

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 11, 2026

NEW ISSUE BOOK-ENTRY FORM ONLY

Rating: Moody's: Aa1
See "RATING" herein

In the opinion of Bricker Graydon Wyatt LLP, Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on and any profit made on the sale, exchange or other disposition of the Bonds is exempt from certain taxes levied by the State of Ohio and its political subdivisions. The School District has not designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Interest on the Bonds may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the Bonds. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.



OFFICIAL STATEMENT BIG WALNUT LOCAL SCHOOL DISTRICT Delaware County, Ohio

\$9,565,000*

**Refunding Bonds, Series 2026A
(General Obligation – Unlimited Tax)**
Voted November 4, 2008

\$19,000,000*

**Library Facilities Bonds, Series 2026B
(General Obligation – Unlimited Tax)**
Voted November 4, 2025

Dated: Date of Delivery

Due: December 1, as shown on the inside cover

The Refunding Bonds, Series 2026A (the "Series 2026A Bonds") and the Library Facilities Bonds, Series 2026B (the "Series 2026B Bonds," and together with the Series 2026A Bonds, the "Bonds") are voted general obligation debt of the Big Walnut Local School District, Delaware County, Ohio (the "School District"), and the full faith, credit and revenue of the School District are irrevocably pledged for the prompt payment of the principal of and interest on the Bonds. (See "SECURITY AND SOURCE OF PAYMENT FOR THE SCHOOL DISTRICT'S GENERAL OBLIGATION DEBT" herein.) Terms used herein with initial capitalization where the rules of grammar would not otherwise so require and not defined have the meanings given to them under "DEFINITIONS" or as defined elsewhere herein.

Interest on the Bonds will be payable at the respective rates shown on the inside cover herein on June 1 and December 1 of each year, beginning June 1, 2026*, to the Bondholders of record as of the record dates described in the Bond Resolution.

Principal of the Bonds will be payable at the designated corporate trust office of Argent Institutional Trust Company, as registrar, paying agent and transfer agent for the Bonds.

The Bonds will be issuable as fully registered bonds without coupons in the denominations set forth herein. The Bonds will be issuable under a book-entry only method and registered in the name of The Depository Trust Company ("DTC") or its nominee. There will be no physical delivery of the Bonds to the ultimate purchasers. Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has satisfied the requirements of DTC for the Bonds to be eligible for its book-entry services. (See "BOOK-ENTRY ONLY SYSTEM" herein.)

The Bonds maturing on or after December 1, 20__* will be subject to optional redemption prior to stated maturity, as set forth herein. The Bonds maturing on December 1, 20__* and December 1, 20__* will be subject to mandatory sinking fund redemption prior to stated maturity as set forth herein. (See "THE BONDS – Redemption Provisions" herein.)

The Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale and to withdrawal or modification of the offer without notice.

Certain legal matters relating to the issuance of the Bonds are subject to the approving opinion of Bricker Graydon Wyatt LLP, Bond Counsel. (See "LEGAL MATTERS" and "TAX MATTERS" herein.) Certain other legal matters will be passed upon for the Underwriter by FBT Gibbons LLP Baker Tilly Municipal Advisors, LLC, has acted as Municipal Advisor to the School District in connection with the issuance of the Bonds. (See "MUNICIPAL ADVISOR" herein.)

This cover page contains certain information for general reference only. It is not a summary of the provisions of the Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement has been prepared by the School District in connection with the original offering for sale by it of the Bonds. It is expected that delivery of the Bonds in definitive form will be made through DTC on or about March 18, 2026*. The date of this Official Statement is February 18, 2026*, and the information herein speaks only as of that date.

STIFEL

* Preliminary, subject to change.

\$9,565,000*
BIG WALNUT LOCAL SCHOOL DISTRICT
Delaware County, Ohio
Refunding Bonds, Series 2026A
(General Obligation – Unlimited Tax)

Year* (December 1)	Principal Maturing*	Interest Rate	Price	CUSIP†

* Preliminary, subject to change.

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\$19,000,000*
BIG WALNUT LOCAL SCHOOL DISTRICT
Delaware County, Ohio
Library Facilities Bonds, Series 2026B
(General Obligation – Unlimited Tax)

Year* (December 1)	Principal Maturing*	Interest Rate	Price	CUSIP†

\$ _____*
_____ % SERIES 2026B TERM BONDS MATURING DECEMBER 1, 20____,
PRICE _____ %, CUSIP _____†

* Preliminary, subject to change.

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BIG WALNUT LOCAL SCHOOL DISTRICT
Delaware County, Ohio

\$9,565,000*
Refunding Bonds, Series 2026A
(General Obligation – Unlimited Tax)
Voted November 4, 2008

\$19,000,000*
Library Facilities Bonds, Series 2026B
(General Obligation – Unlimited Tax)
Voted November 4, 2025

BOARD OF EDUCATION

Stephen P. Fujii
President

Molly Snodgrass
Vice President

Angela Graziosi
Member

Zach Duffey
Member

Jessica Parent
Member

SCHOOL DISTRICT ADMINISTRATION

Ryan McLane
Superintendent

J. Scott Gooding II
Interim Treasurer

PROFESSIONAL SERVICES

Stifel, Nicolaus & Company, Incorporated
Underwriter

Bricker Graydon Wyatt LLP
Bond Counsel

Baker Tilly Municipal Advisors, LLC
Municipal Advisor

FBT Gibbons LLP
Underwriter's Counsel

Argent Institutional Trust Company
Paying Agent/Bond Registrar/Escrow Trustee

Causey Public Finance, LLC
Verification Agent

* Preliminary, subject to change.

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Refunding Bonds, Series 2026A (the “Series 2026A Bonds”) and the Library Facilities Bonds, Series 2026B (the “Series 2026B Bonds,” and together with the Series 2026A Bonds, the “Bonds”) of the Big Walnut Local School District, Delaware County, Ohio (the “School District”) identified on the Cover. No person has been authorized by the School District to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been given or authorized by the School District. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth herein has been obtained from the School District and other sources that are believed to be reliable for purposes of this Official Statement. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions or that they will be realized. The information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the School District since the date hereof. In accordance with Section (f)(3) of the Rule, the School District may provide additional or updated financial information and/or operating data about the School District in a document or documents filed on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) website, and any such documents are hereby included by specific reference through the date that the Bonds are delivered to DTC.

Certain information located at websites referred to herein has been prepared by the respective entities responsible for maintaining such websites. The School District takes no responsibility for the continued accuracy of any internet address or the accuracy, completeness, or timeliness of any information posted at any such address. In the absence of an express statement to the contrary, none of such information is incorporated herein by reference.

The CUSIP numbers on the Cover have been provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association (“ABA”) by FactSet Research Systems Inc. CUSIP is a registered trademark of the ABA. CUSIP numbers are being provided solely for the convenience of the owners of the Bonds and only at the time of issuance of the Bonds. The School District, Bond Counsel, and the Underwriter are not responsible for the selection or use of these CUSIP numbers and make no representation with respect to such data or undertake any responsibility for its accuracy now or at any time in the future. CUSIP numbers are subject to being changed after the issuance of the Bonds as a result of subsequent actions and events.

Certain information in this Official Statement is attributed to the Ohio Municipal Advisory Council (“OMAC”). OMAC compiles information from official and other sources. OMAC believes the information it compiles is accurate and reliable, but OMAC does not independently confirm or verify the information and does not guarantee its accuracy. OMAC has not reviewed this Official Statement to confirm that the information attributed to it is information provided by OMAC or for any other purpose.

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE SCHOOL DISTRICT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAW OF ANY STATE, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS ANY OTHER FEDERAL, STATE, MUNICIPAL OR OTHER GOVERNMENTAL ENTITY OR AGENCY, EXCEPT THE BOARD OF EDUCATION OF THE SCHOOL DISTRICT, PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE BONDS FOR SALE. **THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF, THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE.**

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

INVESTMENT CONSIDERATIONS

General

The Bonds, like other obligations of state and local governments, are subject to changes in value due to changes in the condition of the market for tax-exempt obligations or changes in the financial position of the School District.

It is possible under certain market conditions, or if the financial condition or credit profile of the School District should change, that the market price of the Bonds could be adversely affected. With regard to the risk involved in a downward revision or withdrawal of the rating on the Bonds shown on the Cover, see "RATING" herein.

With regard to the risk involved in a loss of the exclusion from gross income for purposes of federal income taxation of interest payable on the Bonds, see "TAX MATTERS" herein.

Prospective purchasers of the Bonds should consult their own tax advisors prior to any purchase of the Bonds as to the impact of the Code, upon their acquisition, holding or disposition of the Bonds.

Market for the Bonds

Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to make a market in the Bonds. There is presently no secondary market for the Bonds and no assurance that a secondary market for the Bonds will develop or, if developed, will not be disrupted by events. Consequently, investors may not be able to resell the Bonds purchased should they need or wish to do so for emergency or other purposes.

Investment Suitability of Tax-Exempt Bonds

A primary test of the suitability of a tax-exempt obligation (such as the Bonds) for an individual investor is a comparison of the yield the investor would have to earn on a taxable obligation to equal a tax-exempt yield in his or her income tax bracket. Individuals should consult with brokers or qualified financial or tax advisors to determine the taxable equivalent yield they could expect given their particular tax circumstances.

Considerations Regarding Real Property Tax Reform

From time to time, (i) legislative proposals may be introduced in the General Assembly, (ii) ballot initiatives may be proposed by electors, and (iii) court proceedings may be filed, which, in each case, if to become law, could alter or amend one or more of the ad valorem property tax matters referred to herein, which may have a materially adverse effect on the market value of the Bonds. See “SCHOOL DISTRICT PROPERTY TAX BASE – Ad Valorem Taxes and Assessed Valuation – Overview” herein for more information on five property tax reform bills that were recently enacted.

For example, a ballot initiative to amend the Ohio Constitution to abolish property taxes, the title and summary of which were certified by the Ohio Attorney General on May 9, 2025 and the Ohio Ballot Board on May 14, 2025, is currently being circulated for signatures to place it on the November 2026 ballot. In order to appear on the ballot, the petitioners must collect signatures from registered voters equal to at least 10% of the vote cast in the most recent gubernatorial election. Those signatures must come from voters in at least 44 of Ohio’s 88 counties, and for each of those counties the number must equal at least 5% of the vote cast in the most recent gubernatorial election. If sufficient signatures are verified by the Ohio Secretary of State’s Office at least 65 days before the election, the full text of the proposed amendment would be placed on the ballot at the next regular or general election that occurs subsequent to 125 days after the filing of such petition.

There can be no assurance that legislation enacted, ballot initiatives approved, or actions by a court, after the date of issuance of the Bonds, will not have a materially adverse effect on the market value or marketability of the Bonds or the financial condition of the School District. Prospective purchasers of the Bonds should consult their own counsel regarding pending or proposed State property tax legislation, related ballot initiatives, and court proceedings, as to all of which the School District, Bond Counsel, the Underwriter and Underwriter’s Counsel express no opinion.

Prepayments of Principal

The School District may prepay certain maturities of the principal of the Bonds without penalty. (See “THE BONDS – Redemption Provisions” herein.) If such Bonds were to be prepaid before scheduled maturity, the investor would not receive the anticipated yield through the scheduled maturity date. In such a prepayment situation there is no guarantee that the investor could reinvest the proceeds and receive a comparable yield for the period remaining until the scheduled maturity of such Bonds. The investor, therefore, may receive a lower total return for the period beginning on the date of purchase through the scheduled date of maturity than anticipated.

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BOND ISSUE SUMMARY

The information contained in this Bond Issue Summary is qualified in its entirety by the entire Official Statement, which should be reviewed in its entirety by potential investors.

Issuer:	Big Walnut Local School District, Delaware County, Ohio
Issue:	\$9,565,000* Refunding Bonds, Series 2026A (the “Series 2026A Bonds”) \$19,000,000* Library Facilities Bonds, Series 2026B (the “Series 2026B Bonds,” and together with the Series 2026A Bonds, the “Bonds”)
Dated Date:	Date of Delivery
Interest Payment Dates:	Interest on the Bonds will be paid each June 1 and December 1, beginning June 1, 2026*.
Principal Payment Dates:	Series 2026A Bonds: <u>Serial Bonds</u>: December 1, 2026* through December 1, 20__*, inclusive <u>Term Bonds</u>: December 1, 20__* and December 1, 20__*. Series 2026B Bonds: <u>Serial Bonds</u>: December 1, 2026* through December 1, 20__*, inclusive <u>Term Bonds</u>: December 1, 20__* and December 1, 20__*.
Redemption:	The Bonds maturing on or after December 1, 20__* are subject to redemption at the option of the School District, either in whole or in part, in such order of maturity as the School District shall determine, on any date on or after December 1, 20__*, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption. (See “THE BONDS – Redemption Provisions – Optional Redemption” herein.) The Bonds maturing on December 1, 20__* and December 1, 20__* are subject to mandatory sinking fund redemption prior to stated maturity. (See “THE BONDS – Redemption Provisions – Mandatory Sinking Fund Redemption” herein.)
Purpose:	The Series 2026A Bonds are being issued for the purpose of currently refunding a portion of the School District’s \$9,965,000 Refunding Bonds, Series 2014, dated December 9, 2014. The Series 2026B Bonds are being issued for the purpose of renovating and constructing additions to the Community Library, Sunbury; furnishing and equipping the same; and improving the site thereof. (See “THE BONDS – Authorization and Purpose” herein.)
Security:	The Bonds will be voted general obligations of the School District and will contain a pledge of the full faith and credit of the School District for the payment of the principal of and interest on the Bonds when due. (See “SECURITY AND SOURCE OF PAYMENT FOR THE SCHOOL DISTRICT’S GENERAL OBLIGATION DEBT” herein.)
Credit Rating:	The School District has received a rating of “Aa1” on the Bonds from Moody’s Investors Service, Inc. (“Moody’s”). (See “RATING” herein.)

