



OHIO AUDITOR OF STATE
KEITH FABER



**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY
JUNE 30, 2025**

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**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY
JUNE 30, 2025**

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OHIO AUDITOR OF STATE KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Wheelersburg Local School District
Scioto County
P.O. Box 340
Wheelersburg, Ohio 45694

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wheelersburg Local School District, Scioto 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 21 to the financial statements, during 2025, the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2026, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

March 13, 2026

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Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
(Unaudited)

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

Financial Highlights

- In total, net position decreased \$748,700.
- General revenues accounted for \$16,011,931 or 78% of total revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$4,398,703 or 22% of total revenues of \$20,410,634.
- The School District had \$21,159,334 in expenses related to governmental activities; \$4,398,703 of these expenses were offset by program specific charges for services and sales, grants, and contributions. General revenues and beginning net position were adequate to provide for the rest of these programs.

Using the Basic Financial Statements

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

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

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2025?" The statement of net position and the statement of activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

In the statement of net position and the statement of activities, the School District has only one kind of activity: governmental activities. Governmental activities report all of the School District's educational programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
(Unaudited)

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position as of June 30, 2025 and 2024:

Table 1
Net Position
Governmental Activities

	2025	2024	Increase (Decrease)
Assets:			
Current and Other Assets	\$14,458,059	\$14,936,716	(\$478,657)
Capital Assets, Net	20,815,413	22,305,827	(1,490,414)
Total Assets	35,273,472	37,242,543	(1,969,071)
Deferred Outflows of Resources	3,474,293	4,093,140	(618,847)
Liabilities:			
Current and Other Liabilities	2,075,184	1,825,192	249,992
Long-Term Liabilities	19,759,522	22,096,552	(2,337,030)
Total Liabilities	21,834,706	23,921,744	(2,087,038)
Deferred Inflows of Resources	8,923,666	8,443,557	480,109
Net Position:			
Net Investment in Capital Assets	16,082,513	17,318,157	(1,235,644)
Restricted	4,488,973	4,051,169	437,804
Unrestricted (Deficit)	(12,582,093)	(12,398,944)	(183,149)
Total Net Position	\$7,989,393	\$8,970,382	(\$980,989)

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
(Unaudited)

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2025. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute.

A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Overall, a decrease of \$1,969,071 occurred within total assets when compared to the prior fiscal year. The main reason for the decrease is related to a decrease in capital assets, which was primarily due to current year deletions and depreciation/amortization exceeding current year additions as well as a capitalization threshold change for the School District during the fiscal year. This decrease was also partially due to a decrease in property taxes receivable.

Total liabilities decreased \$2,087,038 for fiscal year 2025 due to a decrease in net pension liability which was due to the State-wide pension systems’ changes in assumptions and benefit terms, and current year payments on debt balances. Deferred inflows of resources increased due to the difference between projected and actual earnings on pension plan investments.

Total Net Position decreased \$980,989 from the prior year, prior to the effects of adjustments to beginning balances as discussed in Note 21, as further discussed below.

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

Table 2 Change in Net Position Governmental Activities			
	2025	2024	Increase (Decrease)
Revenues			
Program Revenues:			
Charges for Services and Sales	\$926,005	\$952,994	(\$26,989)
Operating Grants and Contributions	3,469,365	4,753,568	(1,284,203)
Capital Grants and Contributions	3,333	4,333	(1,000)
Total Program Revenues	4,398,703	5,710,895	(1,312,192)

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
(Unaudited)

Table 2
(Continued)

	2025	2024	Increase (Decrease)
General Revenues:			
Property Taxes	\$5,111,130	\$5,482,489	\$(371,359)
Grants and Entitlements Not Restricted to Specific Programs	10,503,098	10,081,208	421,890
Gifts and Donations Not Restricted to Specific Programs	6,727	0	6,727
Investment Earnings	340,019	323,930	16,089
Gain on Sale of Assets	1,525	2,600	(1,075)
Miscellaneous	49,432	54,025	(4,593)
Total General Revenues	16,011,931	15,944,252	67,679
Total Revenues	20,410,634	21,655,147	(1,244,513)
Program Expenses:			
Instruction:			
Regular	8,994,158	9,440,691	(446,533)
Special	3,834,557	3,276,456	558,101
Student Intervention Services	23,913	22,834	1,079
Other	1,266	40,299	(39,033)
Support Services:			
Pupils	1,119,182	1,099,711	19,471
Instructional Staff	430,048	311,187	118,861
Board of Education	61,871	86,400	(24,529)
Administration	1,720,513	1,552,512	168,001
Fiscal	549,158	499,146	50,012
Business	2,280	4,743	(2,463)
Operation and Maintenance of Plant	1,673,080	1,582,739	90,341
Pupil Transportation	673,817	722,850	(49,033)
Central	200,322	187,043	13,279
Operation of Non-Instructional Services	759,081	791,413	(32,332)
Extracurricular Activities	1,006,319	952,863	53,456
Debt Service:			
Interest	109,769	209,407	(99,638)
Total Expenses	21,159,334	20,780,294	379,040
Change in Net Position	(748,700)	874,853	1,623,553
Net Position at Beginning of Year, As Previously Reported	8,970,382	8,095,529	N/A
Adjustment for Change in Capitalization Threshold	(138,775)	0	N/A
Adjustment for Implementation of GASB 101	(93,514)	0	N/A
Net Position Beginning of Year, As Adjusted	8,738,093	8,095,529	N/A
Net Position at End of Year	\$7,989,393	\$8,970,382	(\$980,989)

Tables 1 and 2 provide a summary of the School District's changes from fiscal year 2025 compared to 2024. The above tables also separately reflect 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 additional information in Note 21).

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
(Unaudited)

Governmental Activities

Program revenues, which are primarily represented by tuition and fees, charges for extracurricular activities, food service sales, restricted intergovernmental revenues, and capital grants and contributions, were \$4,398,703 of total revenues for fiscal year 2025.

General revenues represent \$16,011,931 of the School District's total revenues, an increase of \$67,679. This is primarily due to increases for grants and entitlements not restricted to specific programs and was partially offset by a decrease of property tax revenue.

The major program expense for governmental activities, as expected, is for instruction, which accounts for \$12,853,894 of all governmental expenses. Overall expenses increased mainly due to increased personnel costs.

The School District's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$20,552,869 and expenditures and other financing uses of \$21,246,536. The net change in fund balance for the fiscal year in the general fund was a decrease of \$926,942, due to increases in expenditures and decreases in property tax revenues. The bond retirement fund experienced an increase in fund balance of \$52,696.

General Fund - Budget Highlights

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

During fiscal year 2025, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A review of the budgetary comparison statement for the general fund reflects a \$519,463 increase between the original budget and final budget revenues. The increase is due to an increase in expected intergovernmental revenue.

The difference in expenditures from the original to the final budget was an increase of \$451,345, which was mainly due to an increase in personnel costs. Final budgeted expenditures exceeded actual expenditures by \$34,614, due to the School District closely monitoring expenditures.

Actual general fund expenditures and other financing exceeded revenues and other financing sources by \$537,539.

The School District's ending unobligated cash balance was \$85,577 over the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the School District had \$20,815,413 invested in capital assets (net of accumulated depreciation/amortization), a decrease of \$1,490,414. This change is prior to the consideration of the capitalization threshold change, which reduced previously reported balances by \$138,775, yielding a total net change to capital asset, net of \$1,351,639. For further information regarding the School District's capital assets, refer to Note 9 to the basic financial statements.

Wheelersburg Local School District
Management's Discussion and Analysis
For the Fiscal Year June 30, 2025
(Unaudited)

Debt

At June 30, 2025, the School District had outstanding general obligation bonds in the amount of \$4,135,000. The School District also had an outstanding financed purchase payable in the amount of \$178,576. The School District's long-term obligations also includes a lease payable, compensated absences and net pension/OPEB liabilities. For further information regarding the School District's long-term obligations, refer to Note 13 to the basic financial statements.

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 questions about this report or need additional information, contact Mr. George Grice, Treasurer, at Wheelersburg Local School District, P.O. Box 340, Wheelersburg, Ohio 45694, or via e-mail at george.grice@wheelersburg.net.

