donations                         | 744,863            | 70,323                         | 815,186                        |
| Payments in Lieu of Taxes                           | 1,083              | 0                              | 1,083                          |
| Miscellaneous                                       | 132,594            | 2,615                          | 135,209                        |
| <i>Total Revenues</i>                               | <u>23,615,388</u>  | <u>4,594,004</u>               | <u>28,209,392</u>              |
| <b>Expenditures</b>                                 |                    |                                |                                |
| Current:                                            |                    |                                |                                |
| Instruction:                                        |                    |                                |                                |
| Regular                                             | 9,600,953          | 0                              | 9,600,953                      |
| Special                                             | 2,786,902          | 714,213                        | 3,501,115                      |
| Vocational                                          | 607,311            | 441,804                        | 1,049,115                      |
| Support Services:                                   |                    |                                |                                |
| Pupils                                              | 1,718,485          | 125,570                        | 1,844,055                      |
| Instructional Staff                                 | 734,134            | 132,293                        | 866,427                        |
| Board of Education                                  | 29,152             | 0                              | 29,152                         |
| Administration                                      | 1,741,482          | 14,757                         | 1,756,239                      |
| Fiscal                                              | 610,837            | 0                              | 610,837                        |
| Business                                            | 22,083             | 0                              | 22,083                         |
| Operation and Maintenance of Plant                  | 2,345,669          | 508,402                        | 2,854,071                      |
| Pupil Transportation                                | 1,365,765          | 309,077                        | 1,674,842                      |
| Central                                             | 109,690            | 5,973                          | 115,663                        |
| Extracurricular Activities                          | 456,085            | 405,406                        | 861,491                        |
| Operation of Non-Instructional Services             | 31,698             | 110,595                        | 142,293                        |
| Operation of Food Service                           | 28,515             | 1,130,942                      | 1,159,457                      |
| Capital Outlay                                      | 790,923            | 2,203,813                      | 2,994,736                      |
| Debt Service:                                       |                    |                                |                                |
| Principal Retirement                                | 24,390             | 164,000                        | 188,390                        |
| Interest                                            | 2,035              | 153,216                        | 155,251                        |
| <i>Total Expenditures</i>                           | <u>23,006,109</u>  | <u>6,420,061</u>               | <u>29,426,170</u>              |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>609,279</u>     | <u>(1,826,057)</u>             | <u>(1,216,778)</u>             |
| <b>Other Financing Sources (Uses)</b>               |                    |                                |                                |
| Inception of Lease                                  | 8,055              | 0                              | 8,055                          |
| Transfers In                                        | 0                  | 1,471,910                      | 1,471,910                      |
| Transfers Out                                       | (1,083,913)        | (387,997)                      | (1,471,910)                    |
| <i>Total Other Financing Sources (Uses)</i>         | <u>(1,075,858)</u> | <u>1,083,913</u>               | <u>8,055</u>                   |
| <i>Net Change in Fund Balances</i>                  | <u>(466,579)</u>   | <u>(742,144)</u>               | <u>(1,208,723)</u>             |
| <i>Fund Balances Beginning of Year</i>              | <u>4,481,509</u>   | <u>3,684,970</u>               | <u>8,166,479</u>               |
| <i>Fund Balances End of Year</i>                    | <u>\$4,014,930</u> | <u>\$2,942,826</u>             | <u>\$6,957,756</u>             |

See accompanying notes to the basic financial statements

**West Branch 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*

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|                                                              |               |
|--------------------------------------------------------------|---------------|
| <b>Net Change in Fund Balances -Total Governmental Funds</b> | (\$1,208,723) |
|--------------------------------------------------------------|---------------|

*Amounts reported for governmental activities in the  
statement of activities are different because:*

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

|                                        |             |           |
|----------------------------------------|-------------|-----------|
| Capital Asset Additions                | 4,292,083   |           |
| Current Year Depreciation/Amortization | (1,972,738) |           |
|                                        |             |           |
| Total                                  |             | 2,319,345 |

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

|                           |          |        |
|---------------------------|----------|--------|
| Delinquent Property Taxes | (14,969) |        |
| Intergovernmental         | 17,726   |        |
| Tuition and Fees          | 12,494   |        |
|                           |          |        |
| Total                     |          | 15,251 |

|                                                                                                                                                                   |         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Repayment of long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | 188,390 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                                                                                                                                                                             |       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Some expenses reported in the statement of activities, such as accrued interest do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds: | 2,574 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|

|                                                                                                                                                 |         |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Other financing sources in the governmental funds, such as inception of lease, increase long-term liabilities in the statement of net position. | (8,055) |
|-------------------------------------------------------------------------------------------------------------------------------------------------|---------|

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

|         |           |           |
|---------|-----------|-----------|
| Pension | 1,719,727 |           |
| OPEB    | 50,792    |           |
|         |           |           |
| Total   |           | 1,770,519 |

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

|         |           |          |
|---------|-----------|----------|
| Pension | (545,527) |          |
| OPEB    | 465,574   |          |
|         |           |          |
| Total   |           | (79,953) |

|                                                                                                                                                                                                                  |         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | 262,361 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                          |                    |
|----------------------------------------------------------|--------------------|
| <i>Change in Net Position of Governmental Activities</i> | <b>\$3,261,709</b> |
|----------------------------------------------------------|--------------------|

See accompanying notes to the basic financial statements

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

|                                                     | Budgeted Amounts    |                    |                    |                               |
|-----------------------------------------------------|---------------------|--------------------|--------------------|-------------------------------|
|                                                     | Original            | Final              | Actual             | Variance with<br>Final Budget |
| <b>Revenues</b>                                     |                     |                    |                    |                               |
| Property Taxes                                      | \$7,078,200         | \$7,530,611        | \$7,530,611        | \$0                           |
| Intergovernmental                                   | 13,708,464          | 13,577,693         | 13,577,693         | 0                             |
| Interest                                            | 370,800             | 404,800            | 404,800            | 0                             |
| Charges for Services                                | 65,200              | 38,971             | 38,971             | 0                             |
| Tuition and Fees                                    | 296,750             | 817,714            | 817,714            | 0                             |
| Extracurricular Activities                          | 49,000              | 44,160             | 44,160             | 0                             |
| Rentals                                             | 90,500              | 82,923             | 82,923             | 0                             |
| Contributions and Donations                         | 125,000             | 717,823            | 717,823            | 0                             |
| Payments in Lieu of Taxes                           | 1,500               | 1,083              | 1,083              | 0                             |
| Miscellaneous                                       | 80,550              | 134,272            | 134,272            | 0                             |
| <i>Total Revenues</i>                               | <u>21,865,964</u>   | <u>23,350,050</u>  | <u>23,350,050</u>  | <u>0</u>                      |
| <b>Expenditures</b>                                 |                     |                    |                    |                               |
| Current:                                            |                     |                    |                    |                               |
| Instruction:                                        |                     |                    |                    |                               |
| Regular                                             | 6,811,902           | 9,535,365          | 9,535,365          | 0                             |
| Special                                             | 1,980,552           | 2,796,825          | 2,796,825          | 0                             |
| Vocational                                          | 435,024             | 612,031            | 612,031            | 0                             |
| Support Services:                                   |                     |                    |                    |                               |
| Pupils                                              | 1,143,448           | 1,609,002          | 1,609,002          | 0                             |
| Instructional Staff                                 | 517,689             | 859,006            | 859,006            | 0                             |
| Board of Education                                  | 20,990              | 30,098             | 30,098             | 0                             |
| Administration                                      | 1,232,135           | 1,739,965          | 1,739,965          | 0                             |
| Fiscal                                              | 433,569             | 603,448            | 604,682            | (1,234)                       |
| Business                                            | 15,865              | 22,083             | 22,083             | 0                             |
| Operation and Maintenance of Plant                  | 1,685,186           | 2,571,529          | 2,571,529          | 0                             |
| Pupil Transportation                                | 959,286             | 1,641,719          | 1,641,719          | 0                             |
| Central                                             | 54,579              | 75,969             | 75,969             | 0                             |
| Extracurricular Activities                          | 329,223             | 458,251            | 458,251            | 0                             |
| Operation of Non-Instructional Services             | 37,307              | 51,928             | 51,928             | 0                             |
| Capital Outlay                                      | 307,318             | 751,815            | 751,815            | 0                             |
| <i>Total Expenditures</i>                           | <u>15,964,073</u>   | <u>23,359,034</u>  | <u>23,360,268</u>  | <u>(1,234)</u>                |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>5,901,891</u>    | <u>(8,984)</u>     | <u>(10,218)</u>    | <u>(1,234)</u>                |
| <b>Other Financing Sources (Uses)</b>               |                     |                    |                    |                               |
| Advances Out                                        | 0                   | (135,676)          | (135,676)          | 0                             |
| Transfers Out                                       | 0                   | (1,083,913)        | (1,083,913)        | 0                             |
| <i>Total Other Financing Sources (Uses)</i>         | <u>0</u>            | <u>(1,219,589)</u> | <u>(1,219,589)</u> | <u>0</u>                      |
| <i>Net Change in Fund Balance</i>                   | <u>5,901,891</u>    | <u>(1,228,573)</u> | <u>(1,229,807)</u> | <u>(1,234)</u>                |
| <i>Fund Balance Beginning of Year</i>               | <u>4,952,760</u>    | <u>4,952,760</u>   | <u>4,952,760</u>   | <u>0</u>                      |
| <i>Prior Year Encumbrances Appropriated</i>         | <u>1,047,252</u>    | <u>1,047,252</u>   | <u>1,047,252</u>   | <u>0</u>                      |
| <i>Fund Balance End of Year</i>                     | <u>\$11,901,903</u> | <u>\$4,771,439</u> | <u>\$4,770,205</u> | <u>(\$1,234)</u>              |