* Preliminary, subject to change.

Tax Matters:	In the opinion of Bond Counsel, under existing law, (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code, and (ii) interest on and any profit made on the sale, exchange or other disposition of the Bonds is exempt from certain taxes levied by the State of Ohio and its political subdivisions. Interest on the Bonds may be subject to certain federal income taxes imposed on certain corporations, and certain taxpayers may have certain other adverse federal income tax consequences as a result of owning the Bonds. For a more complete discussion of the tax aspects, see “TAX MATTERS” herein.
Bank Qualification:	The School District has not designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.
Legal Opinion:	Bricker Graydon Wyatt LLP
Municipal Advisor:	Baker Tilly Municipal Advisors, LLC
Underwriter:	Stifel, Nicolaus & Company, Incorporated
Underwriter’s Counsel:	FBT Gibbons LLP
Bond Registrar, Paying Agent and Escrow Trustee:	Argent Institutional Trust Company
Escrow Verification Agent:	Causey Public Finance, LLC
Book-Entry Only System:	The Bonds are being issued as fully registered Bonds in book-entry form only and book-entry interests therein will be available for purchase in amounts of \$5,000 and integral multiples thereof. Owners of book-entry interests will not receive physical delivery of bond certificates. DTC or its nominee will receive all payments with respect to the Bonds from the Bond Registrar. DTC is required by its rules and procedures to remit such payments to its participants for subsequent disbursement to owners of the book-entry interests.
Delivery and Payment:	It is expected that delivery of the Bonds in definitive form will be made through DTC on or about March 18, 2026*. The Bonds will be released to the Underwriter against payment in federal funds.
School District Official:	Questions concerning the Official Statement should be directed to J. Scott Gooding II, Interim Treasurer, Big Walnut Local School District, 110 Tippet Court, Sunbury, Ohio 43074; telephone: (740) 965-3010.

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* Preliminary, subject to change.

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BIG WALNUT LOCAL SCHOOL DISTRICT
Delaware County, Ohio

\$9,565,000*
Refunding Bonds, Series 2026A
(General Obligation – Unlimited Tax)
Voted November 4, 2008

\$19,000,000*
Library Facilities Bonds, Series 2026B
(General Obligation – Unlimited Tax)
Voted November 4, 2025

INTRODUCTORY STATEMENT

This Official Statement has been prepared by the Board of Education (the “Board”) of the School District in connection with the original issuance and sale by the School District of the Bonds identified on the Cover.

All financial and other information presented herein has been provided by the School District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the School District. No representation is made that past experience, as might be shown by such financial and other information, will necessarily continue or be repeated in the future.

Certain statements contained in this Official Statement, including, without limitation, statements containing the words “believes,” “anticipates,” “expects” and words of similar import, involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the School District to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, among others, general economic conditions, demographic changes, and existing government regulations and changes in, or the failure to comply with, government regulations. Certain of these factors are discussed in more detail elsewhere in this Official Statement. Given these uncertainties, readers of this Official Statement and investors are cautioned not to place undue reliance on such forward-looking statements.

This Official Statement should be considered in its entirety and no subject discussed should be considered less important than any other subject by reason of its location in the text. Reference should be made to laws, reports or documents referred to for more complete information regarding their contents.

References herein to provisions of Ohio law (whether codified in the Ohio Revised Code or uncodified), the Ohio Constitution, or federal law are references to such provisions as they presently exist. Provisions of Ohio law, the Ohio Constitution and federal law may in the future, and from time to time, be amended, repealed or supplemented.

Additional information relating to the financial condition of the School District may be obtained by contacting J. Scott Gooding II, Interim Treasurer, Big Walnut Local School District, 110 Tippet Court, Sunbury, Ohio 43074; telephone: (740) 965-3010, and from the Ohio Department of Education and Workforce’s website: <http://education.ohio.gov/>. The School District makes no representation as to the accuracy of the information appearing at such website.

* Preliminary, subject to change.

DEFINITIONS

The following capitalized terms, as used in this Official Statement and the Appendices attached hereto, have the following meanings unless otherwise indicated:

“Annual Report” means any continuing disclosure annual report provided by the School District referred to in this Official Statement and any appendix hereto, which Annual Reports are intended to satisfy the annual financial information requirements of the Rule and Section (b)(5)(i)(A) therein.

“Bankruptcy Code” means Title 11 of the United States Code.

“Board” means the Board of Education of the School District.

“Bond Counsel” means Bricker Graydon Wyatt LLP.

“Bond Registrar” means Argent Institutional Trust Company

“City” means the City of Sunbury, Ohio.

“Code” means the Internal Revenue Code of 1986, as amended.

“County” means Delaware County, Ohio.

“County Auditor” means the County Auditor of the County.

“County Treasurer” means the County Treasurer of the County.

“Cover” means the cover page and the inside cover of this Official Statement.

“Department” means the State Department of Education and Workforce.

“Director” means the Director of Education and Workforce, who is the head of the Department.

“Escrow Trustee” means Argent Institutional Trust Company

“Fiscal Year” means the 12-month period ending June 30, and reference to a particular Fiscal Year means the Fiscal Year ending on June 30 in that year.

“Library” means Community Library, Sunbury, Ohio.

“MSA” or **“Columbus MSA”** means the Columbus Metropolitan Statistical Area, as defined by the United States Office of Management and Budget, including Delaware, Fairfield, Franklin, Hocking, Licking, Madison, Morrow, Perry, Pickaway, and Union Counties.

“Municipal Advisor” means Baker Tilly Municipal Advisors LLC.

“OMAC” means the Ohio Municipal Advisory Council.

“Project” means renovating and constructing additions to the Community Library, Sunbury; furnishing and equipping the same; and improving the site thereof.

“Refunded Bonds” means \$9,565,000* in aggregate principal amount of the Series 2014 Bonds, including the serial bonds maturing on December 1, 2026* through December 1, 2037*.

“Revised Code” means the Ohio Revised Code, as amended.

“Rule” means Rule 15c2-12, and particularly Section (b)(5) therein, adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“School District” means the Big Walnut Local School District, Delaware County, Ohio.

“Series 2009C Bonds” means the School District’s \$10,000,000 School Facilities Construction and Improvement Bonds, Series 2009C (Federal Taxable – Build America Bonds – Direct Payment), dated December 1, 2009, the outstanding portion of which was issued for the purpose of constructing, renovating, improving, furnishing and equipping school facilities and additions to school facilities and improving their sites, and acquiring land and interest in land as necessary in connection therewith. No bond of the Series 2009C Bonds remains outstanding.

“Series 2014 Bonds” means the School District’s \$9,965,000 Refunding Bonds, Series 2014, dated December 9, 2014, the outstanding portion of which was issued to refund a portion of the Series 2009C Bonds, of which \$9,565,000 in aggregate principal remains outstanding.

“State” or **“Ohio”** means the State of Ohio.

“State Auditor” means the Auditor of the State.

“Tax Commissioner” means the Tax Commissioner of the State.

“Treasurer” means the Treasurer or Interim Treasurer of the Board.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated.

THE BONDS

Authorization and Purpose

The Series 2026A Bonds are unlimited tax, general obligation bonds issued for the purpose of currently refunding the Refunded Bonds. The Series 2026A Bonds are authorized by a resolution of the Board passed on November 17, 2025 (the “Series 2026A Bond Resolution”).

The electors of the School District approved the issuance of bonds in the amount of \$30,000,000 at the election held on November 4, 2008, and the Series 2009C Bonds were issued pursuant to such voted authority for the purpose of paying costs of constructing, renovating, furnishing, equipping and otherwise improving school facilities and their sites and acquiring land and interests in land. The Series 2014 Bonds were issued for the purpose of currently refunding a portion of the Series 2009C Bonds.

The Series 2026B Bonds are authorized by a resolution passed by the Board on November 17, 2025 (the “Series 2026B Bond Resolution”). The electors of the School District approved the issuance of bonds in the amount of \$19,000,000 at the election held on November 4, 2025. The Bonds are unlimited tax,

* Preliminary, subject to change.

general obligation bonds issued pursuant to such voted authority for the purpose of paying costs of the Project.

The Bonds are issued in conformity with Revised Code Chapter 133, and are, therefore, lawful investments for banks, savings and loan associations, credit union share guaranty corporations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other funds of the State, subdivisions and taxing districts, the Commissioners of the Sinking Fund of the State, the Administrator of Workers' Compensation, the State teachers, public employees, and school employees retirement systems, and the police and firemen's disability and pension fund, and are eligible as security for the repayment of the deposit of public moneys.

A portion of the proceeds of the sale of the Series 2026A Bonds will be deposited in an escrow fund (the "Escrow Fund") within the School District's debt (bond) retirement fund and will be used to currently refund the Refunded Bonds. The Escrow Fund will be held by Argent Institutional Trust Company, as escrow trustee (the "Escrow Trustee"). Monies in the Escrow Fund will be held as cash or invested in direct obligations of or obligations guaranteed as to payment by the United States of America and applied by the Escrow Trustee to pay the debt service on the Refunded Bonds and to redeem the Refunded Bonds on the scheduled redemption date.

Under Ohio law, the final maturity of the Series 2026A Bonds cannot be later than the final maturity of the Refunded Bonds (December 1, 2037)*. The maximum maturity of the Series 2026B Bonds is 30 years.

The Library

Although issued by the School District, the Series 2026B Bonds are for the benefit of the Community Library, Sunbury, Ohio (the "Library").

Revised Code Section 3375.43 authorizes a board of trustees of a school district library to request the school district to submit to the electors of such school district the question of issuing bonds for the purpose of purchasing, erecting, constructing, enlarging, extending, or improving buildings for library purposes, including sites therefor, and equipping and furnishing building. The Board of Trustees of the Library passed a resolution requesting that the School District submit the question of issuing bonds in the amount of \$19,000,000 to the electors of the School District for the purpose of renovating and constructing additions to the Community Library, Sunbury; furnishing and equipping the same; and improving the site thereof, which question was submitted to and approved by the electors of the School District on November 4, 2025.

Although the Series 2026B Bonds are issued on behalf of the Library, the Series 2026B Bonds constitute indebtedness of the School District and are considered in determining the School District's debt limitations.

The Library receives the majority of its operating funds from the State's Public Library Fund. More information on the Library can be found in APPENDIX B hereto.

Form and Terms

The Bonds will be issued in fully registered form and the Bonds (as shown on the Cover) will bear interest from their dated date until maturity or earlier redemption, at the rates per annum as set forth on the Cover, payable on June 1 and December 1 of each year, commencing June 1, 2026*, and will mature on

* Preliminary, subject to change.

December 1 in the years as indicated on the Cover. The Bonds will be issued in denominations of \$5,000 or any integral multiple thereof, provided that, so long as the Bonds shall be in book-entry form and held by a depository, each Bond will be of a single maturity, and will be numbered as determined by the Treasurer.

Principal of the Bonds (as shown on the Cover) will be payable at maturity, in lawful money of the United States of America, at the designated corporate trust office of Argent Institutional Trust Company, which has been designated by the Board as the bond registrar, paying agent, and transfer agent for the Bonds (the “Bond Registrar”). Interest on the Bonds will be payable to the person whose name appears as the registered holder thereof on the registration records maintained by the Bond Registrar, on the respective Record Date (15th day next preceding an interest payment date) by check mailed to such registered holder at the address of such registered holder as it appears on the registration records. No deduction shall be made for exchange, collection, or service charges.

Redemption Provisions

Mandatory Sinking Fund Redemption

The Series 2026A Term Bonds maturing on December 1, 20__ are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
	\$

The remaining principal amount of such Series 2026A Term Bonds (\$_____) will be paid at stated maturity on December 1, 20__.