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

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$7,083,801
Cash and Cash Equivalents in Segregated Accounts	195
Cash and Cash Equivalents with Fiscal Agent	139,364
Accrued Interest Receivable	49,863
Intergovernmental Receivable	97,702
Prepaid Items	158,010
Property Taxes Receivable	5,517,860
Lease Receivable	340,447
Net OPEB Asset	1,070,817
Nondepreciable Capital Assets	1,198,788
Depreciable Capital Assets, Net	19,616,625
<i>Total Assets</i>	35,273,472
Deferred Outflows of Resources:	
Pension	2,858,096
OPEB	616,197
<i>Total Deferred Outflows of Resources</i>	3,474,293
Liabilities:	
Accounts Payable	82,126
Accrued Wages and Benefits Payables	1,563,439
Contracts Payable	71,853
Intergovernmental Payable	350,126
Accrued Interest Payable	7,640
Long-Term Liabilities:	
Due Within One Year	1,243,455
Due in More Than One Year	4,036,624
Net Pension Liability	13,869,864
Net OPEB Liability	609,579
<i>Total Liabilities</i>	21,834,706
Deferred Inflows of Resources:	
Deferred Charge on Refunding	305,866
Property Taxes not Levied to Finance Current Year Operations	4,852,071
Lease	340,447
Pension	1,700,077
OPEB	1,725,205
<i>Total Deferred Inflows of Resources</i>	8,923,666
Net Position:	
Net Investment in Capital Assets	16,082,513
Restricted for Debt Service	891,735
Restricted for Capital Outlay	765,747
Restricted for Scholarships	243,170
Restricted for Food Service Operations	421,790
Restricted for Classroom Facilities Maintenance	564,929
Restricted for Student Managed Activities	94,124
Restricted for District Managed Activities	282,253
Restricted for Local Grants	267,299
Restricted for State and Federal Grants	69,425
Restricted for Foundation	139,364
Restricted for Net OPEB Asset	598,548
Restricted for Endowments:	
Expendable	7,076
Nonexpendable	143,513
Unrestricted (Deficit)	(12,582,093)
<i>Total Net Position</i>	\$7,989,393

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

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

	Expenses	Charges for Services and Sales	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:					
Instruction:					
Regular	\$8,994,158	\$169,445	\$78,904	\$0	(\$8,745,809)
Special	3,834,557	0	2,183,532	0	(1,651,025)
Student Intervention Services	23,913	0	0	0	(23,913)
Other	1,266	0	0	0	(1,266)
Support Services:					
Pupils	1,119,182	12,183	370,428	0	(736,571)
Instructional Staff	430,048	0	17,291	0	(412,757)
Board of Education	61,871	0	0	0	(61,871)
Administration	1,720,513	0	0	0	(1,720,513)
Fiscal	549,158	0	0	0	(549,158)
Business	2,280	0	0	0	(2,280)
Operation and Maintenance of Plant	1,673,080	20,166	166,324	3,333	(1,483,257)
Pupil Transportation	673,817	0	0	0	(673,817)
Central	200,322	0	0	0	(200,322)
Operation of Non-Instructional Services	759,081	277,274	394,006	0	(87,801)
Extracurricular Activities	1,006,319	446,937	258,880	0	(300,502)
Interest	109,769	0	0	0	(109,769)
<i>Total Governmental Activities</i>	<u>\$21,159,334</u>	<u>\$926,005</u>	<u>\$3,469,365</u>	<u>\$3,333</u>	(16,760,631)
General Revenues:					
Property Taxes Levied for:					
General Purposes					3,943,876
Debt Service					629,281
Capital Outlay					471,116
Classroom Facilities Maintenance					66,857
Grants and Entitlements not Restricted for Specific Programs					10,503,098
Unrestricted Gifts and Donations					6,727
Gain on Sale of Assets					1,525
Investment Earnings					340,019
Miscellaneous					49,432
<i>Total General Revenues</i>					<u>16,011,931</u>
<i>Change in Net Position</i>					(748,700)
<i>Net Position Beginning of Year, As Previously Reported</i>					8,970,382
Adjustment for Change in Capitalization Threshold					(138,775)
Adjustment for Implementation of GASB 101					(93,514)
<i>Net Position Beginning of Year, As Adjusted</i>					<u>8,738,093</u>
<i>Net Position End of Year</i>					<u>\$7,989,393</u>

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

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

	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$3,509,199	\$814,514	\$2,760,088	\$7,083,801
Cash and Cash Equivalents in Segregated Accounts	0	0	195	195
Cash and Cash Equivalents with Fiscal Agents	0	0	139,364	139,364
Accrued Interest Receivable	49,863	0	0	49,863
Intergovernmental Receivable	1,383	0	96,319	97,702
Prepaid Items	92,355	0	65,655	158,010
Property Taxes Receivable	4,297,343	619,904	600,613	5,517,860
Lease Receivable	0	0	340,447	340,447
<i>Total Assets</i>	<u>\$7,950,143</u>	<u>\$1,434,418</u>	<u>\$4,002,681</u>	<u>\$13,387,242</u>
Liabilities:				
Accounts Payable	\$42,002	\$0	\$40,124	\$82,126
Accrued Wages and Benefits Payable	1,494,176	0	69,263	1,563,439
Contracts Payable	0	0	71,853	71,853
Intergovernmental Payable	343,003	0	7,123	350,126
<i>Total Liabilities</i>	<u>1,879,181</u>	<u>0</u>	<u>188,363</u>	<u>2,067,544</u>
Deferred Inflows of Resources:				
Property Taxes not Levied to Finance Current Year Operations	3,786,837	535,043	530,191	4,852,071
Lease	0	0	340,447	340,447
Unavailable Revenue	357,789	58,904	72,197	488,890
<i>Deferred Inflows of Resources</i>	<u>4,144,626</u>	<u>593,947</u>	<u>942,835</u>	<u>5,681,408</u>
Fund Balances:				
Nonspendable	92,355	0	209,168	301,523
Restricted	0	840,471	2,669,010	3,509,481
Committed	152,300	0	0	152,300
Assigned	1,425,801	0	0	1,425,801
Unassigned (Deficit)	255,880	0	(6,695)	249,185
<i>Total Fund Balances</i>	<u>1,926,336</u>	<u>840,471</u>	<u>2,871,483</u>	<u>5,638,290</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$7,950,143</u>	<u>\$1,434,418</u>	<u>\$4,002,681</u>	<u>\$13,387,242</u>

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

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

Total Governmental Fund Balances	\$5,638,290
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	20,815,413
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.

Intergovernmental	23,284	
Taxes	465,606	
Total		488,890

Deferred inflows of resources include deferred gains on refunding which do not provide current financial resources and therefore are not reported in the funds.	(305,866)
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(7,640)
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The net pension and OPEB liabilities (assets) are not due and payable (receivable) in the current period. Therefore, the liabilities (assets) and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows-Pension	2,858,096	
Deferred Outflows-OPEB	616,197	
Deferred Inflows-Pension	(1,700,077)	
Deferred Inflows-OPEB	(1,725,205)	
Net Pension Liability	(13,869,864)	
Net OPEB Asset	1,070,817	
Net OPEB Liability	(609,579)	
Total		(13,359,615)

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

Bonds Payable	(4,135,000)	
Financed Purchase Agreements	(178,576)	
Lease Payable	(41,605)	
Compensated Absences	(924,898)	
Total		(5,280,079)

Net Position of Governmental Activities	\$7,989,393
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The notes to the basic financial statements are an integral part of this statement