See accompanying notes to the basic financial statements

**West Branch Local School District**

*Statement of Fiduciary Net Position*

*Private Purpose Trust Fund*

*June 30, 2025*

|                                            | <u>Sisilia<br/>Humeniuk<br/>Scholarship</u> |
|--------------------------------------------|---------------------------------------------|
| <b>Assets</b>                              |                                             |
| Equity in Pooled Cash and Cash Equivalents | \$19,626                                    |
| <b>Liabilities</b>                         | <u>0</u>                                    |
| <b>Net Position</b>                        |                                             |
| Held in Trust for Scholarships             | <u>\$19,626</u>                             |

See accompanying notes to the basic financial statements

**West Branch Local School District**  
*Statement of Changes in Fiduciary Net Position*  
*Private Purpose Trust Fund*  
*For the Fiscal Year Ended June 30, 2025*

|                                         | <u>Sisilia<br/>Humeniuk<br/>Scholarship</u> |
|-----------------------------------------|---------------------------------------------|
| <b>Additions</b>                        |                                             |
| Interest                                | \$1,017                                     |
| <b>Deductions</b>                       |                                             |
| College Scholarships Awarded            | <u>4,500</u>                                |
| <i>Change in Fiduciary Net Position</i> | (3,483)                                     |
| <i>Net Position Beginning of Year</i>   | <u>23,109</u>                               |
| <i>Net Position End of Year</i>         | <u><u>\$19,626</u></u>                      |

See accompanying notes to the basic financial statements

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**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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**Note 1 – Description of the School District and Reporting Entity**

West Branch 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 mandated by State and federal agencies. The Board of Education controls the School District's five instructional/support facilities staffed by 150 certified employees and 96 classified employees who provide services to 1,643 students and other community members.

***Reporting Entity***

A reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes the agencies and departments that provide the following services: 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. The School District has no component units.

The School District is associated with two jointly governed organizations and two risk sharing pools. These organizations are the Area Cooperative Computerized Education Service System, the Mahoning County Career and Technical Center, Ohio Association of School Business Officials Workers' Compensation Group Rating Program and the Mahoning County School Employees Insurance Consortium. These organizations are presented in Notes 15 and 16 of the basic financial statements.

**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. Following are the more significant of the School District's accounting policies.

***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.

## **West Branch Local School District**

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

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**Government-wide Financial Statements** The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and 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 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. Fiduciary funds are reported by type.

#### **Fund Accounting**

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

**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 is the School District's major governmental fund:

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

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

**Fiduciary Funds** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that has certain characteristics.

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's only fiduciary fund is a private purpose trust which accounts for a college scholarship program for students.

***Measurement Focus***

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

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

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from private purpose trust 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 and the statement presented for the fiduciary fund are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

***Revenues - Exchange and Non-Exchange Transactions*** Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. 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, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which the taxes are levied (See Note 8). Revenue from grants,

## **West Branch Local School District**

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

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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, interest, tuition, grants, fees and rentals.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 17 and 18.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2026 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental 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, intergovernmental grants and tuition and fees. 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 Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 17 and 18.)

***Expenses/Expenditures*** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities used during the year is reported on the operating statement as an expenditures with a like amount reported as intergovernmental revenue. Unused donated commodities are reported as inventory held for resale.

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.

#### ***Pensions/Other Postemployment Benefits (OPEB)***

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

## **West Branch Local School District**

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

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#### ***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 the School District's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements.

During fiscal year 2025, investments were limited to commercial paper, STAR Ohio, US Treasury Note, money market account, negotiable certificates of deposit, federal farm credit bank notes, federal home loan bank notes, federal home loan mortgage corporation notes and federal national mortgage association notes.

Investments, except for STAR Ohio and commercial paper, are reported at fair value which is based on quoted market prices. The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year. The fair value of the money market fund is determined by the fund's current price.

During fiscal year 2025, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment Earnings/Interest revenue credited to the general fund during 2025 amounted to \$449,534 which includes \$102,036 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

#### ***Inventory***

Materials and supplies inventory is reported at cost, while inventory held for resale is presented at the lower of cost or market value, and donated commodities are presented at their entitlement value. Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists expendable supplies held for consumption and of donated and purchased food held for resale.

#### ***Capital Assets***

The School District's only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets (except for intangible right-to-use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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District was able to estimate the historical cost for the initial reporting of assets by backtrending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

| Description                           | Governmental<br>Activities<br>Estimated Lives |
|---------------------------------------|-----------------------------------------------|
| <b><i>Tangible Assets</i></b>         |                                               |
| Land Improvements                     | 20 years                                      |
| Building and Improvements             | 25 - 50 years                                 |
| Furniture and Fixtures                | 5 - 20 years                                  |
| Vehicles                              | 6 - 10 years                                  |
| Textbooks and Library Books           | 6 years                                       |
| <b><i>Intangible Right to Use</i></b> |                                               |
| Lease Assets - Equipment              | 2-5 years                                     |

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

***Leases Payable***

The School District serves as a lessee in two noncancellable leases. At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

***Compensated Absences***

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

Liabilities should be recognized for leave that has not been used if the leave is attributable to services already rendered, the leave accumulates and is allowed to be carried over to subsequent years, and the leave is more likely than not to be used for time off or otherwise paid in cash. For the School District, this leave includes sick and vacation time. However, the School District also has certain compensated absences that are dependent

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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upon the occurrence of a sporadic event that affects a relatively small proportion of employees. A liability for these types of leave is recognized when the leave commences. For the School District this type of leave includes bereavement leave, military leave, personal leave, on-the-job injury leave, and court leave. Holiday leave taken on a specific date, not at the discretion of the employee is recognized as a liability when used. The liability for compensated absences includes salary-related payments, where applicable.

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

On 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 employees who have accumulated unpaid leave are paid.

***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, and 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 liabilities 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. Financed purchases and leases are recognized as a liability on the governmental fund financial statements when due.

***Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expense/expenditure in the year in which services are consumed.

***Unearned Revenue***

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because the amounts have not yet been earned. The School District recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

***Internal Activity***

Transfers between governmental funds are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for 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.

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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***Interfund Balances***

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

***Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

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

***Assigned*** 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 includes the remaining amount that is not restricted or committed. These assigned balances are established by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution or by State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board of Education assigned fund balances for special trust, uniform school supplies, public school support, self insurance.

***Unassigned*** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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***Net Position***

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted net position for OPEB plans represent the corresponding restricted asset amounts held in trust by the OPEB plans for future benefits. Net position restricted for other purposes include resources restricted for extracurricular activities, special instruction grants, limited English proficiency, and support services grants.

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

***Estimates***

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

***Budgetary Data***

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 for all funds. The Treasurer has been given the authority to allocate board appropriations to the function and object levels within each fund.

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

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior 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 – Budgetary Basis of Accounting**

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

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Investments are reported at cost (budget) rather than fair value (GAAP).
3. Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
4. Budgetary revenues and expenditures of the special trust, uniform school supplies, public school support, self-insurance and termination benefits funds are classified to general fund for GAAP reporting.
5. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
6. Encumbrances are treated as expenditures (budget) rather than restricted, committed or assigned fund balance (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements on a fund type basis for the general fund:

| Net Change in Fund Balance              |                             |
|-----------------------------------------|-----------------------------|
|                                         | <u>General</u>              |
| GAAP Basis                              | (\$466,579)                 |
| Net Adjustment for Revenue Accruals     | (47,279)                    |
| Beginning Fair Value Adjustment         |                             |
| for Investments                         | 23,030                      |
| Ending Fair Value Adjustment            |                             |
| for Investments                         | (17,384)                    |
| Perspective Difference:                 |                             |
| Special Trust                           | (1,346)                     |
| Uniform School Supplies                 | (25,524)                    |
| Public School Support                   | (5,150)                     |
| Self-Insurance                          | 625                         |
| Termination Benefits                    | 92,732                      |
| Net Adjustment for Expenditure Accruals | 492,577                     |
| Advances Out                            | (135,676)                   |
| Encumbrances                            | (1,139,833)                 |
| Budget Basis                            | <u><u>(\$1,229,807)</u></u> |

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

**Note 4 – Accountability**

At June 30, 2025, title VI-B, title I, improving teacher quality special revenue funds and the career tech equipment capital projects fund had deficit fund balances of \$36,536, \$33,499, \$11,481, \$38,418 and \$22,686.

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 – Tax Abatements**

School District property taxes were reduced by \$3,091 under community reinvestment area agreements entered into by the Village of Sebring.