The Series 2026B Term Bonds maturing on December 1, 20__ are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount to be Redeemed
	\$

The remaining principal amount of such Series 2026B Term Bonds (\$_____) will be paid at stated maturity on December 1, 20__.

Optional Redemption

The Bonds maturing on or after December 1, 20__* are subject to redemption at the option of the School District, either in whole or in part, in such order of maturity as the School District shall determine, on any date on or after December 1, 20__*, at a redemption price equal to 100% of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

When partial redemption is authorized, the Bonds or portions thereof will be selected by lot within a maturity in such manner as the Bond Registrar may determine, provided, however, that the portion of any such Bond so selected will be in the amount of \$5,000 or any integral multiple thereof.

The notice of the call for redemption of Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, such Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption, and (iv) the place or places where the amounts due upon redemption are payable. From and after the specified redemption date, interest on such Bonds (or portions thereof) called for redemption shall cease to accrue. Such notice shall be sent by first class mail to each such registered holder at the address shown in the Bond registration records at least 30 days prior to the redemption date. Failure to receive such notice or any defect therein shall not affect the validity of the proceedings for the redemption of any such Bond.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds will be applied as follows:

	Series 2026A Bonds	Series 2026B Bonds	Total
Sources			
Par value of the Bonds	\$9,565,000.00*	\$19,000,000.00*	\$28,565,000.00*
[Net] original issue premium			
Total Sources			
Uses			
Deposit to Escrow Fund to refund the Refunded Bonds			
Costs of issuance**			
[Deposit to the debt (bond) retirement fund]			
Total Uses			

* Preliminary, subject to change.

** Includes Underwriter's compensation, rating fees, municipal advisory fees, legal fees, registrar and escrow fees, OMAC fees and other miscellaneous expenses.

SECURITY AND SOURCE OF PAYMENT FOR THE SCHOOL DISTRICT'S GENERAL OBLIGATION DEBT

Security for the Bonds

The Bonds are voted general obligation debt of the School District, payable from the sources described herein, subject to Chapter 9 of the Bankruptcy Code and other laws affecting creditors' rights. The basic security for payment of the Bonds is the requirement that the School District levy ad valorem property taxes outside the ten-mill limitation (which limitation is further described in APPENDIX A under "SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS"), which taxes are unlimited as to rate and amount, to the extent necessary to pay the anticipated debt service on the Bonds as the same becomes due, and to the extent that such debt service on the Bonds is not paid from other sources.

Such taxes can be expended only for the purpose of paying the anticipated debt service on the Bonds (together with costs of issuing the Bonds) and since such taxes are unlimited as to rate or amount, the rate of millage actually levied in each year while the Bonds are outstanding will be such as is determined to be necessary by the County Auditor to produce the amount necessary to pay debt service on the Bonds due in that year, giving due consideration to the School District's assessed valuation and previous tax collection experience.

The Bonds are also secured by a pledge of the full faith and credit of the School District. This pledge includes all of the funds of the School District, except those prohibited from use by the Ohio Constitution, State or federal law, or specifically limited to another use. (See "SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS – Statutory Debt Limitations Generally" in APPENDIX A.)

In addition to the right of individual bondholders to sue upon their particular Bonds, State law authorizes the holders of not less than 10% in principal amount of the Bonds to bring mandamus or other actions to enforce all contractual or other rights of the bondholders, including the right to require the School District to levy, collect and apply the taxes to pay debt service on the Bonds, and in the case of any default in payment of debt service on the Bonds, to bring an action to require the School District to account as if it were the trustee of an express trust for the bondholders or to enjoin any acts that may be unlawful or in violation of bondholder rights.

School District Bankruptcy

An Ohio school district may file for bankruptcy under Chapter 9 of the Bankruptcy Code if it meets certain prerequisites under both federal and State law. Section 109(c) of the Bankruptcy Code sets forth the requirements for a State political subdivision to file for bankruptcy protection. In addition to requiring a school district to be insolvent^{*}, a school district must be specifically authorized, in its capacity as a school district or by name, to be a debtor under such chapter by State law, or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under such chapter.[†] With regard to State law, Revised Code Section 133.36 requires that a political subdivision which desires to file bankruptcy seek and obtain permission of the Tax Commissioner. Moreover, Revised Code Section 3313.483(E)(5) provides that a school district may not file for bankruptcy if it owes money to the State.

^{*} 11 U.S.C. Section 101(32)(C) requires that in order to be "insolvent" a school district must not be paying its debts as they come due.

[†] See 11 U.S.C. Section 109(c)(2).

The foregoing federal and State laws also permit an Ohio county to initiate Chapter 9 proceedings which, because a county collects certain revenues on behalf of a school district (particularly ad valorem property taxes), may adversely affect the financial condition of such school district.

RATING

As noted on the Cover, the School District has received a rating of “Aa1” on the Bonds from Moody’s Investors Service, Inc. (“Moody’s”).

The rating reflects only the views of Moody’s. Any explanation of the significance of the rating may only be obtained from Moody’s Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, telephone (212) 553-1653; website: www.moodys.com.

The School District furnished Moody’s with certain information and materials, some of which may not have been included in this Official Statement, relating to the Bonds and the School District. Generally, rating agencies base their ratings on such information and materials, as well as investigation, studies and assumptions by the rating agencies. Such ratings are not recommendations to buy, sell or hold the Bonds.

There can be no assurance that a rating, when assigned, will continue for any given period of time or that it will not be lowered or withdrawn entirely by a rating agency if, in the rating agency’s judgment, circumstances so warrant. In addition, the School District currently expects to provide to Moody’s (but assumes no obligation to furnish to the Underwriter or the holders of the Bonds) further information and materials that it may request. However, the School District does not obligate itself hereby to furnish such information and materials to Moody’s, and the School District may issue unrated bonds and notes from time to time. Failure by the School District to furnish such information and materials, or the issuance of unrated bonds or notes, may result in the suspension or withdrawal of Moody’s rating on the Bonds. Any lowering, suspension, or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) has agreed, pursuant to the Bond Purchase Agreement with the School District dated February 18, 2026* (the “Purchase Agreement”), to purchase all, but not less than all, (i) of the Series 2026A Bonds at a purchase price of \$_____ (the “2026A Purchase Price”), which is equal to the par amount of the Series 2026A Bonds (\$9,565,000.00*), plus [net] original issue premium (\$_____), less Underwriter’s discount (\$_____); and (ii) of the Series 2026B Bonds at a purchase price of \$_____ (the “2026B Purchase Price,” and, collectively with the 2026A Purchase Price, the “Purchase Price”), which is equal to the par amount of the Series 2026B Bonds (\$19,000,000.00*), plus [net] original issue premium (\$_____), less Underwriter’s discount (\$_____).

The Underwriter is purchasing the Bonds as originally issued for the purpose of resale. The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell the Bonds to certain dealers (including dealer banks and dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) and others at prices lower than the public offering prices noted on the Cover. The initial offering prices of the Bonds may be changed, from time to time, by the Underwriter.

* Preliminary, subject to change.

The Underwriter has agreed to wire funds to the Bond Registrar at closing for further distribution by the Bond Registrar to pay certain costs of issuance of the Bonds on behalf of the School District, including rating fees, municipal advisory fees, legal fees, registrar and escrow fees, escrow verification agent fees, printing fees and other miscellaneous expenses. The amount of \$_____ shall be retained from the Purchase Price and deposited with the Bond Registrar for this purpose and disbursed in accordance with instructions from the School District.

The obligation of the Underwriter to accept delivery of the Bonds is subject to the various conditions set forth in the Purchase Agreement. The Underwriter is obligated to purchase all of the Bonds if any of the Bonds are purchased.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the School District and to persons and entities with relationships with the School District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the School District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the School District.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the School District.

MUNICIPAL ADVISOR

The School District has retained Baker Tilly Municipal Advisors, LLC (the “Municipal Advisor” or “BTMA”) as municipal advisor in connection with certain aspects of the issuance of the Bonds. BTMA is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. BTMA is a subsidiary of Baker Tilly Advisory Group, LP (“BTAG”) which is indirectly owned by (a) H&F Waterloo Holdings, L.P., an affiliate of Hellman & Friedman LLC (“H&F”), an investment adviser registered with the Securities and Exchange Commission (the “SEC”), (b) Valeas Capital Partners Fund I Waterloo Aggregator LP, an affiliate of Valeas Capital Partners Management LP (“Valeas”), an investment adviser registered with the SEC, and (c) individuals who are principals of BTAG. None of these parties own a majority interest in BTAG, or indirectly, BTMA. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International, Ltd. Baker Tilly US, LLP (“BTUS”) is a licensed CPA firm providing assurance services to its clients. BTAG and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

BTMA has been retained by the School District to provide certain municipal advisory services to the School District and, in that capacity, has assisted the School District in reviewing this Official Statement. The information contained in the Official Statement has been compiled from the sources stated or, if not otherwise sourced, from records and other materials provided by the School District. The

Municipal Advisor makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Official Statement, and its assistance in reviewing this Official Statement should not be construed as a representation that it has independently verified such information.

The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the School District, and it has no secondary obligations or other responsibility. The Municipal Advisor's fees are expected to be paid from proceeds of the Bonds. BTMA provides certain specific municipal advisory services to the School District but is neither a placement agent to the School District nor a broker/dealer.

Other Financial Industry Activities and Affiliations

Baker Tilly Wealth Management, LLC ("BTWM"), an SEC registered investment adviser, and Baker Tilly Capital, LLC ("BTC"), a broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"), are controlled subsidiaries of BTAG. Both H&F and Valeas, are registered with the SEC as investment advisers and serve as managers of, or advisers to, certain private investment funds, some of which indirectly own BTAG.

BTWM and other subsidiaries of BTAG may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its municipal advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

LITIGATION

Litigation Generally

To the knowledge of the appropriate officials of the School District, no litigation or administrative action or proceeding is pending or threatened restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or the levy and collection of taxes to pay the debt service on the Bonds, or contesting or questioning the proceedings and authority under which the Bonds are to be authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds. A no-litigation certificate to such effect will be delivered to the Underwriter at the time of original delivery of the Bonds to the Underwriter.

The School District is party to various legal proceedings seeking damages or injunctive relief and generally incidental to its operations. These proceedings are unrelated to the Bonds or the security therefor. The ultimate disposition of such proceedings is not presently determinable, but will not, in the opinion of School District officials, have a material adverse effect on the Bonds or the security therefor.

School Funding Litigation

In 1997, the Ohio Supreme Court determined in the case of *DeRolph v. State of Ohio*, that Ohio's elementary and secondary public school financing system violated the Ohio Constitution. Included in the *DeRolph* decision was a ruling that property taxes may be used as a part of a school funding solution, but could no longer be the primary means of financing schools. In 2003, the Ohio Supreme Court effectively prohibited further judicial review of the *DeRolph* case and the United States Supreme Court denied the plaintiffs' Petition for Writ of Certiorari, without opinion.

Throughout its rulings the Ohio Supreme Court did not specifically address, and did not hold as invalid:

Voted securities issues (bonds and notes previously issued and bond issues that may be placed on the ballot in the future) and the debt service levy included within such voted authority.

Unvoted securities issues (bonds and notes previously issued and future bond and note issues), issued for the purpose of constructing permanent improvements or capital facilities, and the debt service levy included within such authority.

Voted levies (property taxes or income taxes). The decisions did not address the current authority of school districts to levy and collect operating levies, and the decisions do not prevent school districts from approving additional levies.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the excludability of the interest on the Bonds from gross income for federal income tax purposes (see “TAX MATTERS” herein) are subject to the approving opinion of Bricker Graydon Wyatt LLP, Bond Counsel to the School District. A signed copy of that opinion will be delivered to the Underwriter at the time of original delivery. Assuming no change in applicable law prior to the date of delivery of such opinion, the opinion will be substantially in the form attached hereto as APPENDIX F. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of the Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinion subsequent to the date thereof. Certain legal matters will be passed upon for the Underwriter by its counsel, FBT Gibbons LLP.

While Bond Counsel has participated in the preparation of portions of this Official Statement, it has not been engaged to confirm or verify, and expresses and will express no opinion as to the accuracy, completeness or fairness of any of the statements in this Official Statement, including its appendices (other than APPENDIX F), or in any other reports, financial information, offering or disclosure documents or other information pertaining to the School District or the Bonds that may be prepared or made available by the School District or others to the holders of the Bonds or others.

TAX MATTERS

General

In the opinion of Bricker Graydon Wyatt LLP, Bond Counsel, under existing law interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103(a) of the Code, and is not treated as an item of tax preference under Section 57 of the Code for purposes of the alternative minimum tax imposed on individuals; however, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Further, the Bonds are not “private activity bonds” as defined in Section 141(a) of the Code.

Interest on the Bonds, the transfer thereof, and any profit made on their sale, exchange or other disposition, are exempt from the Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district, and joint economic development district income taxes in Ohio. Bond Counsel will express no opinion as to any other tax consequences regarding the Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications made by the Board and others, and the compliance with certain covenants of the School District, to be contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has not and will not independently verify the accuracy of such certifications and representations.