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

	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property Taxes	\$3,937,081	\$628,239	\$537,076	\$5,102,396
Intergovernmental	11,982,189	76,521	1,518,523	13,577,233
Interest	218,958	0	34,321	253,279
Change in Fair Value of Investments	121,061	0	8,450	129,511
Tuition and Fees	206,832	0	8,048	214,880
Lease Revenue	0	0	1,200	1,200
Extracurricular Activities	12,183	0	445,040	457,223
Gifts and Donations	6,727	0	435,700	442,427
Customer Sales and Services	0	0	252,300	252,300
Miscellaneous	38,507	0	10,925	49,432
<i>Total Revenues</i>	<i>16,523,538</i>	<i>704,760</i>	<i>3,251,583</i>	<i>20,479,881</i>
Expenditures:				
Current:				
Instruction:				
Regular	8,312,856	0	78,761	8,391,617
Special	2,808,393	0	901,303	3,709,696
Student Intervention Services	14,783	0	9,130	23,913
Support Services:				
Pupils	1,026,394	0	45,207	1,071,601
Instructional Staff	382,628	0	20,561	403,189
Board of Education	61,273	0	0	61,273
Administration	1,545,594	0	0	1,545,594
Fiscal	497,669	15,015	12,574	525,258
Business	2,280	0	0	2,280
Operation and Maintenance of Plant	1,513,226	0	76,692	1,589,918
Pupil Transportation	653,075	0	0	653,075
Central	189,755	0	0	189,755
Operation of Non-Instructional Services	81,696	0	665,639	747,335
Extracurricular Activities	302,883	0	669,799	972,682
Capital Outlay	57,975	0	378,586	436,561
Debt Service:				
Principal	0	550,000	196,310	746,310
Interest	0	87,049	17,967	105,016
<i>Total Expenditures</i>	<i>17,450,480</i>	<i>652,064</i>	<i>3,072,529</i>	<i>21,175,073</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(926,942)</i>	<i>52,696</i>	<i>179,054</i>	<i>(695,192)</i>
Other Financing Sources (Uses):				
Transfers In	0	0	71,463	71,463
Proceeds from Sale of Assets	0	0	1,525	1,525
Transfers Out	0	0	(71,463)	(71,463)
<i>Total Other Financing Sources (Uses)</i>	<i>0</i>	<i>0</i>	<i>1,525</i>	<i>1,525</i>
<i>Net Change in Fund Balances</i>	<i>(926,942)</i>	<i>52,696</i>	<i>180,579</i>	<i>(693,667)</i>
<i>Fund Balances at Beginning of Year</i>	<i>2,853,278</i>	<i>787,775</i>	<i>2,690,904</i>	<i>6,331,957</i>
<i>Fund Balances at End of Year</i>	<i>\$1,926,336</i>	<i>\$840,471</i>	<i>\$2,871,483</i>	<i>\$5,638,290</i>

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

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

Net Change in Fund Balances - Total Governmental Funds	(\$693,667)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Asset Additions	436,561	
Current Year Depreciation/Amortization	(1,730,983)	
Total		(1,294,422)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(57,217)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Intergovernmental	(79,506)	
Taxes	8,734	
Total		(70,772)

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

Pension	1,274,754	
OPEB	44,192	
Total		1,318,946

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

Pension	(910,057)	
OPEB	323,899	
Total		(586,158)

Accretion and amortization of deferred charges on refunding, as well as accrued interest payable on bonds, are not reported in the funds, but are allocated as expenses over the life of the debt in the statement of activities.

Decrease in Accrued Interest	99	
Accretion on Capital Appreciation Bonds	(50,165)	
Amortization of Deferred Charges on Refunding	45,313	
Total		(4,753)

Repayments of long-term debt are expenditures in the governmental funds, but the repayments reduce liabilities in the statement of net position. In the current fiscal year, these amounts consist of:

Bonds Payments	550,000	
Financed Purchase Payments	178,571	
Lease Payments	17,739	
Total		746,310

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

Increase in Compensated Absences	(106,967)	
Total		(106,967)

Net Change in Net Position of Governmental Activities	<u><u>(\$748,700)</u></u>
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The notes to the basic financial statements are an integral part of this statement

Wheelersburg Local School District
Statement of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget: Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$4,191,396	\$4,229,574	\$4,268,155	\$38,581
Intergovernmental	11,511,368	11,983,709	11,983,820	111
Interest	267,425	225,425	224,846	(579)
Tuition and Fees	120,000	155,993	163,233	7,240
Miscellaneous	8,300	23,251	22,065	(1,186)
<i>Total Revenues</i>	<u>16,098,489</u>	<u>16,617,952</u>	<u>16,662,119</u>	<u>44,167</u>
Expenditures:				
Current:				
Instruction:				
Regular	8,458,624	8,186,835	8,109,429	77,406
Special	2,216,749	2,723,639	2,762,443	(38,804)
Student Intervention Services	12,822	12,822	14,933	(2,111)
Support Services:				
Pupils	980,638	980,638	949,949	30,689
Instructional Staff	281,112	381,228	390,491	(9,263)
Board of Education	93,079	93,079	80,985	12,094
Administration	1,517,454	1,487,390	1,512,947	(25,557)
Fiscal	465,239	465,239	474,092	(8,853)
Business	6,000	6,000	20,935	(14,935)
Operation and Maintenance of Plant	1,522,475	1,589,332	1,577,188	12,144
Pupil Transportation	676,867	676,867	668,353	8,514
Central	183,134	183,134	188,893	(5,759)
Extracurricular Activities	281,103	302,463	303,414	(951)
Capital Outlay	<u>0</u>	<u>57,975</u>	<u>57,975</u>	<u>0</u>
<i>Total Expenditures</i>	<u>16,695,296</u>	<u>17,146,641</u>	<u>17,112,027</u>	<u>34,614</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(596,807)</u>	<u>(528,689)</u>	<u>(449,908)</u>	<u>78,781</u>
Other Financing Sources (Uses):				
Transfers In	450,000	450,000	450,000	0
Transfers Out	(526,427)	(539,427)	(537,631)	1,796
Advances Out	<u>(5,000)</u>	<u>(5,000)</u>	<u>0</u>	<u>5,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>(81,427)</u>	<u>(94,427)</u>	<u>(87,631)</u>	<u>6,796</u>
<i>Net Change in Fund Balance</i>	<u>(678,234)</u>	<u>(623,116)</u>	<u>(537,539)</u>	<u>85,577</u>
<i>Fund Balance at Beginning of Year</i>	<u>3,449,259</u>	<u>3,449,259</u>	<u>3,449,259</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>120,807</u>	<u>120,807</u>	<u>120,807</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$2,891,832</u></u>	<u><u>\$2,946,950</u></u>	<u><u>\$3,032,527</u></u>	<u><u>\$85,577</u></u>

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

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Note 1 – Description of the School District and Reporting Entity

Wheelersburg Local School District (the School District) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The School District was established in 1859 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 17 square miles. It is located in Scioto County and includes most of Porter Township. It is staffed by 55 non-certificated employees, 98 certificated full-time teaching personnel and ten administrative employees who provide services to 1,619 students and other community members. The School District currently operates one instructional building, one administrative building, and one garage.

Reporting Entity

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

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

The School District participates in five organizations, two of which are defined as jointly governed organizations, two as insurance purchasing pools, and one as a public entity shared risk pool. These organizations are presented in Note 15 to the basic financial statements. These organizations are:

Jointly Governed Organization:

- Metropolitan Educational Technology Association (META)
- Coalition of Rural and Appalachian Schools

Insurance Purchasing Pools:

- Ohio School Plan
- Ohio SchoolComp Group Rating Program

Public Entity Shared Risk Pool:

- Optimal Health Initiatives Consortium

Note 2 – Summary of Significant Accounting Policies

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

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

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements normally distinguish between those activities of the School District that are governmental and those that are considered business-type activities. However, the School District 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 are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into 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 rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

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

Governmental Funds

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

General Fund – The General Fund 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 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.

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

Bond Retirement Fund – The bond retirement fund is used to account for and report property taxes restricted for the payment of general obligation bond principal and interest and certain other long-term obligations when the School District is obligated for the payment.

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

Measurement Focus

Government-wide Financial Statements

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide and fiduciary fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred inflows/outflows 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. “Measurable” means that the amount of the transaction can be determined, and “available” means that the resources are collectible within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Non-exchange 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 for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School

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

District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

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, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide Statement of Net Position for pension and OPEB plans. These amounts are deferred and recognized as an outflow of resources in the period the amounts become available. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources included deferred charges on refunding, property taxes, pension and OPEB plans, leases, 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 the governmental fund financial statements. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes and intergovernmental grants. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 10 and 11).

Expenses/Expenditures

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

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

Budgetary Process

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

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as final budgeted amounts reflect the revenue estimates from the amended certificate in effect at the time the final appropriations were passed.

The appropriations resolution is subject to amendment by the Board of Education throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts in the budgetary statements 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 of Education during the fiscal year, including all supplemental appropriations.