**Note 6 – 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 resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

| Fund Balances                    | General          | Other<br>Governmental<br>Funds | Total              |
|----------------------------------|------------------|--------------------------------|--------------------|
| <b><i>Nonspendable</i></b>       |                  |                                |                    |
| Prepaid Items                    | \$11,447         | \$549                          | \$11,996           |
| Materials and Supplies           | 0                | 2,241                          | 2,241              |
| <b><i>Total Nonspendable</i></b> | <b>11,447</b>    | <b>2,790</b>                   | <b>14,237</b>      |
| <b><i>Restricted for</i></b>     |                  |                                |                    |
| Food Service Operations          | 0                | 208,815                        | 208,815            |
| Endowments and Scholarships      | 0                | 147,964                        | 147,964            |
| Classroom Facilities Maintenance | 0                | 151,615                        | 151,615            |
| Athletics                        | 0                | 248,513                        | 248,513            |
| Student Programs                 | 0                | 51,882                         | 51,882             |
| Capital Improvements             | 0                | 490,691                        | 490,691            |
| <b><i>Total Restricted</i></b>   | <b>0</b>         | <b>1,299,480</b>               | <b>1,299,480</b>   |
| <b><i>Committed to</i></b>       |                  |                                |                    |
| Capital Improvements             | 0                | 1,604,163                      | 1,604,163          |
| Education Programs               | 0                | 179,013                        | 179,013            |
| Other Services                   | 420,654          | 0                              | 420,654            |
| Termination Benefits             | 427,758          | 0                              | 427,758            |
| <b><i>Total Committed</i></b>    | <b>\$848,412</b> | <b>\$1,783,176</b>             | <b>\$2,631,588</b> |

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

| Fund Balances                           | General     | Other<br>Governmental<br>Funds | Total       |
|-----------------------------------------|-------------|--------------------------------|-------------|
| <i>Assigned to</i>                      |             |                                |             |
| Special Trust                           | \$3,549     | \$0                            | \$3,549     |
| Uniform School Supplies                 | 434,698     | 0                              | 434,698     |
| Public School Support                   | 71,398      | 0                              | 71,398      |
| Self Insurance                          | 131,973     | 0                              | 131,973     |
| Purchases on Order                      |             |                                |             |
| Instruction                             | 77,985      | 0                              | 77,985      |
| Support Services                        | 205,629     | 0                              | 205,629     |
| Operation of Non-Instructional Services | 193         | 0                              | 193         |
| <i>Total Assigned</i>                   | 925,425     | 0                              | 925,425     |
| <i>Unassigned (Deficit)</i>             | 2,229,646   | (142,620)                      | 2,087,026   |
| <i>Total Fund Balances</i>              | \$4,014,930 | \$2,942,826                    | \$6,957,756 |

## **Note 7 – Deposits and Investments**

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

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

Inactive deposits are public deposits that the Board 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.

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

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

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

**West Branch Local School District**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2025*

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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.

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2025

**Investments**

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

| Measurement/Investment                          | Measurement<br>Amount | Maturity             | Standard<br>& Poor's<br>Rating | Percentage of<br>Total<br>Investments |
|-------------------------------------------------|-----------------------|----------------------|--------------------------------|---------------------------------------|
| Amortized Cost                                  |                       |                      |                                |                                       |
| Commercial Paper                                | \$258,681             | Less than one year   | A-1                            | N/A                                   |
| Net Asset Value (NAV) per share:                |                       |                      |                                |                                       |
| STAR Ohio                                       | 6,441,906             | Average 30.4 Days    | AAAm                           | N/A                                   |
| Fair Value - Level One Inputs:                  |                       |                      |                                |                                       |
| Money Market Account                            | 11,836                | Less than one year   | N/A                            | N/A                                   |
| Fair Value - Level Two Inputs:                  |                       |                      |                                |                                       |
| Negotiable Certificates of Deposit              | 2,154,577             | Less than five years | N/A                            | 22.12%                                |
| US Treasury Notes                               | 232,989               | Less than five years | AA+                            | N/A                                   |
| Federal Farm Credit Bank Notes                  | 203,303               | Less than four years | AA+                            | N/A                                   |
| Federal Home Loan Bank Notes                    | 92,978                | Less than four years | AAA                            | N/A                                   |
| Federal Home Loan Mortgage<br>Corporation Notes | 236,837               | Less than one year   | AA+                            | N/A                                   |
| Federal National Mortgage<br>Association Notes  | 108,661               | Less than one year   | AA+                            | N/A                                   |
| Total                                           | <u>\$9,741,768</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. The money market account is measured at fair value and is 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** As a means of limiting its exposure to fair value losses caused by rising interest rates, the School District's investment policy requires that operating funds be invested primarily in short-term investments maturing within five years from the date of purchase and that the School District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

**Credit Risk** The School District does not have an investment policy that addresses credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization, the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization, and that the commercial paper be rated in the highest category at the time of purchase by at least two nationally recognized statistical rating organizations. The negotiable certificates of deposits are not rated.

## **West Branch Local School District**

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

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**Concentration of Credit Risk** This type of risk is defined by the Governmental Accounting Standards Board as having investments of five percent or more in the securities of a single issuer. The School District's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations.

#### **Note 8 – 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 distributions are received by the School District in the second half of the fiscal year. Second-half tax distributions are received 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 revenues received in calendar year 2025 represent the collection of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed values as of January 1, 2024, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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 revenues received in calendar year 2025 represent the collection of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2025 became a lien on December 31, 2023, were levied after April 1, 2024, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

Accrued property taxes receivable includes real property and public utility property taxes which are measurable as of June 30, 2025, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations are reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The amount available as an advance at June 30, 2025, was \$226,980 in the general fund. The amount available as an advance at June 30, 2024, was \$232,967 in the general fund.

**West Branch Local School District**

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

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

|                                                    | 2024 Second<br>Half Collections |                | 2025 First<br>Half Collections |                |
|----------------------------------------------------|---------------------------------|----------------|--------------------------------|----------------|
|                                                    | Amount                          | Percent        | Amount                         | Percent        |
| Real Estate                                        | \$344,645,470                   | 89.31%         | \$354,811,680                  | 90.09%         |
| Public Utility Personal                            | 41,253,240                      | 10.69          | 39,045,420                     | 9.91           |
| Total                                              | <u>\$385,898,710</u>            | <u>100.00%</u> | <u>\$393,857,100</u>           | <u>100.00%</u> |
| Full Tax Rate per \$1,000<br>of assessed valuation | \$30.00                         |                | \$30.00                        |                |

**Note 9 – Receivables**

Receivables at June 30, 2025, consisted of taxes, accrued interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables except property taxes are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

| Intergovernmental Receivables         | Amounts          |
|---------------------------------------|------------------|
| School Foundation Adjustments         | \$236,159        |
| Title I Grant                         | 114,135          |
| Title VI-B Grant                      | 114,121          |
| Ohio Career Technical Equipment Grant | 81,767           |
| Federal Lunch Reimbursement           | 52,037           |
| Federal Breakfast Reimbursement       | 10,623           |
| Drug Free Grant                       | 6,650            |
| Vocational Education Grant            | 137              |
| State Breakfast Reimbursement         | 134              |
| Total                                 | <u>\$615,763</u> |

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2025

**Note 10 – Capital Assets**

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

|                                                          | Balance<br>7/1/2024 | Additions            | Deletions          | Balance<br>6/30/2025 |
|----------------------------------------------------------|---------------------|----------------------|--------------------|----------------------|
| <b><i>Governmental Activities</i></b>                    |                     |                      |                    |                      |
| <b>Nondepreciable Capital Assets</b>                     |                     |                      |                    |                      |
| Land                                                     | \$643,930           | \$0                  | \$0                | \$643,930            |
| Construction in Progress                                 | 2,586,097           | 2,708,074            | (493,353)          | 4,800,818            |
| <b>Total Nondepreciable Capital Assets</b>               | <b>3,230,027</b>    | <b>2,708,074</b>     | <b>(493,353)</b>   | <b>5,444,748</b>     |
| <b>Depreciable/Amortizable Capital Assets</b>            |                     |                      |                    |                      |
| <i>Tangible Assets</i>                                   |                     |                      |                    |                      |
| Land Improvements                                        | 3,651,728           | 0                    | 0                  | 3,651,728            |
| Buildings and Improvements                               | 51,545,029          | 732,636              | 0                  | 52,277,665           |
| Furniture and Fixtures                                   | 2,252,534           | 836,161              | 0                  | 3,088,695            |
| Vehicles                                                 | 2,033,007           | 500,510              | (69,044)           | 2,464,473            |
| Textbooks                                                | 1,039,896           | 0                    | 0                  | 1,039,896            |
| <b>Total Tangible Assets</b>                             | <b>60,522,194</b>   | <b>2,069,307</b>     | <b>(69,044)</b>    | <b>62,522,457</b>    |
| <i>Intangible Right to Use Lease Assets</i>              |                     |                      |                    |                      |
| Intangible Right to Use - Equipment                      | 120,568             | 8,055                | (5,145)            | 123,478              |
| <b>Total Depreciable/Amortizable Capital Assets</b>      | <b>60,642,762</b>   | <b>2,077,362</b>     | <b>(74,189)</b>    | <b>62,645,935</b>    |
| <b>Less Accumulated Depreciation/Amortization</b>        |                     |                      |                    |                      |
| <i>Depreciation</i>                                      |                     |                      |                    |                      |
| Land Improvements                                        | (3,487,572)         | (88,224)             | 0                  | (3,575,796)          |
| Buildings and Improvements                               | (31,513,353)        | (1,512,646)          | 0                  | (33,025,999)         |
| Furniture and Fixtures                                   | (1,618,716)         | (205,509)            | 0                  | (1,824,225)          |
| Vehicles                                                 | (1,693,899)         | (141,969)            | 69,044             | (1,766,824)          |
| Textbooks and Library Books                              | (1,039,896)         | 0                    | 0                  | (1,039,896)          |
| <b>Total Depreciation</b>                                | <b>(39,353,436)</b> | <b>(1,948,348)</b>   | <b>69,044</b>      | <b>(41,232,740)</b>  |
| <i>Amortization</i>                                      |                     |                      |                    |                      |
| Intangible Right to Use - Equipment                      | (60,696)            | (24,390)             | 5,145              | (79,941)             |
| <b>Total Accumulated Depreciation/Amortization</b>       | <b>(39,414,132)</b> | <b>(1,972,738) *</b> | <b>74,189</b>      | <b>(41,312,681)</b>  |
| <b>Total Depreciable/Amortizable Capital Assets, Net</b> | <b>21,228,630</b>   | <b>104,624</b>       | <b>0</b>           | <b>21,333,254</b>    |
| <b>Governmental Activities Capital Assets, Net</b>       | <b>\$24,458,657</b> | <b>\$2,812,698</b>   | <b>(\$493,353)</b> | <b>\$26,778,002</b>  |