The School District has not designated the Bonds as “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations in order for the interest to be and continue to be so excluded from the date of issuance. Noncompliance with these requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes and thus to be subject to regular federal income tax retroactively to the date of their issuance. The School District has covenanted to take such actions that may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and not to take any actions which would adversely affect that exclusion.

Under the Code, interest on the Bonds may be subject to a branch profits tax imposed on certain foreign corporations doing business in the United States of America and a tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes can have certain adverse federal income tax consequences on items of income or deductions for certain taxpayers, including among them financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, and those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these or other tax consequences will depend upon the particular tax status or other items of income and expenses of the holders of the Bonds. Bond Counsel will express no opinion and make no representation regarding such consequences.

From time to time, legislative proposals are pending in the United States Congress that would, if enacted, alter or amend one or more of the federal tax matters referred to above in certain respects or would adversely affect the market value of the Bonds. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Bonds will not have an adverse effect on the tax status of interest or other income on the Bonds or the market value or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers regarding pending or proposed federal and state tax legislation and court proceedings, as to all of which Bond Counsel expresses no opinion.

Original Issue Discount

Certain of the Bonds may be sold to the public at a price of less than 100% of their face amount (the “Discount Bonds”). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Discount Bonds.

Under present federal income tax law, original issue discount (i.e., the difference between the issue price, as hereinafter defined, of a Discount Bond and the stated redemption price at maturity of such Discount Bond), is treated as accruing (“accreted”) over the term of such Discount Bond. The issue price is the price at which a substantial amount of the Discount Bonds is sold to the public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers). In general, the amount of original issue discount that is to be accreted in each “accretion period” will equal (i) the issue price of that Discount Bond, increased by the amount of original issue discount that has been accreted in all prior accretion periods, multiplied by (ii) the initial offering yield of that Discount Bond reflected on the Cover of this Official Statement (determined on the basis of compounding at the close of each accretion period and properly adjusted for the length of the accretion period), minus interest actually paid during such accretion period. For these purposes, “accretion period” means a six-month period (or shorter period from

the date the Discount Bond was issued) which ends on a day in the calendar year corresponding to the maturity date of that Discount Bond or the date six months before such maturity date.

The amount of original issue discount so accreted in a particular accretion period will be considered to accrete ratably on each day of the accretion period. Such accreted amount is used for purposes of determining the adjusted basis for federal income tax purposes of the holder of such Discount Bond but is not included in such holder's gross income for federal income tax purposes. Consequently, a purchaser who buys a Discount Bond in the initial offering at the issue price and holds such Discount Bond to its maturity would not realize any gain or loss for federal income tax purposes upon payment of the stated redemption price of that Discount Bond at maturity.

Amortizable Bond Premium

Certain of the Bonds may be sold at issue prices greater than the principal amount payable at maturity or earlier call date (the "Premium Bonds"). The following information, which has not been included in the opinion of Bond Counsel, may be helpful to prospective purchasers of the Premium Bonds.

Premium Bonds will be considered to be issuable with amortizable bond premium (the "Bond Premium"). A taxpayer who acquires a Premium Bond in the initial public offering will be required to adjust his or her basis in the Premium Bond downward as a result of the amortization of the Bond Premium, pursuant to Section 1016(a)(5) of the Code. The amount of amortizable Bond Premium will be computed on the basis of the taxpayer's yield to maturity with compounding at the end of each accrual period. Rules for determining (i) the amount of amortizable Bond Premium and (ii) the amount amortizable in a particular year are set forth at Section 171(b) of the Code. No income tax deduction for the amount of amortizable Bond Premium will be allowed to a holder pursuant in Section 171(a)(2) of the Code. The amortization of Bond Premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining other tax consequences of owning the Premium Bonds. A purchaser of a Premium Bond at its issue price in the initial public offering who holds that Premium Bond to maturity will realize no gain or loss upon the retirement of such Premium Bond.

PROSPECTIVE PURCHASERS OF THE DISCOUNT OR PREMIUM BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THE PURCHASE, SALE, TRANSFER, REDEMPTION, PAYMENT, OR OTHER DISPOSITION OF THE DISCOUNT OR PREMIUM BONDS, INCLUDING, WITHOUT LIMITATION, MODIFICATIONS TO THE METHOD FOR ACCRETING ORIGINAL ISSUE DISCOUNT OR AMORTIZING PREMIUM FOR CERTAIN SUBSEQUENT PURCHASERS, AND INCLUDING THE EFFECT OF ANY APPLICABLE STATE OR LOCAL INCOME TAX LAWS.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

Upon delivery of the Bonds, Causey Public Finance, LLC, certified public accountants (the "Escrow Verification Agent") will deliver reports on the arithmetical accuracy of certain computations contained in schedules provided to them by the Underwriter on behalf of the School District relating to (i) computation of forecasted receipts of principal and interest on the securities held in the Escrow Fund to refund the Refunded Bonds and (ii) computation of the yields on the Bonds and the securities held in the Escrow Fund to refund the Refunded Bonds.

Such computations will be based solely on assumptions and information supplied by the Underwriter on behalf of the School District, and the Escrow Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which such computations are based. Accordingly, the

Escrow Verification Agent has not expressed an opinion on the data used, the reasonableness of the assumptions, or the ability to achieve the forecasted outcome.

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from DTC and the School District takes no responsibility for the completeness or accuracy thereof. The School District cannot and does not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners (each as hereinafter defined) (i) payments of interest, principal, or premium, if any, with respect to the Bonds, (ii) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished

by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the School District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the School District or the Bond Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the School District or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as a depository with respect to the Bonds at any time by giving reasonable notice to the School District or the Bond Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed (or otherwise produced) and delivered.

The School District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed (or otherwise produced) and delivered to DTC. (See also “BOOK-ENTRY ONLY SYSTEM – Revision of Book-Entry Only System – Replacement Bonds” herein.)

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

Revision of Book-Entry Only System – Replacement Bonds

The Bond Resolution provides for issuance of fully registered Bonds (the “Replacement Bonds”) directly to owners other than DTC or its nominee only if DTC determines not to continue to act as security depository of the Bonds. In such event, the School District may in its discretion establish a securities depository/book-entry relationship with another qualified securities depository. If the School District does not or is unable to do so, and after appropriate notice to DTC, the School District’s Bond Registrar will authenticate and deliver fully registered Replacement Bonds, in the denominations of \$5,000 or any multiple thereof, to or at the direction of and, if the event is not the result of School District action or inaction, at the expense (including printing costs) of, any persons requesting such issuance. Replacement Bonds may be transferred, registered and assigned only in the registration books of the School District’s Bond Registrar.

TRANSCRIPT AND CLOSING DOCUMENTS

A complete transcript of proceedings for the Bonds, including an appropriate no-litigation certificate (described above under “LITIGATION”), will be delivered by the School District when the Bonds are delivered by the School District to the Underwriter. The School District will at that time also provide to the Underwriter a certificate of the Treasurer, in the form attached hereto as APPENDIX G, addressed to the Underwriter relating to the accuracy and completeness of this Official Statement.

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CONTINUING DISCLOSURE

The School District has agreed for the benefit of the holders and beneficial owners of the Bonds to provide annual financial and operating information in its Annual Report, not later than March 31 of each year, and to provide notices of certain significant events, as listed in the Disclosure Certificate defined below. Concurrently with the delivery of the Bonds, the School District will deliver a certificate of the Treasurer of the School District (the “Disclosure Certificate”), in the form attached hereto as APPENDIX H, describing the nature of the information to be provided, the persons and entities to whom such information will be provided, and the times at which such information will be provided. The School District’s failure to comply with any undertaking contained in the Disclosure Certificate will not constitute an event of default under the Bonds.

The Disclosure Certificate is being signed by the School District to assist the Underwriter in complying with the Rule. Specifically, the School District agrees to provide the Annual Report and notices of certain enumerated events to the Municipal Securities Rulemaking Board (“MSRB”) in the manner and format prescribed by the MSRB.

The School District had seven continuing disclosure undertakings (collectively, the “Undertakings”) that were in effect for all or part of the previous five years. During the previous five years, the School District filed its Annual Reports with the MSRB on a timely basis as required pursuant to the Undertakings. With respect to the School District’s audited financial statements that were released by the State Auditor within the past five years, the School District filed such audited financial statements with the MSRB on the same day of their release by the State Auditor. The School District has retained legal counsel to assist it with complying with the outstanding Undertakings and the Disclosure Certificate.

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CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, they are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the School District from official and other sources and is believed by the School District to be reliable, but information other than that obtained from official records of the School District has not been independently confirmed or verified by the School District and its accuracy is not guaranteed.

Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as or as part of a contract with the original purchasers or holders of the Bonds.

This Official Statement has been duly prepared and delivered by the School District, and executed for and on behalf of the School District by the President and the Treasurer of the Board.

BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY, OHIO

By: _____
President, Board of Education

By: _____
Interim Treasurer, Board of Education

BIG WALNUT LOCAL SCHOOL DISTRICT

GENERAL INFORMATION

Introduction

The School District includes approximately 109 square miles in the eastern portion of Delaware County (the “County”) and is located approximately 15 miles northeast of Columbus, Ohio, and includes the City of Sunbury (the “City”). The School District was established in 1950 through the merger of the former Galena and Sunbury school districts and named after the Big Walnut Creek, which runs through the School District. In 1952, the former Harlem school district was added to the School District.

The School District is an independent political subdivision of the State and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. Under such laws, there is no authority for the School District to have a charter or adopt local laws. The School District is not a part of, or under the control of, the City, the County or any other political subdivision.

According to information supplied by OMAC, the School District contains portions of the assessed valuation of other political subdivisions, as shown in the following table.

Overlapping Subdivisions Big Walnut Local School District		
Overlapping Subdivision	Percent of Subdivision's Assessed Valuation within the School District	Percent of School District's Assessed Valuation within the Subdivision
<i>County</i>		
Delaware County	12.88%	100.00%
<i>Other Subdivisions</i>		
City of Sunbury	98.80%	19.38%
Village of Galena	100.00	5.24
Berkshire Township	74.92	23.60
Genoa Township	17.62	16.45
Harlem Township	96.67	18.17
Kingston Township	59.28	5.29
Porter Township	64.49	5.28
Trenton Township	99.06	12.61
Delaware Career Center JVSD	15.38	100.00
Big Walnut School Dist. Library Dist.	100.00	100.00
BST&G Fire District	86.44	54.82
Delaware County 9-1-1	14.30	100.00
Delaware County Health District	14.30	100.00
Delaware-Morrow Co. Mental Health Dist.	11.71	100.00
Porter-Kingston Fire District	61.77	10.57
Preservation Park District of Delaware Co.	12.88	100.00

Source: Ohio Municipal Advisory Council

Map of Geographic Area



School District Officials

The legislative power of the School District is vested in the Board of Education (the “Board”), consisting of five members elected at large for staggered four-year terms. The Board meets regularly on the third Monday of each month unless scheduled otherwise. At the first meeting of each year, the Board elects a president and a vice president from its membership, each to serve a one-year term. The Board employs a Superintendent who serves as the chief executive officer for the Board and a Treasurer who serves as the chief financial officer for the Board.

School District Officials Big Walnut Local School District

Official	Office	Expiration of Current Term	Beginning of Tenure
Stephen P. Fujii	Board President	12/31/2027	01/01/2020
Molly Snodgrass	Board Vice President	12/31/2029	01/01/2026
Zach Duffey	Board Member	12/31/2027	01/01/2024
Angela Graziosi	Board Member	12/31/2029	01/01/2022
Jessica Parent	Board Member	12/31/2029	01/01/2026
Ryan McLane	Superintendent	Contract	08/01/2022
J. Scott Gooding II	Interim Treasurer	Contract	03/05/2024

Source: Big Walnut Local School District

School District Employees

The School District currently has approximately 301 certified employees (including 261 teachers), 184 classified employees, and 36 administrative employees. In Fiscal Year 2025, salaries accounted for 57% of the School District’s operating expenditures, while fringe benefits accounted for 22% of the School District’s operating expenditures. In the opinion of the School District’s officials, labor relations are excellent.

Licensed Staff

The licensed/certified teaching staff is represented by the Big Walnut Education Association (“BWEA”) in labor negotiations with the School District. This bargaining unit includes all classroom teachers, counselors, special teachers, and certain other educational support personnel. The BWEA is affiliated with the Ohio Education Association and the National Education Association. The most current labor contract with the BWEA is effective July 1, 2025 through June 30, 2028. In addition to step increases, the contract grants salary increases of 5.00% for 2025-2026, 4.00% for 2026-2027, and 4.00% for 2027-2028.