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled for investment with the exception of lease proceeds related to the new facilities construction project. Monies for all other funds are maintained in the 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". The School District also had amounts in "Cash and Cash Equivalents with Fiscal Agents" and "Cash and Cash Equivalents in Segregated Accounts" to hold the money for the Wheelersburg Foundation and athletics, respectively.

During fiscal year 2025, the School District's investments were limited to STAR Ohio, Money Market Funds, Negotiable Certificates of Deposit and U.S. Government securities. Investments, other than STAR Ohio, are reported at fair value which is based on quoted market prices. For investments in opened mutual funds, the fair value is determined by the fund's current share price.

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.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2025 amounted to \$218,958, while nonmajor governmental funds received \$34,321. 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.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivable/Payable". Interfund balances are eliminated in the Statement of Net Position. The School District had no interfund balances as of June 30, 2025.

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

Prepaid Items

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

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 on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased food held for resale. The School District did not have significant inventory to report at June 30, 2025.

Capital Assets

The School District's only capital assets are general capital assets. General capital assets are those assets not specifically related to activities reported in the proprietary fund. 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 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 increased its capitalization threshold from \$5,000 to \$10,000 during the fiscal year. This change was retrospectively applied to previous balances. 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. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land Improvements	10 - 40 years
Buildings and Improvements	15 - 30 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 - 12 years
Textbooks	10 years

The School District is reporting intangible right to use assets related to leased equipment. 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, 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.

Compensated Absences

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

two types of leave qualify for liability recognition for compensated absences – vacation and sick leave.

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

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

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

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee who has accumulated unpaid leave is paid. The School District did not have any matured compensated absences to report as of June 30, 2025.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits. Bonds, financed purchases, and leases that will be paid from governmental funds are recognized as an expenditure and liability in the governmental fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

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

Compounded Interest on Capital Appreciation Bonds

For governmental activities, capital appreciation bonds are accreted each fiscal year for the compounded interest accrued during the fiscal year. Compounded interest on the capital appreciation bonds is presented as an addition to the face amount of the bonds payable.

Accretion on the capital appreciation bonds is not reported on the governmental fund financial statements. Interest on the capital appreciation bonds is recorded as an expenditure when the debt becomes due.

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

Fund Balance

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

Nonspendable – 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 a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance incorporates termination benefits to the extent that existing resources in the fund have been specifically committed for use in satisfying those requirements.

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the Board of Education. In the general fund, assigned amounts represent intended uses established by the 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 Treasurer assigned fund balance to cover a gap between estimated revenue and appropriations in the 2026 appropriated budget.

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 fund 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.

Net Position

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

Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions, or enabling legislation adopted or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Other purposes restricted net position includes various grants and other resources restricted for various purposes. Restricted net position for net OPEB assets represents the corresponding restricted amounts held in trust by the OPEB plans for future benefits, net of related deferred outflows and inflows of resources. The School District’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the School District’s restricted net position, none are restricted by enabling legislation.

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

Internal Activity

Transfers between governmental activities are eliminated on the government-wide financial statements.

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 and are eliminated from the Statement of Activities. 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.

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.

Note 3 – Accountability

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

Public School Preschool	\$8
Title VI-B Fund	2,529
Title I Fund	4,158
Total	<u>\$6,695</u>

The deficits in all fund balances were due to accruals in GAAP. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 4 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balances 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 and Actual (Budget Basis) is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

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

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

Net Change in Fund Balance	
GAAP Basis	(\$926,942)
<i>Adjustments:</i>	
Revenue Accruals	667,536
Expenditure Accruals	(113,310)
Encumbrances	(245,957)
Deficit of Funds Combined with General Fund for Reporting Purposes	81,134
Budget Basis	<u>(\$537,539)</u>

Note 5 – Deposits and Investments

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

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

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

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;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, 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;

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

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 requirement 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 (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.

At June 30, 2025, the School District's Education Foundation Special Revenue Fund had a balance of \$139,364 with the Foundation for Appalachian Ohio (FAO), a 501 (c) (3) non-profit corporation. The balance is held by the FAO in a pooled account which is representative of numerous gifts and contributions to be used to enhance, supplement and enrich existing programs and to provide new programs and opportunities to the various schools of the School District and to their individual departments, teachers, student and student groups and scholarships. This amount is reported as Cash and Cash Equivalents with Fiscal Agent.

Investments

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

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
<i>Net Asset Value Per Share:</i>				
STAROhio	\$427,568	Less than one year	AAAm	9.87%
<i>Fair Value - Level One Inputs:</i>				
Money Market Funds	158,111	Less than one year	N/A	3.64%
<i>Fair Value - Level Two Inputs:</i>				
Negotiable Certificates of Deposit	1,195,057	Less than one year	N/A	27.57%
Negotiable Certificates of Deposit	746,209	One to two years	N/A	17.22%
Negotiable Certificates of Deposit	493,398	Three to five years	N/A	11.39%
U.S Treasury Notes	1,313,301	Three to five years	AA+	30.31%
Total Fair Value - Level Two Inputs	<u>3,747,965</u>			
Total Investments	<u>\$4,333,644</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

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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 mutual fund is measured at fair value using quoted market prices (Level 1 inputs). The School District's 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. To date, no investments have been purchased with a life greater than five years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Standard and Poor's ratings for the School District's investments are listed in the table above. STAROhio is permitted by Ohio Revised Code Section 135.45. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized rating service. The School District has no policy on credit risk beyond the requirements in State statutes.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School District's investment policy does not address this risk beyond the requirements in State Statutes.

Note 6 – Property Taxes

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

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

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

The School District receives property taxes from Scioto County. The Scioto County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June

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

The amount available as an advance at June 30, 2025, was \$200,183 and is recognized as revenue: \$152,717 in the General Fund, \$25,957 in the Bond Retirement Debt Service Fund, and \$21,509 in the Other Governmental Funds.

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

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

	2024 Second-Half Collections		2025 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$185,690,110	85.30%	\$186,050,610	85.01%
Public Utility Personal	32,004,160	14.70%	32,812,890	14.99%
Total Assessed Value	\$217,694,270	100.00%	\$218,863,500	100.00%
Tax rate per \$1,000 of assessed valuation		\$33.81		\$33.81

Note 7 – Receivables

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

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<i>Major Fund</i>	
General	\$1,383
<i>Nonmajor Funds:</i>	
Title I	\$53,509
IDEA Special Education	14,760
Food Service	23,613
Permanent Improvement	4,437
Total nonmajor funds	<u>96,319</u>
Total Intergovernmental Receivables	<u>\$97,702</u>

Wheelersburg Local School District
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For the Fiscal Year Ended June 30, 2025

Leases Receivable

The School District is reporting leases receivable of \$340,447 in the governmental funds at June 30, 2025. This amount represents the discounted future lease payments. This discount is being amortized using the interest method. For 2025, the School District reported lease revenue of \$8,450 and interest revenue of \$7,390 in the governmental funds related to lease payments received. A description of the School District's leasing arrangements is as follows:

Cell Tower Ground Lease – The School District has entered into a lease agreement to allow PI Tower Development LLC to place a cell tower on a parcel of real property owned by the School District with varying years and terms as follows:

Company	Lease Commencement Date	Years	Lease Ending Date	Payment Method
PI Tower Development LLC	2017	30	2047	Monthly

A summary of future payments to be received is as follows:

Year	Principal	Interest
2026	\$8,632	\$7,208
2027	9,083	7,021
2028	10,615	6,809
2029	10,845	6,579
2030	11,080	6,344
2031-2035	64,802	27,834
2036-2040	81,876	20,025
2041-2045	101,857	10,233
2046-2047	41,657	860
	<u>\$340,447</u>	<u>\$92,913</u>

Note 8 – 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. The School District has joined with other school districts in Ohio to participate in the Ohio School Plan (OSP), an insurance purchasing pool (See Note 15). Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to Hylant Administrative Services, LLC. During fiscal year 2025, the School District contracted with the Ohio School Plan for liability, fleet, and property insurance coverage.

Settled claims have not exceeded this commercial coverage in any of the past four fiscal years. Insurance coverage has stayed consistent from the previous fiscal year.

Employee Medical and Dental Benefits

The School District participates in the Optimal Health Initiatives Consortium (the Consortium), a public entity shared risk pool (Note 15), consisting of school districts whose self-insurance programs for health care benefits were administered previously under the Scioto County Schools Council of Governments, the Northern Buckeye Education Council, Ohio Healthcare Plan, and the Butler Health Plan. Monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf.