**West Branch Local School District**

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

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

|                                                | <u>Depreciation</u> | <u>Amortization</u> | <u>Total</u>       |
|------------------------------------------------|---------------------|---------------------|--------------------|
| Instruction:                                   |                     |                     |                    |
| Regular                                        | \$1,517,750         | \$0                 | \$1,517,750        |
| Vocational                                     | 90,735              | 0                   | 90,735             |
| Support Services:                              |                     |                     |                    |
| Pupils                                         | 7,574               | 0                   | 7,574              |
| Instructional Staff                            | 46,986              | 0                   | 46,986             |
| Administration                                 | 0                   | 24,390              | 24,390             |
| Operation and Maintenance of Plant             | 98,942              | 0                   | 98,942             |
| Pupil Transportation                           | 138,975             | 0                   | 138,975            |
| Extracurricular Activities                     | 30,144              | 0                   | 30,144             |
| Operation of Food Service                      | 17,242              | 0                   | 17,242             |
| <i>Total Depreciation/Amortization Expense</i> | <u>\$1,948,348</u>  | <u>\$24,390</u>     | <u>\$1,972,738</u> |

**Note 11 – Long-Term Obligations**

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

|                                         | <u>Principal<br/>Outstanding<br/>July 1, 2024</u> | <u>Additions</u> | <u>Deductions</u>    | <u>Principal<br/>Outstanding<br/>June 30, 2025</u> | <u>Amount<br/>Due in<br/>One Year</u> |
|-----------------------------------------|---------------------------------------------------|------------------|----------------------|----------------------------------------------------|---------------------------------------|
| <b>Other Long-Term Obligations</b>      |                                                   |                  |                      |                                                    |                                       |
| Net Pension Liability:                  |                                                   |                  |                      |                                                    |                                       |
| SERS                                    | \$3,707,173                                       | \$0              | (\$192,205)          | \$3,514,968                                        | \$0                                   |
| STRS                                    | 14,613,776                                        | 0                | (1,035,539)          | 13,578,237                                         | 0                                     |
| Total Net Pension Liability             | 18,320,949                                        | 0                | (1,227,744)          | 17,093,205                                         | 0                                     |
| Net OPEB Liability:                     |                                                   |                  |                      |                                                    |                                       |
| SERS                                    | 1,138,498                                         | 0                | (423,366)            | 715,132                                            | 0                                     |
| Financed Purchase from Direct Borrowing | 3,335,000                                         | 0                | (164,000)            | 3,171,000                                          | 165,000                               |
| Leases Payable                          | 59,872                                            | 8,055            | (24,390)             | 43,537                                             | 25,541                                |
| Compensated Absences                    | 5,073,379                                         | 0                | (262,361)            | 4,811,018                                          | 825,266                               |
| <i>Total Long-Term Liabilities</i>      | <u>\$27,927,698</u>                               | <u>\$8,055</u>   | <u>(\$2,101,861)</u> | <u>\$25,833,892</u>                                | <u>\$1,015,807</u>                    |

Increases and decreases to compensated absences are presented net on the above table.

The leases will be paid out of the general fund. There are no repayment schedules for the net pension/OPEB liabilities. However, employer pension/OPEB contributions are made from the following funds: the general fund and the food service, student activities, athletics and music, title VI-B, title I, preschool grant, class size reduction special revenue funds. See Notes 17 and 18 for additional information related to the net pension/OPEB liabilities.

On September 18, 2023, the School District entered into a financed purchase agreement through direct borrowing in the amount of \$3,335,000 for the purpose of energy conservation improvements. This debt will be repaid over a fifteen-year period with a final payment being made on September 1, 2038. The financed purchase will be paid out of the debt service fund.

## West Branch Local School District

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

The overall debt margin of the School District as of June 30, 2025, was \$35,447,139 with an unvoted debt margin of \$393,857. Principal and interest requirements to retire the financed purchase agreement outstanding at June 30, 2025, are as follows:

| Fiscal Year<br>Ending June 30 | From Direct Borrowing<br>2023 Financed Purchase Agreement |                    |                    |
|-------------------------------|-----------------------------------------------------------|--------------------|--------------------|
|                               | Principal                                                 | Interest           | Total              |
| 2026                          | \$165,000                                                 | \$145,468          | \$310,468          |
| 2027                          | 173,000                                                   | 137,508            | 310,508            |
| 2028                          | 181,000                                                   | 129,172            | 310,172            |
| 2029                          | 189,000                                                   | 120,459            | 309,459            |
| 2030                          | 198,000                                                   | 111,345            | 309,345            |
| 2031-2035                     | 1,143,000                                                 | 403,764            | 1,546,764          |
| 2036-2039                     | 1,122,000                                                 | 108,755            | 1,230,755          |
| Total                         | <u>\$3,171,000</u>                                        | <u>\$1,156,471</u> | <u>\$4,327,471</u> |

The School District entered into lease agreements for copiers and a postage meter. The future lease payments were discounted based on the interest rate implicit in the leases. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts for the remaining leases is as follows:

| Year  | Leases          |                |
|-------|-----------------|----------------|
|       | Principal       | Interest       |
| 2026  | \$25,541        | \$1,396        |
| 2027  | 13,895          | 598            |
| 2028  | 1,715           | 335            |
| 2029  | 1,886           | 163            |
| 2030  | 500             | 12             |
| Total | <u>\$43,537</u> | <u>\$2,504</u> |

## Note 12 – Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service and hours worked. Teachers and most administrators do not earn vacation. Accumulated unused vacation is paid to classified employees and administrators upon termination of employment. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, payment is made for one-third of accrued, but unused sick leave credit up to a maximum of 65 days for those employees with 10 to 19 years of continuous service to the School District, and 75 days for those with 20 or more years of continuous service.

## West Branch Local School District

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

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### Note 13 – Risk Management

#### ***Property and Liability***

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2025, the School District contracted with Wright Specialty for the following insurance coverage:

| Type of Coverage                                                   | Coverage Amount       |
|--------------------------------------------------------------------|-----------------------|
| Building and Contents - Replacement Cost (\$2,500 deductible)      | \$109,131,056         |
| Equipment Breakdown (\$2,500 deductible)                           | included above        |
| Inland Marine (\$500 deductible)                                   | included above        |
| Commercial Auto                                                    | 1,000,000             |
| Uninsured Motorists (\$500 deductible on Comp and Collision)       | 1,000,000             |
| General Liability                                                  | 1,000,000 / 3,100,000 |
| Crime Insurance/Employee Dishonesty (\$250 deductible)             | 500,000               |
| Physical Damage Comprehensive and Collision                        | Actual Cash Value     |
| Employer Stop Gap Liability                                        | 1,000,000             |
| School Leaders Errors and Omissions (\$2,500 deductible)           | 1,000,000             |
| School Law Enforcement Professional Liability (\$2,500 deductible) | 1,000,000 / 3,000,000 |
| Sexual Misconduct and Molestation Liability                        | 1,000,000 / 2,000,000 |
| Commercial Umbrella Liability                                      | 1,000,000             |
| Data Compromise (\$2,500 deductible)                               | 1,000,000             |
| Employee Benefits Liability                                        | 1,000,000 / 2,000,000 |

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

#### ***Employee Health Benefits***

For fiscal year 2025, the School District was a participant in the Mahoning County School Employees Insurance Consortium (the “Consortium”) to provide employee health, dental, vision and prescription drug benefits. The Consortium is administered by Anthem.

Contribution rates are calculated and set through an annual update process. The School District pays a monthly contribution which is placed in a common fund from which claims or payments are made for all participating school districts and claims are paid for all participants regardless of claims flow. The Consortium is responsible for paying health plan claims up to \$135,000 per individual per year. Any claims exceeding the \$135,000 is covered by the School District’s stop-loss carrier.

The School District provides full-time employees with 87.5 percent Board paid hospitalization, prescription drug, dental and vision.

#### ***Worker’s Compensation***

For fiscal year 2025, the School District participated in the Ohio Association of School Business Officials Workers’ Compensation Group Rating Program (GRP), an insurance rating pool (Note 16). 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

## **West Branch Local School District**

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

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in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sedgwich provides administrative, cost control and actuarial services for the GRP.