Classified Staff

Classified staff includes secretarial, clerical, custodial and cafeteria workers, as well as bus drivers and other non-teaching, non-administrative personnel.

The classified staff is split into three different bargaining units: (i) Local 524, affiliated with the Ohio Association of Public School Employees, represents bus drivers, mechanics and custodial employees; (ii) the Big Walnut Professional Support Staff Association (“BWPSSA”), affiliated with the Ohio Education Association and the National Education Association, represents support staff; and (iii) Local 696, affiliated

with the Ohio Association of Public School Employees, represents food service employees. The current labor contracts with all three are effective July 1, 2025 through June 30, 2028. The contract with Local 524 granted salary increases of 5.00% for 2025-2026, 4.50% for 2026-2027, and 4.25% for 2027-2028. The contract with the BWPSSA granted salary increases of 5.00% for 2025-2026, 5.00% for 2026-2027, and 4.25% for 2027-2028. The contract with Local 696 granted salary increases of 5.00% for 2025-2026, 4.25% for 2026-2027, and 4.00% for 2027-2028. All three contracts also include step increases.

Pension Obligations

Present and retired employees of the School District are covered under two statewide public retirement (including disability retirement) systems. The State Teachers Retirement System (the “STRS”) is applicable to all teachers, principals, supervisors and administrators employed by the School District who are required to hold a license issued by the Department pursuant to the Revised Code. Other eligible employees are covered by the School Employees Retirement System (the “SERS”). Pursuant to federal law, all School District employees hired after March 31, 1986 are required to participate in the federal Medicare program which currently requires employee and employer contributions each equal to 1.45% of the employee’s wages subject to the Federal Insurance Contribution Act (“FICA”) wage limit. Otherwise, School District employees are not presently covered under the Federal Social Security Act.

STRS and SERS are not presently subject to the funding and vesting requirements of the Federal Employee Retirement Income Security Act of 1974.

Both STRS and SERS were created by and operate pursuant to Ohio law. Ohio’s General Assembly could determine to amend the format of either system and could revise rates or methods of contribution to be made by the School District into the pension funds and revise benefits or benefits levels.

For more information on the School District’s net pension liability, see the audited financial statements for the Fiscal Year ended June 30, 2024 attached hereto as APPENDIX C-1.

School District Facilities

The School District presently operates the following school buildings:

School District Facilities Big Walnut Local School District							
Name of Building	Group/ Grades Housed	Enrollment (2025– 26)	Capacity	Number of Teachers	Pupil/ Teacher Ratio	Year Building Completed	Year(s) of Additions/ Renovations
Early Learning Center	PreK	137	265	6.0	22.8	1926	1957, 1991, 2021
Hylan Souders Elementary	K-3	279	407	21.0	13.3	1974	2004, 2021
Big Walnut Elementary	K-3	301	405	20.0	15.1	1969	2006, 2023
General Rosecrans Elementary	K-3	317	500	21.0	15.1	2010	--
Prairie Run Elementary	K-3	338	500	23.0	14.7	2021	--
Big Walnut Intermediate School	4-5	678	700	40.0	17.0	2011	--
Big Walnut Middle School	6-8	1,073	1,100	60.6	17.7	1991	2006, 2021
Big Walnut High School	9-12	1,335	1,851	69.4	19.2	2022	--
Total		4,458	5,728	261.0	17.1		

Source: Big Walnut Local School District

Enrollment

The School District's daily average enrollments for past and current school years, together with projected enrollments for future school years, are shown below.

Actual and Projected Enrollment Big Walnut Local School District

Grade	2022-23	2023-24	2024-25	2025-26	2026-27*	2027-28*	2028-29*
Pre-K	147	158	149	128	149	149	149
K	303	275	299	273	356	319	345
1	315	316	280	311	310	374	334
2	305	321	329	282	328	322	390
3	330	307	322	342	300	338	332
4	326	336	316	326	348	309	348
5	317	323	344	330	344	359	319
6	301	316	342	354	337	356	372
7	308	306	316	360	363	343	362
8	330	312	312	324	356	370	350
9	344	325	312	317	324	357	371
10	284	341	326	318	317	329	362
11	319	289	333	333	317	318	329
12	257	302	274	326	310	300	300
Other	2	1	7	9	8	8	8
Online	89	116	126	125	--	--	--
Totals	4,277	4,344	4,387	4,458	4,467	4,551	4,671

* Projected.

Source: School District

Community School

The School District does not serve as a sponsor for a community school established under Revised Code Chapter 3314.

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Open Enrollment

The School District does not allow students to open-enroll in the School District. The School District does not anticipate significant changes to open enrollment in the next five years.

Educational Program

Mission Statement

The mission of the Big Walnut Local Schools is to inspire and guide each student to his or her maximum potential.

Vision Statement

The School District strives to achieve their mission and vision through a:

- Student-focused, professional, collaborative staff
- Student-focused, challenging and current curriculum
- Supportive, involved and informed community
- Safe, respectful and welcoming environment

Educational Program Overview

The School District, which enrolls approximately 4,400 students, provides educational programming for students in pre-Kindergarten through 12th grade.

The School District provides a challenging and dynamic learning environment that fosters excellence, opportunity and innovation in meeting the educational needs of its students and community. Under the State's previous rating system, the School District consistently received "Excellent" designations; under the current rating system, the School District received four of out five stars, including five out of five for graduation metrics. The scope and sequence of curriculum has led students to high achievement in all areas of standardized testing, including the Ohio Graduation Test and the American College Test ("ACT").

A diverse and rigorous curriculum has been designed to meet and exceed state and national standards for student learning and achievement. Special Education and Gifted programs meet the unique needs of learners at all levels, while expecting excellence from all.

State Performance Standards

The Department issues annual report cards for traditional K-12 school districts and each of their individual buildings, including STEM and community schools, other than dropout and recovery schools. The report cards assign one to five stars to the school districts and their individual schools in up to six categories of performance components. The performance components include achievement, progress, gap closing, graduation, early literacy and college, career, workforce and military readiness. There is also an overall performance rating for school districts. The School District's complete report card and information about the State's report card methodology more generally can be obtained from the Department at <https://reportcard.education.ohio.gov>.

Comparative Position of the School District

The following tables compare the School District with its similar school district cohort (as defined by the Department) and the State average in the areas of sources of revenue, expenditures by category, and teacher statistics.

Sources of Revenue, 2024-2025 Big Walnut Local School District

	School District	Similar Districts	State
State Revenue	17.2%	25.2%	37.0%
Local Revenue	70.9	62.6	46.8
Other Non-Tax Revenue	8.5	8.8	7.9
Federal Revenue	3.3	3.5	8.3

Source: Ohio Department of Education and Workforce

Expenditures by Category, 2024-2025 Big Walnut Local School District (Dollars per Pupil)

	School District	Similar Districts	State
Administration	\$2,038	\$1,826	\$2,328
Building Operations	2,992	2,882	3,380
Instruction	8,778	8,728	9,997
Pupil Support	914	975	1,281
Staff Support	315	556	622
Total Spending Per Pupil*	\$15,037	\$14,966	\$17,609

* Totals may not sum due to rounding.

Source: Ohio Department of Education and Workforce

Teacher Statistics, 2024-2025 Big Walnut Local School District

	School District	Similar Districts	State
Teachers' Salaries			
Average teacher salary	\$70,495	\$73,167	\$70,816
Teaching Experience			
0-4 years	13.5%	13.1%	13.7%
4-10 years	13.5	13.4	13.8
10 + years	73.0	73.5	72.5

Source: Ohio Department of Education and Workforce

ECONOMY AND EMPLOYMENT

Economic Development

The County has experienced exponential growth during the past decade with an estimated population of 231,636 in 2023, according to the United States Bureau of the Census (the “Census Bureau”). The County is one of the fastest growing counties in the State, having more than doubled in population since 2000, and it is recognized as one of the most rapidly growing counties in the nation. The County has had the highest median household income in the State since 1993. According to the U.S. Census Bureau, 2023 American Community Survey, the County’s median family income of \$153,705 ranks it 25th nationwide (out of 3,142 counties).

The County is part of the Columbus Metropolitan Statistical Area, which is among the more economically stable metropolitan areas in the United States. Further, the City of Columbus is one of the fastest growing cities in the Midwest. A strong residential, commercial and industrial tax base, a diverse labor force, and low unemployment rates have resulted in strong growth throughout the metropolitan area, as well as in and around the School District. The County’s annual average unemployment rate has consistently been below the State and national averages, and the County has the highest owner-occupancy rates and median home values in the State.*

The County is serviced by excellent transportation infrastructure, including Interstate 71 and convenient rail service from CSX and Norfolk Southern. CSX operates daily freight service from the City of Columbus to Detroit, Michigan, passing through the County. Norfolk Southern also provides daily freight service through the County.

The commercial tax base of the County continues to grow at a robust pace. The Polaris Development, located in the southern region of the County, provides the largest concentration of office and retail development. The cornerstones of the Polaris development include the 1,500,000 square foot Polaris Fashion Mall and the 1,200,000 square foot J.P. Morgan Chase office complex. During the next 25 years, the total market value of the Polaris Development is projected to approach \$1 billion. Also, the Westar Commercial Area located just east of Polaris has expanded during recent years. Ohio Health has a medical facility in this area, including sports medicine services, and hotels and retail are located within this development. In recent years, the County, City of Columbus, City of Westerville and the Ohio Department of Transportation invested approximately \$12 million to expand the transportation network in this area.

With a population of 6,614 at the 2020 census, the former Village of Sunbury gained enough residents to reach the status of “city.” In conjunction with its increased population, in November of 2019 voters approved a municipal charter, which allows the City to more fully exercise its home rule powers under the Ohio Constitution. In 2020, the City was the second fastest growing community in Ohio, according to the Census Bureau.

Within the City and within the School District, an area near the interchange of Interstate 71 and State Routes 36/37 is home to a Tanger Outlets, which opened in June 2016. Tanger Outlets was jointly developed by the Indianapolis-based Simon Property Group and the North Carolina-based Tanger Outlets. The outlet mall includes a 350,000 square foot retail facility, which has increased the County’s sales tax revenues, created new jobs, and enhanced local infrastructure networks. Certain real property taxes generated by the mall development with respect to the mall parcel are diverted through a tax increment financing program to pay for related infrastructure. In addition, the School District accepted a \$1,000,000

* Delaware County Economic Development, October 2024 Housing Report.

donation from Tanger Outlets’ developers payable over a ten-year period to partially offset property taxes diverted as part of the same tax increment financing program.

In November of 2024, it was announced that Amazon has selected the City as the next location for its expanding data center operations in central Ohio. The \$2 billion investment is expected to create 50 jobs and is projected to begin operations in 2034.

The County as a whole also provides a number of educational and recreational opportunities to the citizens of the School District. In the nearby City of Delaware, the campus of Ohio Wesleyan University, a small liberal arts university, offers public memberships to its Rickey Physical Education Center. In addition, a number of State, County, and municipally-managed parks are located in the County, as well as various private and public golf courses. The County is also home to the Columbus Zoo and Aquarium.

Within an easy commuting distance from the School District are several public and private two-year and four-year colleges and universities, providing a wide range of educational opportunities. These include The Ohio State University, Capital University, Ohio Wesleyan University, Otterbein University, Ohio Dominican College, Franklin University, Columbus State Community College, DeVry Institute of Technology and the Methodist Theological School in Ohio. The Delaware Area Career Center offers evening courses and adult education courses in the County.

Labor Force Statistics

Unemployment and labor force statistics specific to the School District are not available. The County and MSA information presented in this section is included for informational purposes only. It should not be inferred from the inclusion of such data in this Official Statement that the County or the MSA are representative of the School District, or vice versa. The following statistics are not seasonally adjusted.

Area Unemployment Rates (annual percentages)					Labor Force (in thousands)	
Year	Delaware County	MSA	State	United States	Year	Delaware County
2020	5.4	7.1	8.2	8.1	2020	112.1
2021	3.7	4.7	5.1	5.3	2021	113.9
2022	3.0	3.4	4.0	3.6	2022	115.2
2023	2.8	3.1	3.5	3.6	2023	116.5
2024	3.6	4.0	4.3	4.0	2024	126.3
2025*	4.2	4.7	5.1	4.3	2025*	127.9

Source: Ohio Department of Job and Family Services,
Bureau of Labor Market Information

* Preliminary average through August 2025.

Largest Employers

The following table lists the largest employers in Delaware County. It should not be inferred from the inclusion of such data in this Official Statement that the School District is representative of the County, or vice versa.

Largest Employers Delaware County			
Rank	Firm	Number of Employees	Industry
1	J.P. Morgan Chase and Co.	12,400	Financial Services
2	Olentangy Local School District	3,190	Education
3	The Kroger Company	1,487	Grocery and Retail
4	Delaware County	1,298	County Government
5	Mettler Toledo	1,070	Manufacturing
6	Delaware City School District	1,020	Education
7	Elevance Health, formerly Anthem	899	Insurance
8	Ohio Health (Grady Memorial Hospital)	815	Healthcare
9	DHL Supply Chain, formerly Excel Inc.	788	Logistics/Supply Chain
10	McGraw Hill	749	Publishing

Source: Delaware County, 2024 Annual Comprehensive Financial Report.