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

Workers' Compensation

For fiscal year 2025, the School District participated in the Ohio SchoolComp Group Rating Program (GRP), an insurance purchasing pool (Note 15). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sedgwick provides administrative, cost control and actuarial services to the GRP.

Note 9 – Capital Assets

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

	Balance at 6/30/24*	Additions	Deletions	Balance at 6/30/25
<i>Governmental Activities:</i>				
<i>Capital Assets Not Being Depreciated/Amortized:</i>				
Land	\$931,568	\$0	\$0	\$931,568
Construction in Progress	54,800	212,420	0	267,220
Total Capital Assets Not Being Depreciated/Amortized	986,368	212,420	0	1,198,788
<i>Depreciable/Amortized Capital Assets:</i>				
Land Improvements	1,488,240	0	(93,519)	1,394,721
Buildings and Improvements	39,592,777	0	(326,557)	39,266,220
Furniture, Fixtures and Equipment	2,818,244	224,141	(59,016)	2,983,369
Vehicles	1,346,235	0	(57,260)	1,288,975
Textbooks	455,353	0	0	455,353
Intangible Right to Use Leased Assets	89,753	0	0	89,753
Total Depreciable/Amortized Capital Assets	45,790,602	224,141	(536,352)	45,478,391
<i>Less Accumulated Depreciation/Amortization:</i>				
Land Improvements	(705,699)	(93,951)	84,167	(715,483)
Buildings and Improvements	(20,728,183)	(1,318,366)	293,901	(21,752,648)
Furniture, Fixtures and Equipment	(1,936,733)	(224,753)	43,807	(2,117,679)
Vehicles	(799,568)	(72,970)	57,260	(815,278)
Textbooks	(409,817)	0	0	(409,817)
Intangible Right to Use Leased Assets	(29,918)	(20,943)	0	(50,861)
Total Accumulated Depreciation/Amortization	(24,609,918)	(1,730,983)	479,135	(25,861,766)
Total Capital Assets Being Depreciated/Amortized, Net	21,180,684	(1,506,842)	(57,217)	19,616,625
Governmental Activities Capital Assets, Net	\$22,167,052	(\$1,294,422)	(\$57,217)	\$20,815,413

* The School District reviewed its capital asset policy and increased its threshold from \$5,000 to \$10,000, see Note 21 for additional information.

Wheelersburg 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:

<i>Instruction:</i>	
Regular	\$905,197
Special	229,795
Other	2,196
<i>Support Services:</i>	
Pupils	74,947
Instructional Staff	47,995
Board of Education	1,038
Administration	169,950
Fiscal	39,251
Operation and Maintenance of Plant	118,049
Pupil Transportation	58,334
Central	15,341
Operation of Non-Instructional Services	18,973
Extracurricular Activities	49,917
Total Depreciation/Amortization Expense	<u>\$1,730,983</u>

Of the current year depreciation total of \$1,730,983, \$20,943 as regular expenses are presented on the Statement of Activities related to the School District's intangible asset of equipment, which are included as an intangible right to use leased assets.

Note 10 – Defined Benefit Pension Plans

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

Net Pension/OPEB Liability (Asset)

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium.

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State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 11 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 under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and 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.

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The School District's contractually required contribution to SERS was \$222,412 for fiscal year 2025. Of this amount, \$4,406 is reported as an intergovernmental payable in the accompanying financial statements.

State Teachers Retirement System (STRS)

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

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

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

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

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

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan.

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

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The

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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 \$1,052,342 for fiscal year 2025. Of this amount, \$191,796 is reported as an intergovernmental payable in the accompanying financial statements.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability			
Current Measurement Date	0.05878630%	0.056453650%	
Proportion of the Net Pension Liability			
Prior Measurement Date	0.05999460%	0.055659370%	
Change in Proportionate Share	<u>-0.00120830%</u>	<u>0.000794280%</u>	
Proportionate Share of the Net			
Pension Liability	\$3,007,270	\$10,862,594	\$13,869,864
Pension Expense	\$363,275	\$546,782	\$910,057

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

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$114,814	\$684,059	\$798,873
Changes of assumptions	26,903	500,608	527,511
Changes in proportion and differences between School District contributions and proportionate share of contributions	81,425	175,533	256,958
School District contributions subsequent to the measurement date	<u>222,412</u>	<u>1,052,342</u>	<u>1,274,754</u>
Total Deferred Outflows of Resources	<u><u>\$445,554</u></u>	<u><u>\$2,412,542</u></u>	<u><u>\$2,858,096</u></u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$0	\$5,948	\$5,948
Changes of assumptions	0	376,814	376,814
Net difference between projected and actual earnings on pension plan investments	188,103	933,964	1,122,067
Changes in proportion and differences between School District contributions and proportionate share of contributions	<u>65,868</u>	<u>129,380</u>	<u>195,248</u>
Total Deferred Inflows of Resources	<u><u>\$253,971</u></u>	<u><u>\$1,446,106</u></u>	<u><u>\$1,700,077</u></u>

\$1,274,754 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (gain) as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2026	(\$123,075)	(\$595,405)	(\$718,480)
2027	195,215	987,559	1,182,774
2028	(47,655)	(285,186)	(332,841)
2029	<u>(55,314)</u>	<u>(192,874)</u>	<u>(248,188)</u>
Total	<u><u>(\$30,829)</u></u>	<u><u>(\$85,906)</u></u>	<u><u>(\$116,735)</u></u>

Actuarial Assumptions - SERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for

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financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

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

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

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

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

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

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$4,600,707	\$3,007,270	\$1,665,682

Actuarial Assumptions – STRS

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

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

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

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

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

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

* Final target weights reflected at October 1, 2022.

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

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

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:

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$17,523,268	\$10,862,594	\$5,228,809

Note 11 – Defined Benefit OPEB Plans

See note 10 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, prorated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the School District's surcharge obligation was \$44,192.

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The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$44,192 for fiscal year 2025, which was recorded as an intergovernmental payable in the accompanying financial statements.

State Teachers Retirement System (STRS)

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

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2025, STRS did not allocate any employer contributions to post-employment health care.

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.05985090%	0.05645365%	
Prior Measurement Date	0.06188900%	0.05565937%	
Change in Proportionate Share	-0.00203810%	0.00079428%	
Proportionate Share of the:			
Net OPEB Liability	\$609,579	\$0	\$609,579
Net OPEB (Asset)	\$0	(\$1,070,817)	(\$1,070,817)
Net OPEB Gain	(\$89,174)	(\$234,725)	(\$323,899)

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

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	SERS	STRS	Total
<i>Deferred Outflows of Resources</i>			
Differences between expected and actual experience	\$0	\$46,551	\$46,551
Changes of assumptions	261,632	131,802	393,434
Net difference between projected and actual earnings on pension plan investments	2,976	0	2,976
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	128,431	613	129,044
School District contributions subsequent to the measurement date	44,192	0	44,192
Total Deferred Outflows of Resources	<u>\$437,231</u>	<u>\$178,966</u>	<u>\$616,197</u>
<i>Deferred Inflows of Resources</i>			
Differences between expected and actual experience	\$657,284	\$115,406	\$772,690
Changes of assumptions	280,018	482,939	762,957
Net difference between projected and actual earnings on OPEB plan investments	0	45,973	45,973
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	136,668	6,917	143,585
Total Deferred Inflows of Resources	<u>\$1,073,970</u>	<u>\$651,235</u>	<u>\$1,725,205</u>

\$44,192 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase in the net OPEB asset in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (gain) as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	(\$189,456)	(\$164,966)	(\$354,422)
2027	(137,941)	(73,528)	(211,469)
2028	(94,279)	(93,165)	(187,444)
2029	(65,007)	(86,638)	(151,645)
2030	(64,110)	(70,292)	(134,402)
Thereafter	(130,138)	16,320	(113,818)
Total	<u>(\$680,931)</u>	<u>(\$472,269)</u>	<u>(\$1,153,200)</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.