## **Note 14 – Contingencies**

### ***Grants***

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

### ***School Foundation***

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

### ***Litigation***

The School District is not a party to any material legal proceedings.

## **Note 15 – Jointly Governed Organizations**

***Area Cooperative Computerized Education Service System (ACCESS)*** The Area Cooperative Computerized Educational Service System (ACCESS) is a jointly governed organization among 26 school districts and 2 educational service centers. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among the member districts. Each of the governments of these schools supports ACCESS based upon a per pupil charge based upon a per pupil charge before any e-rate credits. West Branch Local School District paid \$129,670 to ACCESS during fiscal year 2025. ACCESS is governed by an assembly consisting of the superintendents or other designees of the member school districts. The assembly exercises total control over the operation of ACCESS including budgeting, appropriating, contracting and designating management. The degree of control exercised by any participating school district is limited to its representation on the Board. All of ACCESS revenues are generated from charges for services and State funding. Financial information can be obtained by contacting the Treasurer at 493 Bev Road, Unit 1, Boardman, Ohio 44512.

***Mahoning County Career and Technical Center*** The Mahoning County Career and Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of representatives from the participating school districts' elected boards, which possesses its own budgeting and taxing authority. The degree of control exercised by any participating school district is limited to its representation on the Board. The School District did not contribute any amounts to the Mahoning County Career and Technical Center during fiscal year 2025. To obtain financial information, write to the Treasurer of the Mahoning County Career and Technical Center at 7300 North Palmyra Road, Canfield, Ohio 44406.

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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**Note 16 – Public Entity Pools**

***Insurance Purchasing Pool***

***Ohio Association of School Business Officials Workers' Compensation Group Rating Program*** The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group purchasing pool. The Executive Director of the OASBA, or his designee, serves as coordinator of the GRP. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

***Shared Risk Pool***

***Mahoning County School Employees Insurance Consortium*** The School District participates in the Mahoning County Schools Employees Insurance Consortium (Consortium). This is a shared risk pool composed of thirteen Mahoning County School Districts. The Consortium is governed by an assembly which consists of one representative from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve as the Board of Directors. The assembly exercises control over the operation of the Consortium. Consortium revenues are generated from charges for services.

**Note 17 – Defined Benefit Pension Plans**

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

***Net Pension Liability/Net OPEB Liability (Asset)***

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

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

The 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

## West Branch Local School District

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

form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 18 for the required OPEB disclosures.

#### ***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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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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 \$423,994 for fiscal year 2025. Of this amount, \$89,645 is reported as an intergovernmental payable.

***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 East Broad Street., Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://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.

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.

## **West Branch Local School District**

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

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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 \$1,295,733 for fiscal year 2025. Of this amount, \$267,660 is reported as an intergovernmental payable.

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

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

# West Branch Local School District

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

|                                                  | SERS        | STRS         | Total        |
|--------------------------------------------------|-------------|--------------|--------------|
| Proportion of the Net Pension Liability:         |             |              |              |
| Current Measurement Date                         | 0.06871080% | 0.07056704%  |              |
| Prior Measurement Date                           | 0.06709190% | 0.06786078%  |              |
| Change in Proportionate Share                    | 0.00161890% | 0.00270626%  |              |
| Proportionate Share of the Net Pension Liability | \$3,514,968 | \$13,578,237 | \$17,093,205 |
| Pension Expense                                  | \$225,139   | \$320,388    | \$545,527    |

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

|                                                                                                                              | SERS      | STRS        | Total       |
|------------------------------------------------------------------------------------------------------------------------------|-----------|-------------|-------------|
| <b>Deferred Outflows of Resources</b>                                                                                        |           |             |             |
| Differences between expected and actual experience                                                                           | \$134,198 | \$855,074   | \$989,272   |
| Changes of assumptions                                                                                                       | 31,444    | 625,760     | 657,204     |
| Changes in proportionate share and difference between School District contributions and proportionate share of contributions | 64,545    | 411,594     | 476,139     |
| School District contributions subsequent to the measurement date                                                             | 423,994   | 1,295,733   | 1,719,727   |
| Total Deferred Outflows of Resources                                                                                         | \$654,181 | \$3,188,161 | \$3,842,342 |
| <b>Deferred Inflows of Resources</b>                                                                                         |           |             |             |
| Differences between expected and actual experience                                                                           | \$0       | \$7,436     | \$7,436     |
| Changes of assumptions                                                                                                       | 0         | 471,018     | 471,018     |
| Net difference between projected and actual earnings on pension plan investments                                             | 219,859   | 1,167,453   | 1,387,312   |
| Changes in proportionate share and difference between School District contributions and proportionate share of contributions | 30,260    | 716,055     | 746,315     |
| Total Deferred Inflows of Resources                                                                                          | \$250,119 | \$2,361,962 | \$2,612,081 |

\$1,719,727 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

|                             | SERS        | STRS          | Total         |
|-----------------------------|-------------|---------------|---------------|
| Fiscal Year Ending June 30: |             |               |               |
| 2026                        | (\$167,620) | (\$1,120,885) | (\$1,288,505) |
| 2027                        | 226,533     | 1,205,021     | 1,431,554     |
| 2028                        | (14,193)    | (385,910)     | (400,103)     |
| 2029                        | (64,652)    | (167,760)     | (232,412)     |
| Total                       | (\$19,932)  | (\$469,534)   | (\$489,466)   |

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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***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, are presented as follows:

|                                              |                                                                                                                                   |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 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<br>April 1, 2018, COLAs for future<br>retirees will be delayed for three<br>years following commencement |
| Investment Rate of Return                    | 7.00 percent net of<br>System expenses                                                                                            |
| Actuarial Cost Method                        | Entry Age Normal<br>(Level Percent of Payroll)                                                                                    |

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

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

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

# West Branch Local School District

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

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

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

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

|                                                                       | 1% Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|-----------------------------------------------------------------------|------------------------|-------------------------------------|------------------------|
| School District's proportionate share<br>of the net pension liability | \$5,377,413            | \$3,514,968                         | \$1,946,888            |

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

**Actuarial Assumptions – STRS**

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

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

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

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

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

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

\* Final target weights reflected at October 1, 2022.

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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.

***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<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|-----------------------------------------------------------------------|------------------------|-------------------------------------|------------------------|
| School District's proportionate share<br>of the net pension liability | \$21,904,078           | \$13,578,237                        | \$6,536,009            |

**Note 18 - Defined Benefit OPEB Plans**

See note 17 for a description of the net OPEB liability

***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](http://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.

## **West Branch Local School District**

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

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Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**Funding Policy** – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the School District's surcharge obligation was \$50,792.

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 \$50,792 for fiscal year 2025, which is reported as an intergovernmental payable.

#### ***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](http://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.

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

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

# West Branch Local School District

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

|                                             | SERS        | STRS          | Total         |
|---------------------------------------------|-------------|---------------|---------------|
| Proportion of the Net OPEB Liability/Asset: |             |               |               |
| Current Measurement Date                    | 0.07021460% | 0.07056704%   |               |
| Prior Measurement Date                      | 0.06910690% | 0.06786078%   |               |
| Change in Proportionate Share               | 0.00110770% | 0.00270626%   |               |
| Proportionate Share of the:                 |             |               |               |
| Net OPEB Liability                          | \$715,132   | \$0           | \$715,132     |
| Net OPEB (Asset)                            | \$0         | (\$1,338,522) | (\$1,338,522) |
| OPEB Expense                                | (\$183,511) | (\$282,063)   | (\$465,574)   |

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       |
|------------------------------------------------------------------------------------------------------------------------------|-------------|-----------|-------------|
| <b>Deferred Outflows of Resources</b>                                                                                        |             |           |             |
| Differences between expected and actual experience                                                                           | \$0         | \$58,189  | \$58,189    |
| Changes of assumptions                                                                                                       | 306,934     | 164,754   | 471,688     |
| Net difference between projected and actual earnings on OPEB plan investments                                                | 3,491       | 0         | 3,491       |
| Changes in proportionate Share and difference between School District contributions and proportionate share of contributions | 0           | 16,437    | 16,437      |
| School District contributions subsequent to the measurement date                                                             | 50,792      | 0         | 50,792      |
| Total Deferred Outflows of Resources                                                                                         | \$361,217   | \$239,380 | \$600,597   |
| <b>Deferred Inflows of Resources</b>                                                                                         |             |           |             |
| Differences between expected and actual experience                                                                           | \$771,098   | \$144,246 | \$915,344   |
| Changes of assumptions                                                                                                       | 328,505     | 603,665   | 932,170     |
| Net difference between projected and actual earnings on OPEB plan investments                                                | 0           | 57,473    | 57,473      |
| Changes in Proportionate Share and difference between School District contributions and proportionate share of contributions | 246,838     | 17,063    | 263,901     |
| Total Deferred Inflows of Resources                                                                                          | \$1,346,441 | \$822,447 | \$2,168,888 |