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The following table lists the 50 largest employers in the MSA as of October 2025. It should not be inferred from the inclusion of such data in this Official Statement that the MSA is representative of the School District, or vice versa.

**Largest Employers
Columbus MSA**

Rank	Firm	Number of Employees	Industry
1	The Ohio State University	36,433	Education
2	OhioHealth Corp.	28,115	Healthcare
3	State of Ohio	24,264	State government
4	JPMorgan Chase & Co.	18,242	Banking & financial services
5	Nationwide Children's Hospital	16,411	Pediatric healthcare
6	The Kroger Company	14,000	Retail grocery
7	Nationwide Mutual Insurance Company	11,000	Insurance & financial services
8	City of Columbus	9,202	Government
9	Columbus City School District	9,000	Education
10	Amazon.com, Inc.	7,558	Online retailer/cloud computing
11	Honda North America, Inc.	7,500	Auto manufacturing
12	Mount Carmel Health System	7,041	Healthcare
13	Franklin County	6,301	Government
14	Victoria's Secret & Co.	5,091	Specialty retailer
15	Huntington Bancshares Inc.	4,872	Banking & financial services
16	Cardinal Health Inc.	4,275	Healthcare products & services
17	American Electric Power Company Inc.	4,210	Electric power utility
18	DHL Supply Chain	3,461	Logistics
19	South-Western City School District	3,392	Education
20	Columbus State Community College	3,147	Education
21	Dublin City School District	2,963	Education
22	Giant Eagle Inc.	2,869	Retail grocery
23	FedEx Corp.	2,710	Logistics
24	Defense Logistics Agency Weapons Support	2,700	Military logistics
25	Licking Memorial Health Systems	2,615	Healthcare
26	Cameron Mitchell Restaurants LLC	2,286	Restaurants and catering
27	NetJets Inc.	2,200	Private aviation
28	I Am Boundless, Inc.	2,149	Healthcare
29	Bread Financial Holdings, Inc.	2,144	Financial services
30	Ohio Living	2,127	Senior living/healthcare
31	Fairfield Medical Center	1,951	Healthcare
32	United Parcel Service	1,949	Logistics
33	UnitedHealth Group Inc.	1,781	Healthcare insurance
34	Abbott Laboratories/Abbott Nutrition	1,768	Nutrition research and products
35	Battelle Memorial Institute	1,754	Technology & research development
36	Abercrombie & Fitch Company	1,700	Retail clothing
37	Quantum Health	1,699	Healthcare navigation services
38	Gap Inc.	1,600	Retail clothing
39	Eddie Bauer	1,500	Retail clothing fulfillment services
39	Vertiv Holdings Co.	1,500	Information technology
41	Delaware County	1,492	Government
42	CVS Health Corp.	1,430	Pharmacy & healthcare
43	Stanley Electric U.S. Co., Inc.	1,303	Automotive parts manufacturing
44	Gahanna-Jefferson City School District	1,300	Education
45	YMCA of Central Ohio	1,289	Social services
46	ODW Logistics, Inc.	1,260	Logistics
47	TS Tech Americas Inc.	1,254	Automotive parts manufacturing
48	Target Corp.	1,240	Retail distribution
49	Worthington Enterprises, Inc.	1,230	Consumer/building manufacturing
50	PNC Financial Services Group, Inc.	1,225	Banking & financial services

Sources: *Columbus Business First*. Data as of October 2025. Data obtained separately from the Columbus City School District and Franklin County for their respective totals.

SCHOOL DISTRICT PROPERTY TAX BASE

Ad Valorem Taxes and Assessed Valuation

Overview

For property taxation purposes, assessment of real property is performed on a calendar year basis by the elected County Auditor subject to supervision by the Tax Commissioner, and assessment of public utility tangible personal property is performed by the Tax Commissioner. Property taxes are billed and collected by the County Treasurer.

Taxes collected from real property in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Public utility tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of that second year preceding the tax collection year.

The General Assembly spent a significant amount of time during 2025 debating the need for property tax reform in Ohio, including during the deliberations over Amended Substitute H.B. 96 (“HB 96”), the State’s biennial budget bill. The Governor decided to veto several of the most significant property tax reforms contained in HB 96, although the General Assembly ultimately overrode one of the Governor’s vetoes (veto #66). Changes to State property tax levy law that resulted from HB 96 (including the override of veto 66) included barring city, local, or exempted village school districts from (1) placing a new current expense levy on the ballot if their general fund carryover balance in the preceding fiscal year is 100% or more of their general fund expenditures in the preceding fiscal year; (2) renewing a property tax levy with an increase in taxes (standard renewals and renewals with a decrease in taxes are both still permitted); and (3) all variations of replacement levies, which were also eliminated for all other local governments.

Over the course of 2025, legislators in the General Assembly introduced various proposed bills that would affect ad valorem property taxation in the State. While some of these proposals were more narrow and targeted at more limited issues, some would have a substantial impact on property tax law if implemented. As recipients of generally the largest share of property taxes across the State, school districts stand to be the most impacted by these various proposals. Subsequent to the passage of HB 96, the General Assembly’s efforts to reform property tax law coalesced around five bills that were enacted. Those five bills will go into effect on March 19, 2026 and are summarized in the following table.

2025 Property Tax Reform Legislation

Bill	Summary of Primary Provisions
Am. HB 124	Modifies process for property tax sales-assessment ratio studies – shifts more responsibility/authority to county auditors and away from the Department of Taxation
Sub. HB 129	Beginning with tax year 2026 (collection year 2027), includes fixed-sum emergency and substitute levies in the 20-mill floor calculation beginning with the first tax year that a sexennial reappraisal or triennial update goes into effect (see “SCHOOL DISTRICT PROPERTY TAX BASE – Property Tax Rate Calculations” for more information on the 20-mill floor); allows school districts to renew existing emergency and term-limited substitute levies as fixed-sum levies for five-year terms with further renewals also permitted, which overturns a prohibition on the renewal

	of such levies contained in HB 96 (continuing substitute levies are unaffected and remain in force); permits certain school district to propose new emergency levies in disaster or fiscal distress situations
Sub. HB 186 ("HB 186")	Caps property tax growth at the 20-mill floor using inflation (GDP deflator); retroactive tax credit for taxpayers in counties that a sexennial reappraisal or triennial update in tax years ("TY") 2023 and 2024, but guarantees that school districts impacted by this tax credit receive the same amount of property taxes that they received in TY 2024 (guarantee applies to TY 2025 collections for TY 2023 reappraisal/update counties and TY 2025 and TY 2026 collections for the TY 2024 reappraisal/update counties); does <u>not</u> adjust the School Foundation Program funding formula to account for the reduction in property tax revenue; creates three separate rollback structures for Class I property: (1) owner-occupied residential (increased over four years), (2) non-owner-occupied residential (phased out over four years), and (3) agricultural (no change) (see "SCHOOL DISTRICT PROPERTY TAX BASE – Property Tax Rate Calculations" for more information on the current State law with respect to rollbacks)
Sub. HB 309 ("HB 309")	County budget commissions ("CBCs") are granted authority to reduce the amount or rate of a tax levy (other than bond levies) if the CBC determines the reduction is necessary to avoid "unnecessary" or "excessive" collections"*; a public hearing by a CBC is required before any reduction; a CBC cannot reduce a levy below what it collected in the prior year unless there are reserve accounts, nonexpendable trust funds, or carryover amounts to offset the reduction; new voter-approved tax levies are only protected from reduction by a CBC during the first year of collection, while renewed levies can be reduced by a CBC at any time
Sub. HB 335	Beginning with TY 2026, in a county's reappraisal or update year, (1) requires CBCs to adjust the rate of each inside (unvoted) millage levy to limit any increase in revenue to GDP deflator growth over the three previous years, or (2) if an increase in inside millage levy revenue is less than the GDP deflator but greater than the previous year, than each taxing unit receiving inside millage must adopt legislation by November 1 requesting the increased revenue up to the rate certified and demonstrating the need for the higher rate, which a CBC may approve, partially approve, or deny. These inside millage adjustments do not apply when an increase in taxes results from real property being added to the tax duplicate since the preceding year, such as from new construction or the expiration of abatements.

* HB 309 defines "unnecessary collections" as "collections from a tax beyond the reasonably anticipated financial needs of the taxing authority for the specific purposes of the tax after accounting for current fund balances, projected expenditures, and other available funding sources." HB 309 defines "excessive collections" as "collections from a tax in an amount or at a rate that exceeds what is required to provide services at a level that is consistent with statutory obligations."

More information on each bill, including the text of each bill, can be found at the General Assembly's website at: <https://www.legislature.ohio.gov/legislation/search?generalAssembly=136>. (See also "INVESTMENT CONSIDERATIONS – Considerations Regarding Real and Property Tax Reform" herein.)

Real Property

The “assessed valuation” of real property is fixed at 35% of true value and is determined pursuant to rules of the Tax Commissioner, except that real property devoted exclusively to agricultural use is assessed at not more than 35% of its current agricultural use value. Certain homeowners receive a property tax exemption on a portion of the market value of their homestead. (See “SCHOOL DISTRICT PROPERTY TAX BASE – Property Tax Rate Calculations” for a discussion of the homestead exemption.)

Ohio law requires the County Auditor, subject to supervision by the Tax Commissioner, to adjust the true value of taxable real property every six years to reflect current fair market values. This “sexennial reappraisal” is done by individual appraisal of properties. In the third year following a sexennial reappraisal, the County Auditor, again subject to supervision by the Tax Commissioner, performs a “triennial update” to adjust the value of taxable real property to reflect true values. The triennial update is done without individual appraisal of properties, but with reference to a sales-assessment ratio over the three-year period.

The Ohio Department of Taxation announced in January 2026 that it was delaying the sexennial reappraisal of 16 counties by one tax year to better rebalance all 88 counties across the six-year reappraisal cycle. This rebalancing included the County, which will have its next sexennial reappraisal moved from tax year 2029 (collection year 2030) to tax year 2030 (collection year 2031).

Personal Property

The State formerly imposed a broad personal property tax on property used in business. However, due to changes in State law, most business tangible personal property has been excluded from this tax since tax year 2009. Unlike most business personal property, public utility tangible personal property was not subject to the personal property tax repeal referenced above and remains subject to tax under State law. Unless an exemption or abatement program applies, all public utility tangible personal property is assessed at varying percentages of its true value depending on the type of property and type of utility.

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Tax Abatements and Economic Development Incentives

Tax abatements are temporary property tax exemptions designed to stimulate economic growth or to promote other activities deemed by the State to be in the public interest. Under Ohio law, tax abatements may be granted for urban renewal projects, community redevelopment corporations, community reinvestment areas, property acquired by municipal corporations engaged in urban redevelopment, enterprise zones, railroad property, and for any improvements declared to serve a “public purpose” in municipalities, townships, and counties.

Because the burden of tax abatements falls disproportionately on school districts due to their reliance on property taxes, the State has created safeguards that allow school districts to protect their interests. First, a school district must be given advance notice of a planned abatement, and it must be allowed to comment on the abatement prior to its granting. Under certain circumstances, a board of education may “veto” a proposed tax abatement and/or negotiate an annual compensation payment. Second, school district representatives sit on tax incentive review councils to monitor compliance with tax abatement agreements and make recommendations on abatements to the governmental entity involved. Finally, municipalities with an income tax in place must negotiate a compensation agreement with a school district if a tax abatement is expected to generate a significant amount of increased payroll to the area.

The School District actively partners with the Village of Galena and the City to protect School District revenue in connection with development projects. For example, with respect to certain residential developments, the Village of Galena and the City have agreed to establish new community authorities generally providing the equivalent of four mills of property taxes for the School District.

The School District is receiving a \$1,000,000 annual contribution over a ten-year period (2017-2027) from the developers of the Tanger Outlets mall that is located in the School District. The developers are making this contribution during the ten-year period of 75% tax increment financing for the Tanger Outlets development. The current tax value of the mall, according to the Delaware County Auditor, is \$105,900,000. Due to incentives currently applicable to the mall, the School District receives 25% of the property taxes otherwise payable from the mall. Other payments made by the mall owner to compensate the School District for a portion of the abatement are described in “ECONOMY AND EMPLOYMENT – Economic Development.