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

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
School District's proportionate share of the net OPEB liability	\$812,851	\$609,579	\$448,051
	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$412,052	\$609,579	\$869,211

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<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 actual rate of return, without net value added by management.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$870,646)	(\$1,070,817)	(\$1,245,011)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$1,256,778)	(\$1,070,817)	(\$847,177)

Note 12 – Compensated Absences

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Eligible classified employees and administrators earn 10 to 30 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 225 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days.

Special Termination Benefit Payable

Since 2006, employees eligible to retire were offered a special termination benefit. A bargaining unit employee who becomes eligible under the Ohio Revised Code Section 3307.38 and elects to take service retirement through STRS and provides the School District with notice by the regular February Board of Education meeting is entitled to receive a one-time lump-sum payment, less payroll withholdings. For the fiscal year ended June 30, 2025, one employee who retired was eligible for the bonus and was paid this bonus prior to fiscal year-end.

Insurance

The School District provides life insurance to most employees through the Metropolitan Educational Technology Association, and health, dental and vision insurance through the Optimal Health Initiatives Consortium.

Deferred Compensation

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

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

Note 13 – Long-Term Obligations

The changes in the School District's long-term obligations during fiscal year 2025 were as follows:

	Restated Amount Outstanding 6/30/24	Additions	Deductions	Amount Outstanding 6/30/25	Amount Due Within One Year
<i>Governmental Activities:</i>					
General Obligation Bonds:					
2013 Refunding Bonds:					
CAB Bonds 3.19 to 3.44%	\$25,000	0	(\$25,000)	\$0	\$0
Accretion on CABs	414,835	50,165	(465,000)	0	0
2022 Refunding Bonds:					
Term Bonds 2.09%	4,195,000	0	(60,000)	4,135,000	555,000
Total General Obligation Bonds	4,634,835	50,165	(550,000)	4,135,000	555,000
Net Pension Liability:					
SERS	3,315,011	0	(307,741)	3,007,270	0
STRS	11,986,211	0	(1,123,617)	10,862,594	0
Total Net Pension Liability	15,301,222	0	(1,431,358)	13,869,864	0
Net OPEB Liability:					
SERS	1,019,587	0	(410,008)	609,579	0
Financed Purchase Payable	357,147	0	(178,571)	178,576	178,576
Lease	59,344	0	(17,739)	41,605	18,626
Compensated Absences	817,931	106,967	0	924,898	491,253
Total Governmental Activities Long-Term Obligations	\$22,190,066	\$157,132	(\$2,587,676)	\$19,759,522	\$1,243,455

The change in compensated absences above is a net change.

The capital appreciation bonds of the 2013 Classroom Facilities General Obligation Refunding Bonds, issued at \$90,000, are not subject to redemption prior to maturity. The remaining capital appreciation bonds matured in fiscal years 2024 and 2025 in the amounts of \$495,000, and \$490,000, respectively. Accretion on the capital appreciation bonds for fiscal year 2025 was \$50,165.

2022 School Improvement Refunding Bonds - On April 4, 2022, the School District issued \$4,335,000 in School Improvement Refunding Bonds, Series 2022 in order to refund the \$4,710,000 2013 Refunding term bonds and to take advantage of lower interest rates. These bonds are paid from the Bond Retirement Fund and will mature on December 1, 2031.

The School District decreased total debt service payments by \$958,465 as a result of the refunding. The School District also incurred an economic gain (difference between the present values of the old and new debt service payments) of \$777,891, but incurred a deferred inflow – deferred charge on refunding of \$453,133, which is shown in the following table:

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For the Fiscal Year Ended June 30, 2025

School Improvement Refunding Bonds 2013

Refunded Bonds Outstanding at 6/30/21	\$4,710,000
Premium on Refunded Bonds at 6/30/21	562,346
Total Refunded Bonds Outstanding at 6/30/21	<u>5,272,346</u>
Payment to Refunded Bond Escrow Agent:	
Debt Service	(500,516)
Other Financing Use	(4,283,750)
Amortization of Premium Prior to Refunding	<u>(34,947)</u>
Deferred Inflow-Deferred Charge on Refunding	<u>\$453,133</u>

Financed Purchase

During a prior fiscal year, the School District entered into a financed purchase agreement for constructing its new athletic complex facilities. Financed Purchase payments are reflected as debt expenditures in the fund financial statements. Principal payments made during fiscal year 2025 on the buildings totaled \$178,571 and were paid from the Capital Improvement Fund.

The agreement provides for minimum annual financed purchase payments as follows:

Fiscal Year Ending June 30,	Total Payments
2026	<u>\$183,571</u>
Total	183,571
Less: Amount Representing Interest	<u>(4,995)</u>
Present Value of Net Minimum Lease Payments	<u>\$178,576</u>

Lease

The School District has an outstanding agreement to lease copiers. Due to the implementation of GASB Statement No. 87, this lease meets the criteria of a lease thus requiring it to be recorded by the School District. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. Principal payments in fiscal year 2025 totaled \$17,739 and were paid from the Permanent Improvement Fund.

Principal and interest requirements to retire lease obligations at June 30, 2025, are as follows:

Ending June 30,	Principal	Interest
2026	\$18,626	\$2,080
2027	19,557	1,149
2028	3,422	29
Totals	<u>\$41,605</u>	<u>\$3,258</u>

There is no repayment schedule for the net pension/OPEB liability. However, employer pension/OPEB contributions are made from the following funds: the General Fund and Public School Preschool, Title I, Special Education Part B – IDEA, Improving Teacher Quality – Title II-A, Special Revenue Funds. For additional information related to the net pension/OPEB liability, see Notes 10 and 11.

Compensated absences will be paid from the General Fund.

The School District's overall legal debt margin was \$16,403,186 with an unvoted debt margin of \$218,864 at June 30, 2025.

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

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

Ending June 30,	Term Bonds Principal	Interest
2026	\$555,000	\$80,621
2027	585,000	68,708
2028	605,000	56,273
2029	620,000	43,472
2030	655,000	30,148
2031-2032	1,115,000	20,952
Totals	<u>\$4,135,000</u>	<u>\$300,174</u>

Note 14 – Interfund Activity

Transfers made during the fiscal year ended June 30, 2025, were as follows:

	Transfers In	Transfers Out
<i>Nonmajor Funds</i>		
Scholarship Special Trust	\$2,100	\$0
Student Activities	9,477	2,100
District Managed Student Activities	0	9,477
Title I	59,886	0
Title II-A	0	59,886
Total Nonmajor Funds	<u>\$71,463</u>	<u>\$71,463</u>

Transfers were made from other nonmajor governmental funds to move restricted balances to support programs and projects accounted for in other funds. All transfers were made in accordance with applicable state and federal laws and budgetary authorizations.

Note 15 – Jointly Governed Organizations, Insurance Purchasing Pools, and Public Entity Shared Risk Pool

Jointly Governed Organizations

Metropolitan Educational Technology Association (META)

The School District is a participant in the Metropolitan Educational Technology Association (META), which is a computer consortium and a regional council of governments. META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology, and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice president and twelve board members who represent the members of META. The Board works with META's Chief Executive Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District paid META \$66,512 for services provided during the fiscal year. Financial information can be obtained from META Solutions, 100 Executive Drive, Marion Ohio 43302.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization composed of 136 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided; and three from Ohio University College of Education. The Council provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Council is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Council. The School District paid the Coalition \$800 for dues during the year. The financial information for the Coalition can be obtained from the Executive Director, at McCracken Hall, Ohio University, Athens, Ohio 45701.

Insurance Purchasing Pools

Ohio School Plan

The School District participates in the Ohio School Plan (Plan), an insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. The Plan is an unincorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. The Plan's business and affairs are conducted by a fifteen member board consisting of superintendents, treasurers, the president of Harcum-Shuett Insurance Agency, Inc., and a member of the Hylant Group, Inc. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Harcum-Shuett Insurance Agency serves as the sales and marketing representative which establishes agreements between the Plan and its members. Financial information can be obtained from Harcum-Shuett Insurance Agency, 246 East Sycamore Street, Columbus, Ohio 43206.