\$50,792 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

## West Branch Local School District

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

|                             | SERS                 | STRS               | Total                |
|-----------------------------|----------------------|--------------------|----------------------|
| Fiscal Year Ending June 30: |                      |                    |                      |
| 2026                        | (\$280,154)          | (\$204,035)        | (\$484,189)          |
| 2027                        | (199,315)            | (90,404)           | (289,719)            |
| 2028                        | (146,256)            | (115,033)          | (261,289)            |
| 2029                        | (119,468)            | (106,866)          | (226,334)            |
| 2030                        | (118,417)            | (86,435)           | (204,852)            |
| Thereafter                  | (172,406)            | 19,706             | (152,700)            |
| Total                       | <u>(\$1,036,016)</u> | <u>(\$583,067)</u> | <u>(\$1,619,083)</u> |

#### Actuarial Assumptions – SERS

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

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

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

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

|                                                    | June 30, 2024                                  |
|----------------------------------------------------|------------------------------------------------|
| Inflation                                          | 2.40 percent                                   |
| Future Salary Increases, including inflation       | 3.25 percent to 13.58 percent                  |
| Investment Rate of Return                          | 7.00 percent net of investment expense         |
| Actuarial Cost Method                              | Entry Age Normal<br>(Level Percent of Payroll) |
| Fiduciary Net Position is Projected to be Depleted | 2059                                           |

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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|                                  | June 30, 2024        |
|----------------------------------|----------------------|
| Municipal Bond Index Rate:       |                      |
| Measurement Date                 | 3.93 percent         |
| Prior Measurement Date           | 3.86 percent         |
| Single Equivalent Interest Rate, |                      |
| Measurement Date                 | 4.88 percent         |
| Prior Measurement Date           | 4.27 percent         |
| Health Care Cost Trend Rate      |                      |
| Medical Trend Assumption         |                      |
| Measurement Date                 | 7.00 to 4.40 percent |
| Prior Measurement Date           | 6.75 to 4.40 percent |

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

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 17.

**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.

# West Branch Local School District

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

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

|                                                                    | 1% Decrease<br>(3.88%)                        | Current<br>Discount Rate<br>(4.88%)                     | 1% Increase<br>(5.88%)                        |
|--------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------------|-----------------------------------------------|
| School District's proportionate share<br>of the net OPEB liability | \$953,604                                     | \$715,132                                               | \$525,635                                     |
|                                                                    | 1% Decrease<br>(6.00% decreasing<br>to 3.40%) | Current<br>Trend Rate<br>(7.00% decreasing<br>to 4.40%) | 1% Increase<br>(8.00% decreasing<br>to 5.40%) |
| School District's proportionate share<br>of the net OPEB liability | \$483,403                                     | \$715,132                                               | \$1,019,722                                   |

## ***Actuarial Assumptions – STRS***

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

|                            | June 30, 2024                                                    | June 30, 2023                                                    |
|----------------------------|------------------------------------------------------------------|------------------------------------------------------------------|
| Projected salary increases | Varies by service from 2.5 percent<br>to 8.5 percent             | Varies by service from 2.5 percent<br>to 8.5 percent             |
| Investment Rate of Return  | 7.00 percent, net of investment<br>expenses, including inflation | 7.00 percent, net of investment<br>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<br>3.94 percent ultimate                    | 7.50 percent initial<br>4.14 percent ultimate                    |
| Medicare                   | -112.22 percent initial<br>3.94 percent ultimate                 | -10.94 percent initial<br>4.14 percent ultimate                  |
| Prescription Drug          |                                                                  |                                                                  |
| Pre-Medicare               | 8.00 percent initial<br>3.94 percent ultimate                    | -11.95 percent initial<br>4.14 percent ultimate                  |
| Medicare                   | -15.14 percent initial<br>3.94 percent ultimate                  | 1.33 percent initial<br>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

## West Branch Local School District

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 17.

**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<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|------------------------------------------------------------------|------------------------|-------------------------------------|------------------------|
| School District's proportionate<br>share of the net OPEB (asset) | (\$1,088,307)          | (\$1,338,522)                       | (\$1,556,264)          |

  

|                                                                  | 1% Decrease   | Current<br>Trend Rate | 1% Increase   |
|------------------------------------------------------------------|---------------|-----------------------|---------------|
| School District's proportionate<br>share of the net OPEB (asset) | (\$1,570,972) | (\$1,338,522)         | (\$1,058,971) |

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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**Note 19 – Interfund Balances and Transfers**

***Interfund Balances***

Interfund balances at June 30, 2025, consist of the following individual fund receivables and payables:

|                                       | <u>Interfund<br/>Receivable</u> |
|---------------------------------------|---------------------------------|
| <u>Interfund Payable</u>              | <u>General</u>                  |
| <b>Other Governmental Funds</b>       |                                 |
| Title VI-B Grant                      | \$60,475                        |
| Title I Grant                         | 34,968                          |
| Miscellaneous Federal Grants          | 38,418                          |
| Ohio Career Technical Equipment Grant | 34,319                          |
| Title IV Grant                        | 6,650                           |
| Athletics and Music                   | <u>300</u>                      |
| <b>Grand Total</b>                    | <u><u>\$175,130</u></u>         |

The interfund receivables and payables are advances due to the timing of the receipt of grant monies received by various funds and to help cover costs of athletic activities until reimbursement can be made. The general fund provides money to operate the programs until grants are received and the advances can be repaid. These advances are expected to be repaid within the next fiscal year.

***Interfund Transfers***

During fiscal year 2025, the general fund transferred \$69,239 to the athletics and music special revenue fund to provide financial support for the School District's athletics, \$317,216 to the bond retirement debt service fund for the payment of debt obligations and \$697,458 to the capital projects fund to provide financial support for future projects. The bond retirement transferred \$387,997 to the permanent improvement capital project fund to provide financial support for future projects now that bond obligations have been paid.

**Note 20 – Set Asides**

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

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

**West Branch Local School District**

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

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|                                                                                     | Capital<br>Improvements   |
|-------------------------------------------------------------------------------------|---------------------------|
| Set Aside Balance as of June 30, 2024                                               | \$0                       |
| Current Year Set-aside Requirement                                                  | 410,647                   |
| Qualifying Disbursements                                                            | <u>(676,005)</u>          |
| Total                                                                               | <u><u>(\$265,358)</u></u> |
| Set-aside Balance as of June 30, 2025<br>and Carried Forward to Future Fiscal Years | <u><u>\$0</u></u>         |

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

**Note 21 – Significant Commitments**

***Contractual Commitments***

At June 30, 2025, the School District had the following contractual commitments:

| Projects        | Contract<br>Amount      | Amount Paid<br>to date  | Amount<br>Outstanding   |
|-----------------|-------------------------|-------------------------|-------------------------|
| Bus Replacement | \$276,064               | \$0                     | \$276,064               |
| HVAC Upgrade    | <u>584,888</u>          | <u>275,763</u>          | <u>309,125</u>          |
| Total           | <u><u>\$860,952</u></u> | <u><u>\$275,763</u></u> | <u><u>\$585,189</u></u> |

Contracts payable of \$416,482 and retainage payable of \$319,468 have been capitalized. The remaining commitment amounts were encumbered at fiscal year end.

***Encumbrances***

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

|                                 |                           |
|---------------------------------|---------------------------|
| <b>Governmental Funds</b>       |                           |
| General                         | \$1,139,833               |
| Other Governmental Funds        | <u>1,561,710</u>          |
| <i>Total Governmental Funds</i> | <u><u>\$2,701,543</u></u> |

**West Branch Local School District**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2025*

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**Note 22 –Change in Accounting Principles, Accounting Changes and Restatement of Fund Balances and Net Position**

***Change in Accounting Principles***

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

GASB 101 will result in a liability for compensated absences that more appropriately reflects when a government incurs such an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. For the School District, GASB Statement No. 101 increased the compensated absences liability and the cumulative effects of compensated absence related expense decreased beginning net position. The compensated absences restatement increased long-term compensated absences payable by \$4,069,507. This change in accounting principle is separately displayed by reporting unit in the accompanying financial statements.

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

***Reclassification in the Financial statements***

Beginning in fiscal year 2025, the School District changed their reporting for their Ohio career technical equipment grant activity related to the miscellaneous state grant special revenue fund reported with other nonmajor governmental funds on the accompanying financial statements. The Ohio career technical equipment grant was previously reported in the miscellaneous state grant special revenue fund. In order to better reflect the activity of the fund, this activity will now be reported as a separate capital projects fund. This change within the financial reporting activity did not have any effect on beginning fund balance/net position.