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Assessed Valuation

The following table classifies the School District's assessed valuation of taxable property according to use:

Assessed Valuation
Big Walnut Local School District
(2026 Collection Year)

Property Classification	Amount	Percent of Total Assessed Valuation
<i>Real Property*</i>		
Class I (Residential/Agricultural)	\$1,588,961,200	85.86%
Class II (Commercial/Industrial/Other)	<u>126,031,060</u>	<u>6.81</u>
Total Real Property	\$1,714,992,260	92.67%
<i>Personal Property</i>		
Public Utility Personal	\$135,606,820	7.33%
Total Assessed Valuation	\$1,850,599,080	100.00%

Source: Delaware County Auditor

* Property taxes collected in a calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year. Real property is assessed at 35% of market value and reappraised every six years, with triennial updates every three years.

Historic Change in Assessed Valuation
Big Walnut Local School District

Tax Collection Year	Assessed Valuation	Percent Change Over Prior Year
2016	\$ 810,242,550	14.41
2017	857,940,310	5.89
2018 *	941,412,280	9.73
2019	977,271,300	3.81
2020	1,017,953,530	4.16
2021 †	1,148,765,590	12.85
2022	1,195,844,590	4.10
2023	1,251,268,900	4.63
2024 †	1,686,374,450	34.77
2025	1,774,007,700	5.20
2026	1,850,599,080	4.32

Source: Delaware County Auditor

* Year of sexennial reappraisal.

† Year of triennial update.

Largest Taxpayers

The following tables list the largest real estate and public utility taxpayers in the School District. Percentages of total assessed valuation are based on a total assessed valuation of \$1,850,599,080 for the 2026 collection year.

Largest Taxpayers Big Walnut Local School District (2026 Collection Year)

Real Estate Taxpayers

Name	Type of Business	Assessed Valuation	Percent of School District's Total Assessed Valuation
AMH Development LLC	Residential Real Estate	\$11,894,850	0.64%
Northstar Residential Development LLC	Real Estate/Development	9,947,080	0.54
Columbus Outlets LLC*	Retail	9,517,960	0.51
Berkshire Holdings I LLC	Apartment Complex	9,178,650	0.50
Sunbury Commons Property LLC	Apartment Complex	7,489,690	0.40
Rushmore OH Partners LLC	Apartment Complex	6,954,470	0.38
Karapacha Farms LLC	Agriculture	4,379,220	0.24
Cockrell, Margaret Ann	Agriculture	4,347,690	0.23
The Inn at Walnut Trail Limited	Nursing Home	4,228,000	0.23
Genoa Baptist Church**	Religious Complex	4,192,480	0.23

Public Utility Taxpayers

Name	Type of Business	Assessed Valuation	Percent of School District's Total Assessed Valuation
AEP Ohio Transmission Inc.	Utility Transmission	\$90,112,450	4.87%
Ohio Power Co.	Electric Utility	31,516,260	1.70
Columbia Gas of Ohio	Natural Gas Utility	8,476,060	0.46
Consolidated Electric Cooperative Inc.	Electric Utility	4,363,980	0.24

* Property is subject to tax increment financing.

** While there is not currently an application to receive exempt status for this property, there is a likelihood such exemption will be sought in the future.

Source: Delaware County Auditor

History of Voted Taxes

The table below provides the history of voted taxes in the School District for the past 20 years. The table excludes operating levies for the Community Library, but bond issues for the library are included. Issues listed in bold were passed by the voters.

History of Voted Taxes Big Walnut Local School District

Election Date	Levy or Bond Issue Description	% Voting For	% Voting Against
11/04/2025	\$19,000,000 Library Facilities Bond Issue	55.36%	44.64%
03/17/2020	\$4,900,000 (5.45 Mills*) Substitute (Emergency) Levy (Continuing)	55.09	44.91
11/07/2017	\$108,000,000 Bond Issue and 1.25 Mills Permanent Improvement Levy (New – Continuing)	51.19	48.81
11/08/2016	\$133,900,000 Bond Issue	46.17	53.83
05/05/2015	\$4,900,000 (6.90 Mills*) Emergency Levy (Renewal - 5 years)	68.97	31.03
11/02/2010	\$4,900,000 (7.50 Mills*) Emergency Levy (New – 5 years)	50.77	49.23
05/04/2010	7.50 Mill Emergency Levy (New – 5 years)	49.19	50.81
11/03/2009	6.70 Mill Emergency Levy (New – 5 years)	49.73	50.27
11/04/2008	\$30,000,000 Bond Issue	53.54	46.46
05/02/2006	\$750,000 (1.25 Mills*) Emergency Levy (New – 5 years)	53.46	46.54

* Millage estimated prior to the election date. For emergency levies that were approved by voters, the actual millage collected varies depending on the millage necessary to generate the fixed-sum amount of the emergency levy.

Source: Ohio Municipal Advisory Council

The Library passed a five-year, 1.00 mill operating levy at the November 2014 election. This levy was subsequently renewed for a five-year term at the November 2019 election and replaced for a five-year term at the November 2023 election.

The School District does not anticipate placing any new operating, emergency or permanent improvement tax levies or additional income taxes on the ballot within the next five years.

Property Tax Rates and Collections

The following table contains the rates (in mills per \$1.00 of assessed valuation) at which the School District levied ad valorem taxes for the general categories of purposes in recent years (without the reduction factor discussed below).

Property Tax Rates Big Walnut Local School District

Collection Year	Operating*	Debt Retirement	Permanent Improvement	Total
2018	33.98	3.62	1.25	38.85
2019	33.95	4.97	1.25	40.17
2020	33.94	7.82	1.25	43.01
2021	33.32	7.82	1.25	42.39
2022	33.26	7.82	1.25	42.33
2023	33.22	7.70	1.25	42.17
2024	32.12	5.40	1.25	38.77
2025	32.08	5.10	1.25	38.43
2026	32.05	5.38	1.25	38.68

* Includes inside millage and outside (voted) millage.

Source: Ohio Department of Taxation

The School District's total operating millage of 32.05 mills for collection year 2026 includes voted operating levies of 27.45 mills, all of which were approved by the School District electorate for a continuing period of time and which do not require a renewal vote. The remaining 4.60 mills of operating millage constitutes the School District's mandated share of the ten mills authorized to be levied without a vote of the electors of the School District. (See "SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS – Statutory Debt Limitations Generally – Indirect Debt Limitation" herein.)

The following table identifies the historical tax collections for the School District:

Property Tax Collections Big Walnut Local School District

Tax Collection Year	Assessed Valuation	Taxes Levied	Taxes Collected (including delinquent taxes)	Collection Rate
2020	\$1,017,953,530	\$36,267,683	\$36,409,798	100.39%
2021	1,148,765,590	39,914,523	39,773,650	99.65
2022	1,195,844,590	41,745,381	41,487,951	99.38
2023	1,251,268,900	42,997,419	43,158,598	100.37
2024	1,686,374,450	51,402,178	51,542,834	100.27
2025	1,774,007,700	53,515,147	53,577,434	100.12
2026	1,850,599,080	56,089,594	N/A	N/A

Source: Delaware County Auditor

Property Tax Rate Calculations

State law has a “reduction factor” mechanism that is intended to negate increases in taxes resulting from increases in the true value of real property due solely to inflation. Legislation implementing a 1980 constitutional amendment classifies real property as either (i) residential and agricultural or (ii) all other real property, and provides for tax reduction factors to be separately computed for and applied to each class.

Statutory procedures limit the amount realized by each taxing subdivision from real property taxation, by the application of a tax reduction factor, to the amount realized from those taxes in the preceding year plus: (i) the proceeds of any new taxes (other than renewals) approved by the electors, calculated to produce an amount equal to the amount that would have been realized if those taxes had been levied in the preceding year, and (ii) amounts realized from new and existing taxes on the assessed valuation of real property added to the tax duplicate since the preceding year. Such limitations are expressly inapplicable to amounts realized from taxes levied at a rate required to produce a specified amount, such as for debt service charges or emergency school levies, and from taxes levied inside the ten-mill limitation or any applicable municipal charter tax rate limitation. Further, such limitations will not reduce operating millage for school districts below 20 mills (the “20-mill floor”) or for joint vocational school districts below two mills. For collection year 2026, the School District is at the 20-mill floor for Class I and Class II real property because none of its operating levies are subject to reduction factors. See “INVESTMENT CONSIDERATIONS – Considerations Regarding Real Property Tax Reform” and “SCHOOL DISTRICT PROPERTY TAX BASE – Ad Valorem Taxes and Assessed Valuation – Overview” herein for more information on five property tax reform bills that were recently enacted, and particularly HB 186 that will change the calculation of the 20-mill floor.

A reduction factor is computed for each separate levy that is subject to the limitation. A resulting “effective tax rate” reflects the aggregate of those reductions and is the rate at which real property taxes are, in fact, collected. Real property tax amounts from property devoted to residential and agricultural purposes are, in certain cases, further reduced by:

(a) property tax rollbacks, which for tax year 2025/collection year 2026 include a 10% reduction or “rollback” for residential and agricultural (non-commercial) properties and an additional 2.5% reduction or “rollback” for owner-occupied residential property; such reductions do not apply to (1) new levies, (2) replacement levies, or (3) the increase portion of a renewal levy combined with an increase that are approved by voters after September 29, 2013; and

(b) the homestead exemption*, which provides a reduction in a homestead’s market value available to (1) certain homeowners 65 years of age or older or disabled resident homeowners, (2) disabled veterans or (3) the surviving spouse of a public service officer, which includes police officers, firefighters, and other first responders, who died in the line of duty or as a result of an injury or illness sustained in the line of duty. The Tax Commissioner adjusts both income restrictions and exemption reduction values annually for inflation.

These reductions are reimbursed to taxing subdivisions by the State.

HB 186, which will be effective on March 19, 2026, changes the rollback structure for non-commercial and owner-occupied residential properties beginning in tax year 2026/collection year 2027. The owner-occupied rollback will increase from 2.50% to 15.38% in tax year 2029/collection year 2030 and in following years as shown in the table below. Simultaneously, the 10.0% rollback for non-

* For more information about the homestead exemption, please visit the Ohio Department of Taxation’s website at <https://tax.ohio.gov>, including <https://tax.ohio.gov/help-center/faqs/real-property-tax-homestead-means-testing/real-property-tax--homestead-means-testing>.

commercial, non-agricultural properties that are not owner-occupied will decrease from 10.0% currently to 0% in tax year 2029/collection year 2030 and in following years as shown in the table below. The final result by tax year 2029/collection year 2030 and beyond will be that residential properties (non-commercial and non-agricultural properties) will only receive a rollback tax reduction if they are owner-occupied. The 10.0% rollback that applied to agricultural properties was left unchanged by HB 186 as were the type of levies that qualify for the rollbacks.

**Phase-In Schedule for HB 186 Property Tax Rollbacks
for Non-Agricultural Residential Property**

Collection Year	Owner-Occupied Rollback Rate	Non-Commercial Rollback Rate	Total Rollback Rate
2026 (no change)	2.50%	10.00%	12.50%
2027	5.70	7.50	13.20
2028	8.92	5.00	13.92
2029	12.15	2.50	14.65
2030 and beyond	15.38	0.00	15.38

Such rollbacks and related reimbursements to taxing districts are subject to further revision or repeal by the State.

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Ad Valorem Tax Levies

The following table presents certain information concerning the School District's ad valorem tax levies:

Ad Valorem Tax Levies
Big Walnut Local School District
Current Millage Rates (2026 Collection Year)

Year Voted	Authorized Mills	Effective Rate Levied for <u>Current Collection Year</u> ¹	
		Class I (Residential/ Agricultural)	Class II (Commercial/ Industrial)
1976 ²	13.90	8.956492	8.956492
1985	10.00	6.443520	6.443520
2020 ³	3.55	3.50000	3.550000
Total Voted Operating Millage	27.45	18.950012	18.950012
Inside (Unvoted) Millage	4.60	4.600000	4.600000
Voted Bond Retirement Millage	5.38	5.380000	5.380000
Permanent Improvement Millage	1.25	0.714837	0.743685
Total Rate	38.68	29.644849	29.673697

¹ The effective tax rates may be less than the authorized rates listed in the first column. See "SCHOOL DISTRICT PROPERTY TAX BASE – Property Tax Rate Calculations."

² Ohio Department of Taxation does not report the years in which operating levies approved prior to 1976 were voted, thus operating levies approved prior to 1976 are aggregated in this line.

³ Current collection rate for the School District's continuing \$4,900,000 substitute levy.

Source: Ohio Department of Taxation

Repeal of Property Tax Levies

Each operating tax levy approved for a continuing period is subject to decrease through a statutory referendum procedure requiring (i) a petition signed by qualified electors of the School District equal in number to those who voted in the last governor's race (to be filed at least 90 days before the general election in any year) stating the amount of the proposed decrease and (ii) the approval of the decrease by a majority vote at the general election with the decrease to commence at the expiration of the then current tax levy year. No petition has been filed with respect to any existing current expense tax levy of the School District.