Ohio SchoolComp Group Rating Program

The School District participates in the Ohio SchoolComp Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of OSBA. The Director of OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Public Entity Shared Risk Pool

Optimal Health Initiatives Consortium

The School District is a member of the Optimal Health Initiatives Consortium (the Consortium), a public entity shared risk pool, consisting of school districts whose self-insurance programs for health care benefits were administered previously under the Scioto County Schools Council of Governments, the Northern Buckeye Education Council, Ohio Healthcare Plan, and the Butler Health Plan. The overall objective of the Consortium is to enable its members to purchase employee benefits and related products and services using the Consortium's economies of scale to create cost-savings. The Council's business and affairs are managed by an Executive Board of Trustees, consisting of the chairperson of each division's board of trustees and the chairperson of the Butler Health Plan. The participants pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium. To obtain financial information, write to the fiscal agent, Charles Leboeuf, CPA, MCM CPAs & Advisors, 3536 Edwards Road, Cincinnati, Ohio 45208.

Wheelersburg Local School District
Notes to the Basic Financial Statements
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Note 16 – Set-Aside Calculations

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

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

	<u>Capital Acquisitions</u>
Set-aside Balance as of June 30, 2024	\$0
Current Fiscal Year Set-aside Requirement	368,136
Current Fiscal Year Offsets	(583,676)
Qualifying Disbursements	<u>(171,295)</u>
Totals	<u>(\$386,835)</u>
Set-Aside Balance as of June 30, 2025	<u>\$0</u>

Although the School District had offsets and qualifying expenditures for capital acquisitions that exceeded the set-aside requirements, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore are not presented as being carried forward to the next fiscal year.

Note 17 - Contingencies

Grants

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

School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. Adjustments for fiscal year 2025 have been finalized. A receivable of \$1,383 has been recorded in the accompanying financial statements for the August 2025 adjustment. A payable of \$25 has been recorded for the November 2025 adjustment.

Litigation

The School District is currently party to legal proceedings. However, management is under the opinion that the ultimate outcome of these proceedings will not result in a significant adverse impact on the School District's financial position.

Wheelersburg Local School District
Notes to the Basic Financial Statements
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Note 18 – Fund Balances

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

Fund Balances	General Fund	Bond Retirement Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable:</i>				
Prepays	\$92,355	\$0	\$65,655	\$158,010
Endowment	0	0	143,513	143,513
Total Nonspendable	92,355	0	209,168	301,523
<i>Restricted for:</i>				
Bond Retirement	0	840,471	0	840,471
Capital Improvements	0	0	683,402	683,402
Scholarships	0	0	250,246	250,246
Food Service Operations	0	0	421,790	421,790
Classroom Facilities Maintenance	0	0	556,148	556,148
District Managed Activities	0	0	282,253	282,253
Student Managed Activities	0	0	94,124	94,124
State and Federal Grants	0	0	6,950	6,950
Foundation	0	0	139,364	139,364
Other	0	0	234,733	234,733
Total Restricted	0	840,471	2,669,010	3,509,481
<i>Committed to:</i>				
Future Severance Payments	152,300	0	0	152,300
<i>Assigned to:</i>				
Public School Support	23,854	0	0	23,854
Purchasing Commitments	210,227	0	0	210,227
Future Budget Deficit	1,191,720	0	0	1,191,720
Total Assigned	1,425,801	0	0	1,425,801
Unassigned (Deficit)	255,880	0	(6,695)	249,185
Total Fund Balances	\$1,926,336	\$840,471	\$2,871,483	\$5,638,290

Note 19 - Endowments

The School District's permanent funds include donor-restricted endowments. The Net Position-Non-Expendable amounts of \$143,513 represent the principal portion of the endowments. The Net Position – Expendable amount of \$7,076 represents the interest earnings on donor-restricted investments and is available for expenditure by the governing board, for purposes consistent with the endowment's intent. State law permits the governing board to appropriate, for purposes consistent with the endowment's intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise.

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

Note 20 – Significant Commitments

Encumbrances

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

General Fund	\$254,406
Nonmajor Governmental Funds	680,080
Total	<u>\$934,486</u>

Contractual Commitments

At June 30, 2025, the School District had the following significant outstanding contractual commitment:

Contractor/Contract	Contract Amount	Amount Paid	
		as of 6/30/25	Contract Remaining
Collier Construction/Paving	\$92,904	\$0	\$92,904
Mullin's Construction/Softball park	189,120	0	189,120
Swift Manufacturing Company/Video board	85,000	0	85,000

Note 21 – New Accounting Pronouncements and Adjustment of Beginning Balances

New Accounting Pronouncements

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

GASB Statement No. 101 provides updated guidance on accounting for and reporting compensated absences, which includes recognizing a liability for leave that is attributable to service already rendered and is more likely than not to be used or otherwise paid or settled.

GASB Statement 102 requires school districts to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. A concentration, as defined by Statement 102, is a lack of diversity related to an aspect of a significant inflow or outflow of resources, for example, a small number of companies that represent a majority of employment in a school district's jurisdiction, or a school district that relies on one revenue source for most of its revenue. A constraint is a limitation imposed on a school district by an external party or by formal action of the school district's highest level of decision-making authority, such as a voter-approved property tax cap or a state-imposed debt limit. The School District had no disclosures related to concentrations or constraints. This GASB pronouncement relates to note disclosure only and had no effect on beginning net position/fund balance.

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

Adjustment of Beginning Balances

The School District adopted a new capital asset policy that changed their threshold from \$5,000 to \$10,000.

The implementation of GASB Statement No. 101 and the capital assets threshold change had the following impact on beginning net position:

	Governmental Activities
Net Position at June 30, 2024, As Previously Reported	\$8,970,382
Adjustments for GASB No. 101 Implementation	(93,514)
Adjustment for Change in Capitalization Threshold	(138,775)
Net Position at June 30, 2024, As Adjusted	<u>\$8,738,093</u>

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<i>State Teachers Retirement System</i>										
School District's proportion of the net pension liability	0.05620087%	0.05641485%	0.05700044%	0.05698471%	0.05710890%	0.05485120%	0.053895625%	0.055777840%	0.055659370%	0.056453650%
School District's proportionate share of the net pension liability	\$15,532,276	\$18,883,751	\$13,540,576	\$12,529,658	\$12,629,290	\$13,272,040	\$6,891,040	\$12,399,484	\$11,986,211	\$10,862,594
School District's covered payroll	\$5,863,971	\$6,183,250	\$6,125,557	\$6,529,386	\$6,881,536	\$6,648,107	\$6,716,021	\$7,329,514	\$7,078,079	\$7,904,686
School District's proportionate share of the net pension liability as a percentage of its covered payroll	264.9%	305.4%	221.1%	191.9%	183.5%	199.6%	102.6%	169.2%	169.3%	137.4%
Plan fiduciary net position as a percentage of the total pension liability	72.1%	66.8%	75.3%	77.3%	77.4%	75.5%	87.8%	78.9%	80.0%	82.5%
<i>School Employees Retirement System</i>										
School District's proportion of the net pension liability	0.05491530%	0.05690960%	0.05604880%	0.05787610%	0.05757050%	0.05774280%	0.051880000%	0.055764900%	0.059994600%	0.058786300%
School District's proportionate share of the net pension liability	\$3,133,519	\$4,165,257	\$3,348,793	\$3,314,671	\$3,444,544	\$3,819,231	\$1,914,221	\$3,016,200	\$3,315,011	\$3,007,270
School District's covered payroll	\$1,629,256	\$1,856,986	\$1,857,207	\$1,922,044	\$1,770,163	\$1,959,557	\$1,855,543	\$2,081,636	\$2,031,771	\$2,290,443
School District's proportionate share of the net pension liability as a percentage of its covered payroll	192.3%	224.3%	180.3%	172.5%	194.6%	194.9%	103.2%	144.9%	163.2%	131.3%
Plan fiduciary net position as a percentage of the total pension liability	69.2%	63.0%	69.5%	71.4%	70.9%	68.6%	82.9%	75.8%	76.1%	78.5%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year end.
See the accompanying notes to the required supplementary information.