**Note 23 – COVID-19**

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

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**West Branch 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        |
|-----------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| School District's Proportion of the Net Pension Liability                                                 | 0.06871080% | 0.06709190% | 0.06855780% | 0.07366550% |
| School District's Proportionate Share of the Net Pension Liability                                        | \$3,514,968 | \$3,707,173 | \$3,708,139 | \$2,718,042 |
| School District's Covered Payroll                                                                         | \$2,892,029 | \$2,758,536 | \$2,581,714 | \$2,512,007 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 121.54%     | 134.39%     | 143.63%     | 108.20%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                | 78.52%      | 76.06%      | 75.82%      | 82.86%      |

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

See accompanying notes to the required supplementary information

| 2021        | 2020        | 2019        | 2018        | 2017        | 2016        |
|-------------|-------------|-------------|-------------|-------------|-------------|
| 0.07622780% | 0.08075970% | 0.08651230% | 0.08822020% | 0.09358950% | 0.09131470% |
| \$5,041,867 | \$4,831,995 | \$4,954,721 | \$5,270,963 | \$6,849,888 | \$5,210,505 |
| \$2,670,343 | \$2,760,867 | \$2,581,563 | \$2,730,543 | \$2,925,800 | \$2,749,052 |
| 188.81%     | 175.02%     | 191.93%     | 193.04%     | 234.12%     | 189.54%     |
| 68.55%      | 70.85%      | 71.36%      | 69.50%      | 62.98%      | 69.16%      |

**West Branch 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        |
|--------------------------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| School District's Proportion of the Net OPEB Liability                                                 | 0.07021460% | 0.06910690% | 0.07025060% | 0.07571660% |
| School District's Proportionate Share of the Net OPEB Liability                                        | \$715,132   | \$1,138,498 | \$986,326   | \$1,432,999 |
| School District's Covered Payroll                                                                      | \$2,892,029 | \$2,758,536 | \$2,581,714 | \$2,512,007 |
| School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 24.73%      | 41.27%      | 38.20%      | 57.05%      |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                                | 44.50%      | 30.02%      | 30.34%      | 24.08%      |

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

| 2021        | 2020        | 2019        | 2018        | 2017        |
|-------------|-------------|-------------|-------------|-------------|
| 0.07925900% | 0.08259290% | 0.08759060% | 0.08943180% | 0.09473870% |
| \$1,722,557 | \$2,077,037 | \$2,430,000 | \$2,400,114 | \$2,700,403 |
| \$2,670,343 | \$2,760,867 | \$2,581,563 | \$2,730,543 | \$2,925,800 |
| 64.51%      | 75.23%      | 94.13%      | 87.90%      | 92.30%      |
| 18.17%      | 15.57%      | 13.57%      | 12.46%      | 11.49%      |

**West Branch 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        |
|-----------------------------------------------------------------------------------------------------------|--------------|--------------|--------------|-------------|
| School District's Proportion of the Net Pension Liability                                                 | 0.07056704%  | 0.06786078%  | 0.07102716%  | 0.07529814% |
| School District's Proportionate Share of the Net Pension Liability                                        | \$13,578,237 | \$14,613,776 | \$15,789,429 | \$9,627,544 |
| School District's Covered Payroll                                                                         | \$10,000,200 | \$9,376,414  | \$9,294,964  | \$9,187,021 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 135.78%      | 155.86%      | 169.87%      | 104.80%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                                | 82.50%       | 80.00%       | 78.90%       | 87.80%      |

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

See accompanying notes to the required supplementary information

| 2021         | 2020         | 2019         | 2018         | 2017         | 2016         |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 0.07669657%  | 0.07912612%  | 0.07828052%  | 0.07675388%  | 0.08222697%  | 0.07891080%  |
| \$18,557,841 | \$17,498,266 | \$17,212,129 | \$18,233,048 | \$27,523,845 | \$21,808,637 |
| \$9,233,086  | \$9,303,686  | \$8,920,100  | \$8,530,407  | \$8,750,200  | \$8,306,171  |
| 200.99%      | 188.08%      | 192.96%      | 213.74%      | 314.55%      | 262.56%      |
| 75.50%       | 77.40%       | 77.30%       | 75.30%       | 66.80%       | 72.10%       |

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

|                                                                                                                | 2025          | 2024          | 2023          | 2022          |
|----------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
| School District's Proportion of the Net OPEB Asset/Liability                                                   | 0.07056704%   | 0.06786078%   | 0.07102716%   | 0.07529814%   |
| School District's Proportionate Share of the Net OPEB (Asset) Liability                                        | (\$1,338,522) | (\$1,319,799) | (\$1,839,128) | (\$1,587,598) |
| School District's Covered Payroll                                                                              | \$10,000,200  | \$9,376,414   | \$9,294,964   | \$9,187,021   |
| School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll | -13.38%       | -14.08%       | -19.79%       | -17.28%       |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                                        | 158.00%       | 168.50%       | 230.70%       | 174.70%       |

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information

| 2021          | 2020          | 2019          | 2018        | 2017        |
|---------------|---------------|---------------|-------------|-------------|
| 0.07669657%   | 0.07912612%   | 0.07828052%   | 0.07675388% | 0.08222697% |
| (\$1,347,941) | (\$1,310,518) | (\$1,257,888) | \$2,994,653 | \$4,397,520 |
| \$9,233,086   | \$9,303,686   | \$8,920,100   | \$8,530,407 | \$8,750,200 |
| -14.60%       | -14.09%       | -14.10%       | 35.11%      | 50.26%      |
| 182.10%       | 174.70%       | 176.00%       | 47.10%      | 37.30%      |

**West Branch Local School District**  
*Required Supplementary Information*  
*Schedule of the School District's Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

|                                                                         | <u>2025</u>      | <u>2024</u>      | <u>2023</u>      | <u>2022</u>      |
|-------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| <b>Net Pension Liability</b>                                            |                  |                  |                  |                  |
| Contractually Required Contribution                                     | \$423,994        | \$404,884        | \$386,195        | \$361,440        |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>(423,994)</u> | <u>(404,884)</u> | <u>(386,195)</u> | <u>(361,440)</u> |
| Contribution Deficiency (Excess)                                        | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| School District Covered Payroll (1)                                     | \$3,028,529      | \$2,892,029      | \$2,758,536      | \$2,581,714      |
| Pension Contributions as a Percentage of<br>Covered Payroll             | <u>14.00%</u>    | <u>14.00%</u>    | <u>14.00%</u>    | <u>14.00%</u>    |
| <b>Net OPEB Liability</b>                                               |                  |                  |                  |                  |
| Contractually Required Contribution (2)                                 | \$50,792         | \$51,621         | \$50,891         | \$46,643         |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>(50,792)</u>  | <u>(51,621)</u>  | <u>(50,891)</u>  | <u>(46,643)</u>  |
| Contribution Deficiency (Excess)                                        | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| OPEB Contributions as a Percentage of<br>Covered Payroll                | <u>1.68%</u>     | <u>1.78%</u>     | <u>1.84%</u>     | <u>1.81%</u>     |
| Total Contributions as a Percentage of<br>Covered Payroll (2)           | <u>15.68%</u>    | <u>15.78%</u>    | <u>15.84%</u>    | <u>15.81%</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

| <u>2021</u>      | <u>2020</u>      | <u>2019</u>      | <u>2018</u>      | <u>2017</u>      | <u>2016</u>      |
|------------------|------------------|------------------|------------------|------------------|------------------|
| \$351,681        | \$373,848        | \$372,717        | \$348,511        | \$382,276        | \$409,612        |
| <u>(351,681)</u> | <u>(373,848)</u> | <u>(372,717)</u> | <u>(348,511)</u> | <u>(382,276)</u> | <u>(409,612)</u> |
| <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| \$2,512,007      | \$2,670,343      | \$2,760,867      | \$2,581,563      | \$2,730,543      | \$2,925,800      |
| <u>14.00%</u>    | <u>14.00%</u>    | <u>13.50%</u>    | <u>13.50%</u>    | <u>14.00%</u>    | <u>14.00%</u>    |
| \$47,524         | \$51,663         | \$63,420         | \$59,690         | \$48,320         | \$47,492         |
| <u>(47,524)</u>  | <u>(51,663)</u>  | <u>(63,420)</u>  | <u>(59,690)</u>  | <u>(48,320)</u>  | <u>(47,492)</u>  |
| <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>       |
| <u>1.89%</u>     | <u>1.93%</u>     | <u>2.30%</u>     | <u>2.31%</u>     | <u>1.77%</u>     | <u>1.62%</u>     |
| <u>15.89%</u>    | <u>15.93%</u>    | <u>15.80%</u>    | <u>15.81%</u>    | <u>15.77%</u>    | <u>15.62%</u>    |

**West Branch Local School District**  
*Required Supplementary Information*  
*Schedule of the School District's Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

|                                                                         | <u>2025</u>        | <u>2024</u>        | <u>2023</u>        | <u>2022</u>        |
|-------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Net Pension Liability</b>                                            |                    |                    |                    |                    |
| Contractually Required Contribution                                     | \$1,295,733        | \$1,400,028        | \$1,312,698        | \$1,301,295        |
| Contributions in Relation to the<br>Contractually Required Contribution | <u>(1,295,733)</u> | <u>(1,400,028)</u> | <u>(1,312,698)</u> | <u>(1,301,295)</u> |
| Contribution Deficiency (Excess)                                        | <u>\$0</u>         | <u>\$0</u>         | <u>\$0</u>         | <u>\$0</u>         |
| School District Covered Payroll                                         | \$9,255,236        | \$10,000,200       | \$9,376,414        | \$9,294,964        |
| Pension Contributions as a Percentage of<br>Covered Payroll             | <u>14.00%</u>      | <u>14.00%</u>      | <u>14.00%</u>      | <u>14.00%</u>      |

**Net OPEB Liability (Asset) (1)**

(1) Although the covered payroll for the net OPEB liability is the same as the net pension liability, there were no OPEB related required contributions for 2016-2025, STRS did not allocate any employer contributions to postemployment health care; therefore, there is no required supplementary information to present related to the statutorily established employer contribution requirements for the net OPEB liability.