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

	2017	2018	2019	2020	2021	2022	2023	2024	2025
<i>State Teachers Retirement System</i>									
School District's proportion of the net OPEB liability (asset)	0.05641485%	0.05700044%	0.05698471%	0.05710890%	0.05485120%	0.053895625%	0.055777840%	0.055659370%	0.056453650%
School District's proportionate share of the net OPEB liability (asset)	\$3,017,081	\$2,223,947	(\$915,687)	(\$945,861)	(\$964,009)	(\$1,136,345)	(\$1,444,274)	(\$1,082,498)	(\$1,070,817)
School District's covered payroll	\$6,183,250	\$6,125,557	\$6,529,386	\$6,881,536	\$6,648,107	\$6,716,021	\$7,329,514	\$7,078,079	\$7,904,686
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	48.8%	36.3%	-14.0%	-13.7%	-14.5%	-16.9%	-19.7%	-15.3%	-13.5%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	37.3%	47.1%	176.0%	174.7%	182.1%	174.7%	230.7%	168.5%	158.0%
<i>School Employees Retirement System</i>									
School District's proportion of the net OPEB liability	0.05752670%	0.05679260%	0.05857230%	0.05898920%	0.05929740%	0.053528100%	0.057223600%	0.061889000%	0.059850900%
School District's proportionate share of the net OPEB liability	\$1,639,724	\$1,524,164	\$1,624,954	\$1,483,454	\$1,288,727	\$1,013,063	\$803,425	\$1,019,587	\$609,579
School District's covered payroll	\$1,856,986	\$1,857,207	\$1,922,044	\$1,770,163	\$1,959,557	\$1,855,543	\$2,081,636	\$2,031,771	\$2,290,443
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	88.3%	82.1%	84.5%	83.8%	65.8%	54.6%	38.6%	50.2%	26.6%
Plan fiduciary net position as a percentage of the total OPEB liability	11.5%	12.5%	13.6%	15.6%	18.2%	24.1%	30.3%	30.0%	44.5%

The amounts presented are as of the School District's measurement date, which is the prior fiscal year end.

Information not available prior to 2017.

See the accompanying notes to the required supplementary information.

Wheelersburg Local School District
Required Supplementary Information
Schedule of School District Contributions
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<i>State Teachers Retirement System</i>											
Contractually required contribution - pension	\$820,956	\$865,655	\$857,578	\$914,114	\$963,415	\$930,735	\$940,243	\$1,026,132	\$990,931	\$1,106,656	\$1,052,342
Contractually required contribution - OPEB	0	0	0	0	0	0	0	0	0	0	0
Contractually required contribution - total	820,956	865,655	857,578	914,114	963,415	930,735	940,243	1,026,132	990,931	1,106,656	1,052,342
Contributions in relation to the contractually required contribution	820,956	865,655	857,578	914,114	963,415	930,735	940,243	1,026,132	990,931	1,106,656	1,052,342
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered payroll	\$5,863,971	\$6,183,250	\$6,125,557	\$6,529,386	\$6,881,536	\$6,648,107	\$6,716,021	\$7,329,514	\$7,078,079	\$7,904,686	\$7,516,729
Contributions as a percentage of covered payroll - pension	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
<i>School Employees Retirement System</i>											
Contractually required contribution - pension	\$214,736	\$259,978	\$260,009	\$259,476	\$238,972	\$274,338	\$259,776	\$291,429	\$284,448	\$320,662	\$222,412
Contractually required contribution - OPEB (1)	0	0	0	9,610	8,851	0	0	0	0	0	0
Contractually required contribution - total	214,736	259,978	260,009	269,086	247,823	274,338	259,776	291,429	284,448	320,662	222,412
Contributions in relation to the contractually required contribution	214,736	259,978	260,009	269,086	247,823	274,338	259,776	291,429	284,448	320,662	222,412
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School District's covered payroll	\$1,629,256	\$1,856,986	\$1,857,207	\$1,922,044	\$1,770,163	\$1,959,557	\$1,855,543	\$2,081,636	\$2,031,771	\$2,290,443	\$1,588,657
Contributions as a percentage of covered payroll - pension	13.18%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	0.82%	0.00%	0.00%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Excludes surcharge.

See the accompanying notes to the required supplementary information.

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

State Teachers Retirement System

Pension

Changes in benefit terms

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

Changes in assumptions

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

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

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

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

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

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

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

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

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

OPEB

Changes in benefit terms

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

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

- The HealthSpan HMO plans were eliminated.

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

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

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

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extend the current Medicare Part B partial reimbursement for one year.

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

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

For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

Changes in assumptions

There were no changes in assumptions for fiscal year 2017.

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

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

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

- The assumed salary scale was modified.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

School Employees Retirement System

Pension

Changes in benefit terms

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

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

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

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

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

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

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

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

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

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

Changes in assumptions

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

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

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

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

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

- Assumed rate of inflation was reduced from 3.0 percent to 2.4 percent
- Payroll Growth Assumption was reduced from 3.5 percent to 3.25 percent
- Investment rate of return was reduced from 7.5 percent to 7.0 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among members was updated to the following:
 - PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females.
- Mortality among disabled members was updated to the following:
 - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females.

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

OPEB

Changes in benefit terms

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

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

Changes in assumptions

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

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

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

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

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

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

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

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

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

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

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

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

- The inflation rate decreased from 3.0 percent to 2.4 percent.
- Projected salary increases decreased from 3.5 percent to 3.25 percent.
- Investment rate of return decreased from 7.5 percent to 7.0 percent.
- The municipal bond index rate decreased from 2.45 percent to 1.92 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 2.63 percent to 2.27 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2020 – 5.25 to 4.75 percent, 2022 – 5.125 to 4.4 percent
 - Pre-Medicare – 2020 – 7 to 4.75 percent, 2022 – 6.75 to 4.4 percent
- Mortality among members was updated to the following:
 - PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females.
- Mortality among disabled members was updated to the following:
 - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females.

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

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

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

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

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

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

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**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Grant Year	Provided to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed Through Ohio Department of Education and Workforce				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	10.555	2024-2025	\$ 0	\$ 27,090
Cash Assistance:				
National School Lunch Program	10.555	2024-2025	0	179,950
School Breakfast Program	10.553	2024-2025	0	74,872
Total Child Nutrition Cluster				281,912
Total U.S. Department of Agriculture			0	281,912
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education and Workforce				
Title I Grants to Local Educational Agencies	84.010A	2024	0	79,294
Title I Grants to Local Educational Agencies	84.010A	2025	0	493,329
Total Title I Grants to Local Educational Agencies			0	572,623
Special Education Cluster:				
Special Education Grants to States	84.027A	2024	0	18,146
Special Education Grants to States	84.027A	2025	0	339,363
Total Special Education Grants to States			0	357,509
Special Education Preschool Grants	84.173A	2025	3,564	3,564
Total Special Education Cluster			3,564	361,073
Student Support and Academic Enrichment Program				
Student Support and Academic Enrichment Program	84.424A	2025	0	36,207
Total Student Support and Academic Enrichment Program			0	36,207
COVID-19 Education Stabilization Fund	84.425U	2024	0	142,786
Total U.S. Department of Education			3,564	1,112,689
U.S. DEPARTMENT OF THE TREASURY				
Passed Through Ohio Office of Budget and Management				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds				
K-12 School Safety Grant Program	21.027	2024	0	2,105
Total U.S. Department of The Treasury			0	2,105
Total Expenditures of Federal Awards			\$ 3,564	\$ 1,396,706

The accompanying notes are an integral part of this schedule.

**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE C – INDIRECT COST RATE

The School District has elected not to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – SUBRECIPIENTS

The School District passes certain federal awards received from Ohio Department of Education and Workforce to other governments or not-for-profit agencies (subrecipients). As Note B describes, the School District reports expenditures of Federal awards to subrecipients when paid in cash

As a pass-through entity, the School District has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

NOTE E - 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 F – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER

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

Wheelersburg Local School District
Scioto County
P.O. Box 340
Wheelersburg, Ohio 45694

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wheelersburg Local School District, Scioto County, Ohio (the School District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 13, 2026, wherein we noted the School District adopted 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

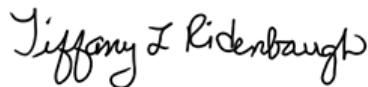
Report on Compliance and Other Matters

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

March 13, 2026



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

Wheelersburg Local School District
Scioto County
P.O. Box 340
Wheelersburg, Ohio 45694

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

Wheelersburg Local School District
Scioto County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance
Page 3

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

March 13, 2026

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**WHEELERSBURG LOCAL SCHOOL DISTRICT
SCIOTO COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Title I (84.010)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE KEITH FABER



WHEELERSBURG LOCAL SCHOOL DISTRICT

SCIOTO COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/26/2026

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

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