See accompanying notes to the required supplementary information

| <u>2021</u>        | <u>2020</u>        | <u>2019</u>        | <u>2018</u>        | <u>2017</u>        | <u>2016</u>        |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$1,286,183        | \$1,292,632        | \$1,302,516        | \$1,248,814        | \$1,194,257        | \$1,225,028        |
| <u>(1,286,183)</u> | <u>(1,292,632)</u> | <u>(1,302,516)</u> | <u>(1,248,814)</u> | <u>(1,194,257)</u> | <u>(1,225,028)</u> |
| <u>\$0</u>         | <u>\$0</u>         | <u>\$0</u>         | <u>\$0</u>         | <u>\$0</u>         | <u>\$0</u>         |
| \$9,187,021        | \$9,233,086        | \$9,303,686        | \$8,920,100        | \$8,530,407        | \$8,750,200        |
| <u>14.00%</u>      | <u>14.00%</u>      | <u>14.00%</u>      | <u>14.00%</u>      | <u>14.00%</u>      | <u>14.00%</u>      |

**West Branch Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2025*

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**Net Pension Liability**

***Changes in Benefit Terms/Assumptions – SERS***

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

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

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

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members 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.

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

***Changes in Assumptions – STRS***

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

**West Branch Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2025*

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

Investment rate of return:

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

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

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

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

**West Branch Local School District**  
*Notes to Required Supplementary Information*  
For the Fiscal Year Ended June 30, 2025

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***Changes in Benefit Term – STRS***

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

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

**Net OPEB Liability**

***Changes in Assumptions – SERS***

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

|                                              | 2022                                                        | 2021 and Prior                                              |
|----------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| Inflation                                    | 2.40 percent                                                | 3.00 percent                                                |
| Future Salary Increases, including inflation |                                                             |                                                             |
| Wage Increases                               | 3.25 percent to 13.58 percent                               | 3.50 percent to 18.20 percent                               |
| Investment Rate of Return                    | 7.00 percent net of investment expense, including inflation | 7.50 percent net of investment expense, including inflation |

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

**Municipal Bond Index Rate:**

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

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

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

**West Branch Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2025*

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***Changes in Assumptions – STRS***

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

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

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

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

***Changes in Benefit Terms – STRS***

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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

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

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage 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.

**West Branch Local School District**  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2025*

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For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

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

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**WEST BRANCH LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

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

| <b>FEDERAL GRANTOR<br/>Pass Through Grantor<br/>Program / Cluster Title</b>                | <b>Federal<br/>AL<br/>Number</b> | <b>Total Federal<br/>Receipts</b> | <b>Total Federal<br/>Expenditures</b> |
|--------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                                                      |                                  |                                   |                                       |
| <i>Passed Through Ohio Department of Education and Workforce:</i>                          |                                  |                                   |                                       |
| Child Nutrition Cluster:                                                                   |                                  |                                   |                                       |
| School Breakfast Program                                                                   | 10.553                           | \$66,637                          | \$66,637                              |
| National School Lunch Program                                                              | 10.555                           | 380,105                           | 380,105                               |
| School Lunch Program non-cash assistance                                                   | 10.555                           | 77,814                            | 77,814                                |
| Total Nutrition Cluster                                                                    |                                  | <b>524,556</b>                    | <b>524,556</b>                        |
| <i>Passed Through Brookfield Local School District:</i>                                    |                                  |                                   |                                       |
| Distance Learning and Telemedicine Grant                                                   | 10.855                           | 73,697                            | 112,115                               |
| Total Distance Learning and Telemedicine Grant                                             |                                  | <b>73,697</b>                     | <b>112,115</b>                        |
| <b>Total U.S. Department of Agriculture</b>                                                |                                  | <b>598,253</b>                    | <b>636,671</b>                        |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                                                        |                                  |                                   |                                       |
| <i>Passed Through Ohio Department of Education and Workforce:</i>                          |                                  |                                   |                                       |
| Title I Grants to Local Educational Agencies                                               | 84.010                           | 339,831                           | 346,237                               |
| Total Title I Grants to Local Educational Agencies                                         |                                  | <b>339,831</b>                    | <b>346,237</b>                        |
| Education for Homeless Children and Youth                                                  | 84.196                           | 12,064                            | 12,064                                |
| Total Education for Homeless Children and Youth                                            |                                  | <b>12,064</b>                     | <b>12,064</b>                         |
| Special Education Grants to States (IDEA, Part B)                                          | 84.027                           | 407,131                           | 401,533                               |
| Special Education Early Childhood                                                          | 84.173                           | 9,440                             | 9,440                                 |
| Total Special Education Cluster                                                            |                                  | <b>416,571</b>                    | <b>410,973</b>                        |
| Improving Teacher Quality State Grants (Title II-A)                                        | 84.367                           | 59,553                            | 55,553                                |
| Total Improving Teacher Quality State Grants                                               |                                  | <b>59,553</b>                     | <b>55,553</b>                         |
| Title IV-A - Student Support Academic Enrichment                                           | 84.424                           | 40,363                            | 38,968                                |
| Title IV-A - Stronger Connections                                                          |                                  | 653                               |                                       |
| Total Title IV-A                                                                           |                                  | <b>41,016</b>                     | <b>38,968</b>                         |
| Covid-19 American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) | 84.425U                          | 653,764                           | 666,042                               |
| Total APR ESSER Grant                                                                      |                                  | <b>653,764</b>                    | <b>666,042</b>                        |
| Equity for Each Grant (Voc. Ed. Basic)                                                     | 84.048                           | 27,203                            | 19,420                                |
| Total Equity for Each Grant                                                                |                                  | <b>27,203</b>                     | <b>19,420</b>                         |
| <b>Total U.S. Department of Education</b>                                                  |                                  | <b>1,550,002</b>                  | <b>1,549,257</b>                      |
| <b>Total Federal Awards Receipts and Expenditures</b>                                      |                                  | <b>\$ 2,148,255</b>               | <b>\$ 2,185,928</b>                   |

*The accompanying notes are an integral part of this schedule.*

**WEST BRANCH LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

**NOTE B – 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – 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 D - 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 E – 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



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

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

West Branch Local School District  
Mahoning County  
14277 Main Street  
Beloit, Ohio 44609

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of West Branch Local School District, Mahoning 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 February 25, 2026, wherein we noted the School District adopted new accounting guidance in Governmental Accounting Standards Board Statement 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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

February 25, 2026



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

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

West Branch Local School District  
Mahoning County  
14277 Main Street  
Beloit, Ohio 44609

To the Board of Education:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited West Branch Local School District's, Mahoning County, (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 each of West Branch Local School District's major federal programs for the year ended June 30, 2025. West Branch Local School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

***Basis for Opinion on Each Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

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 each major federal program as a whole.

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

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

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

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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

A handwritten signature in black ink that reads "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

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

February 25, 2026

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**WEST BRANCH LOCAL SCHOOL DISTRICT  
MAHONING COUNTY**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

|                     |                                                                                                                       |                                                                       |
|---------------------|-----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| <b>(d)(1)(i)</b>    | <b>Type of Financial Statement Opinion</b>                                                                            | <b>Unmodified</b>                                                     |
| <b>(d)(1)(ii)</b>   | <b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>      | <b>No</b>                                                             |
| <b>(d)(1)(ii)</b>   | <b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b> | <b>No</b>                                                             |
| <b>(d)(1)(iii)</b>  | <b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>                        | <b>No</b>                                                             |
| <b>(d)(1)(iv)</b>   | <b>Were there any material weaknesses in internal control reported for major federal programs?</b>                    | <b>No</b>                                                             |
| <b>(d)(1)(iv)</b>   | <b>Were there any significant deficiencies in internal control reported for major federal programs?</b>               | <b>No</b>                                                             |
| <b>(d)(1)(v)</b>    | <b>Type of Major Programs' Compliance Opinion</b>                                                                     | <b>Unmodified</b>                                                     |
| <b>(d)(1)(vi)</b>   | <b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>                                                    | <b>No</b>                                                             |
| <b>(d)(1)(vii)</b>  | <b>Major Programs (list):</b>                                                                                         | <b>Nutrition Cluster (AL# 10.553/10.555)<br/>ESSER (AL# 84.425 U)</b> |
| <b>(d)(1)(viii)</b> | <b>Dollar Threshold: Type A/B Programs</b>                                                                            | <b>Type A: &gt; \$750,000<br/>Type B: all others</b>                  |
| <b>(d)(1)(ix)</b>   | <b>Low Risk Auditee under 2 CFR §200.520?</b>                                                                         | <b>No</b>                                                             |

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

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# West Branch Local School District

14277 Main Street ~ Beloit, OH 44609  
Phone: 330-938-9324 ~ Fax: 330-938-6815



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Mr. Matt Manley – Superintendent  
Mr. Adam Fisher – Treasurer

## WEST BRANCH LOCAL SCHOOL DISTRICT MAHONING COUNTY

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

| Finding Number | Finding Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Status    | Additional Information |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|------------------------|
| 2024-001       | For the Nutrition Cluster Grant, the eligibility process was 100% online through PaySchools to determine eligibility for free and reduced meals. The option selected within PaySchools by the School District was for the portal applications to be approved as entered (if the eligibility criteria was met) with no additional review, rather than applications being in pending status until reviewed and approved by the School District. As such, the School District had no procedures in place to ensure the system determined the proper eligibility status based on the information provided in the application. | Corrected |                        |

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# OHIO AUDITOR OF STATE KEITH FABER



**WEST BRANCH LOCAL SCHOOL DISTRICT**

**MAHONING 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 3/24/2026**

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](http://www.ohioauditor.gov)