If such a petition is filed and subsequently approved by the electors of the School District, under Revised Code Section 5705.261, the Board must continue to levy and collect such amount as will be sufficient to pay the principal of and interest on any notes in anticipation of an increased rate of levy approved for a continuing period of time.

OTHER SOURCES OF SCHOOL DISTRICT FUNDING

School Foundation Program

The State assists public school districts under a statutory program that includes the School Foundation Program. School Foundation Program funds distributed to a school district are required to be used for current operating expenses, unless specifically allocated by the State for some other purpose. Basic eligibility for School Foundation Program payments is based on a school district's compliance with State mandated minimum standards. The School District is in compliance with those standards and has no reason to believe it will not remain in compliance. Further information about current standards and the assistance formula can be obtained from the Department at <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

The State also assists school districts by funding the School District Solvency Assistance Fund (the "Solvency Fund"). Created within the Solvency Fund are the School District Shared Resource Account and the Catastrophic Expenditures Account. A school district must be in a state of "fiscal emergency" to qualify for assistance and grants from the School District Shared Resource Account. A school district may qualify for assistance and grants from the Catastrophic Expenditures Account if the school district suffers an unforeseen catastrophic event that severely depletes the financial resources of the school district. School districts receiving assistance and grants from the Solvency Fund are required to repay such advances no later than the end of the second Fiscal Year following the Fiscal Year in which they received the assistance and grants, and if they fail to do so, the State will repay the Fund from amounts the school district would otherwise receive pursuant to the School Foundation Program. The School District does not have any outstanding advances from the Solvency Fund. The Solvency Fund, with the exception of the Catastrophic Expenditures Account, evolved from statutes declared unconstitutional in *DeRolph*. (See "LITIGATION – School Funding Litigation" herein.)

State Classroom Facilities Assistance

The Ohio Facilities Construction Commission (the "Commission") administers the provision of financial assistance to Ohio school districts for the acquisition or construction of classroom facilities in accordance with Revised Code Chapter 3318. Revised Code Chapter 3318 provides for several different school facilities assistance programs involving financial assistance from the State. These programs include the Classroom Facilities Assistance Program, the Exceptional Needs School Facilities Assistance Program, and the Expedited Local Partnership Program. Each of these programs provides State funding for all or a portion of qualifying school facilities projects based on financial tests, inadequate facilities, or a combination of the two. Participation in these programs also requires a school district to commit to adhere to Commission requirements for project construction.

The School District is not currently participating in any Commission programs.

School District Income Tax

Under Ohio law, a school district, with the approval of the voters, may impose an income tax for the purpose of providing additional funds for the operation of the school district. The tax may be imposed upon the income of individuals residing in the school district and estates of decedents who at the time of their death were residents of the school district; or solely upon the earned income of individuals residing in the school district. Such selection must be made by the board of education prior to submission of the question of an income tax to the board of elections and be clearly stated on the election ballot. The tax may be imposed either for a specified number of years or for a continuing period of time. If the tax is imposed

for a period in excess of five years, the voters of the school district may, by majority vote, repeal the tax, provided that a proposal to repeal the tax may not be initiated more than once in any five-year period.

At the November 4, 2003 election, the voters of the School District approved a renewal of the 0.75% income tax on the taxable income of individuals and estates for a continuing period of time.

The following table shows income tax distributions received by the School District since 2020:

Income Tax Distributions* Big Walnut Local School District			
Fiscal Year	Income Tax Rate	Income Tax Receipts	Percent Change Over Prior Fiscal Year
2020	0.75%	8,121,546	8.00
2021	0.75	8,085,514	(0.44)
2022	0.75	9,843,003	21.74
2023	0.75	12,017,667	22.09
2024	0.75	10,962,692	(8.78)
2025	0.75	12,430,264	13.39

Source: Ohio Department of Taxation

SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS

Statutory Debt Limitations Generally

The School District may issue voted general obligation bonds (such as the Bonds), and notes issued in anticipation thereof, pursuant to a vote of the electors of the School District. Ad valorem taxes, without limitation as to amount or rate, assessed to pay debt service on voted bonds are authorized by the electors at the same time they authorize issuance of the bonds. Such voted debt is subject to the direct debt limitations but is not subject to the indirect debt limitation. Voted obligations may also be issued by certain overlapping subdivisions.

General obligation bonds, such as the Bonds, and notes issued in anticipation thereof, may also be issued by the School District (and certain overlapping political subdivisions, such as the City and the County) without a vote of the electors. Unvoted debt is subject to both the direct and indirect debt limitations.

A political subdivision's debt limitations are based on its "tax valuation," which is the aggregate of the valuations of real property, personal property, and public utility property that is subject to ad valorem property taxation. For school districts, tax valuation is calculated in accordance with Revised Code Section 133.01(PP) and excludes the valuation of tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, or personal property owned or leased by a railroad company and used in railroad operations.

Direct Debt Limitations

Revised Code Section 133.06 provides that, exclusive of certain "exempt debt" (discussed below), the net principal amount of unvoted general obligation debt of a school district may not exceed the following percentages of a school district's tax valuation: (i) for permanent improvements generally, one-tenth of one

* Distributions are total collections net of State administrative fees.

percent (0.10%); and (ii) for qualified energy conservation projects under Revised Code Section 133.06(G), nine-tenths of one percent (0.90%). Revised Code Section 133.06 also provides that the net principal amount of both voted and unvoted general obligation debt of the School District may not exceed 9% of a school district's tax valuation, except in the specific situations discussed below. These two limitations, referred to as the "direct debt limitations," may be amended from time to time by the State.

State Consents and Special Needs Status

Revised Code Section 133.06 further provides that bonds shall not be submitted to popular vote in an amount which will make the net indebtedness after the issuance of such bonds exceed 4% of a school district's tax valuation, unless the school district obtains the consent of the Director (acting under policies adopted by the State Board of Education) and the Tax Commissioner (acting under written policies of said Tax Commissioner). Revised Code Section 133.06(E) permits a school district to incur indebtedness in excess of the 9% direct debt limitation if the Director determines that such school district is a "special needs" district based on five-year projections showing annual growth of its tax valuation of 1.5% or more.

The School District's outstanding debt (including the Bonds and excluding the Refunded Bonds) is currently in excess of the 4% debt limitation but not currently in excess of the 9% direct debt limitation. For the Series 2026A Bonds, the School District obtained the consent of the State Superintendent of Education (the precursor to the role of the Director) on August 2, 2017 and the Tax Commissioner on August 8, 2017. For the Series 2026B Bonds, the School District obtained the consent of the Director on July 25, 2025, and the Tax Commissioner on August 20, 2025.

Exempt Debt

The Revised Code provides that certain debt a school district may issue is exempt from direct debt limitations ("exempt debt"). Exempt debt includes, among other things, bonds payable from school district income taxes under Revised Code Section 3318.052(E); notes issued in anticipation of the collection of current revenues; notes issued for qualified energy savings projects under Revised Code Section 3313.372; securities issued under Revised Code Section 133.06(H) and payable from the revenues of certain types of economic development compensation payments (such as payments in lieu of taxes) made to school districts; and certain bonds issued for school construction purposes following declaration of an emergency. Notes issued in anticipation of "exempt" bonds also are exempt debt. In calculating debt subject to the direct debt limitations, the amount of money in a school district's debt (bond) retirement fund allocable to the principal amount of non-exempt debt is deducted from gross non-exempt debt.

Indirect Debt Limitation

Unvoted general obligation bonds and bond anticipation notes cannot be issued by the School District unless the tax required to be imposed on taxable property in the School District for the payment of the debt service on (i) such bonds (or the bonds in anticipation of which notes are issued), and (ii) all outstanding unvoted general obligation bonds (including bonds in anticipation of which notes are issued) of the combination of overlapping taxing subdivisions in the School District resulting in the highest tax rate required for such debt service, in any one year, is ten mills or less per \$1.00 of assessed valuation. This indirect debt limitation, the product of which is commonly referred to as the "ten-mill limitation," is imposed by a combination of the provisions of Article XII, Sections 2 and 11 of the Ohio Constitution and Revised Code Section 5705.02.

The ten-mill limitation is the maximum aggregate millage for all purposes that may be levied on any single piece of property by all overlapping taxing subdivisions without a vote of the electors. The ten mills which may be levied without a vote of the electors is in fact levied, collected and allocated among the

School District and its overlapping taxing subdivisions for general fund purposes pursuant to a statutory formula.

This “inside” millage allocated to each overlapping taxing subdivision is required by current Ohio law to be used first for the payment of debt service on unvoted general obligation debt of the subdivision, unless provision has been made for its payment from other sources. The balance of the millage is available for other purposes of the subdivision. Thus, to the extent that this inside millage is required for debt service of a taxing subdivision (which may exceed the formula allocation to that subdivision), the amount that would otherwise be available to that subdivision or to other such overlapping subdivisions for general fund purposes is reduced.

A subdivision’s allocation of inside millage can be exceeded only in the event that it is required for the payment of debt service on its unvoted general obligation debt and, in that case, the inside millage allocated to the other overlapping subdivisions would be reduced proportionally to bring the aggregate levies of inside millage down to ten mills.

In case of notes issued in anticipation of the issuance of unvoted general obligation bonds, the highest annual debt service estimated for the bonds anticipated by the notes is used to calculate the millage required.

The ten-mill limitation applies to all unvoted general obligation debt even if debt service on some of such debt is expected to be paid in fact from income taxes, special assessments, utility earnings or other sources.

In calculating whether or not unvoted debt to be issued by the School District is within the ten-mill limitation, it is necessary to determine the total outstanding debt service requirements within the ten-mill limitation of all the taxing subdivisions overlapping the School District.

Bond Anticipation Notes

Under Ohio law, notes, including renewal notes, issued in anticipation of the issuance of general obligation bonds may be issued and outstanding from time to time up to a maximum period of 20 years from the date of issuance of the original notes. Any period in excess of five years must be deducted from the permitted maximum maturity of the bonds anticipated, and portions of the principal amount of notes outstanding for more than five years must be retired in amounts at least equal to, and payable not later than, principal maturities that would have been required if bonds had been issued at the expiration of the initial five-year period. The last maturity of any bonds issued to refund general obligation bond anticipation notes may not be later than the year of last maturity permitted by law for the bonds anticipated.

Bond anticipation notes may be retired at maturity from the proceeds of the sale of renewal notes, the proceeds of the sale of the bonds anticipated by such notes, from other available funds of the School District, or from a combination of these sources.

The ability of the School District to retire its outstanding bond anticipation notes from the proceeds of the sale of either renewal notes or bonds will be dependent upon the marketability of such renewal notes or bonds under market conditions then prevailing. Under present Ohio law, there is no ceiling on the annual interest rate permitted on general obligation notes and bonds of school districts.

None of the debt of the School District is currently in the form of general obligation bond anticipation notes.

School District Debt Currently Outstanding

Upon the issuance of the Bonds, the School District will have the following issues of general obligation debt outstanding, excluding the Refunded Bonds.

Outstanding General Obligation Debt Big Walnut Local School District

Issue	Dated Date	Final Maturity	Balance Outstanding March 18, 2026*
Refunding Bonds, Series 2014	12/09/2014	12/01/2037	\$ 0.00*
Refunding Bonds, Series 2016	12/28/2016	12/01/2028	1,390,000.00
School Facilities Construction and Improvement Bonds, Series 2018A	03/22/2018	12/01/2034	7,325,000.00
School Facilities Construction and Improvement Bonds, Series 2018B	07/25/2018	12/01/2055	36,335,000.00
School Facilities Construction and Improvement Bonds, Series 2019	05/01/2019	12/01/2055	50,385,000.00
Refunding Bonds, Series 2021A	03/11/2021	12/01/2030	2,675,000.00
Refunding Bonds, Series 2021B	03/11/2021	12/01/2032	5,110,558.80
Refunding Bonds, Series 2026A	03/18/2026*	12/01/2037*	9,565,000.00*
Library Facilities Bonds, Series 2026B	03/18/2026*	12/01/2055*	19,000,000.00*
Total			\$131,785,558.80*

* Preliminary, subject to change.

Source: Big Walnut Local School District

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* Preliminary, subject to change

Debt Service Requirements

The following table presents the School District's debt service requirements for general obligation debt currently outstanding, including the Bonds but excluding the debt service on the Refunded Bonds.

Debt Service Requirements for General Obligation Debt Big Walnut Local School District

Calendar Year	<u>Outstanding Obligations</u>		<u>The Series 2026A</u> <u>Bonds</u>		<u>The Series 2026B</u> <u>Bonds</u>		Total Debt Service
	Principal*	Interest*	Principal	Interest	Principal	Interest	
2026	\$3,480,558.80	\$4,857,605.21					
2027	4,175,000.00	4,158,414.01					
2028	4,340,000.00	4,007,751.51					
2029	4,505,000.00	3,845,265.51					
2030	4,165,000.00	3,664,168.01					
2031	4,305,000.00	3,490,543.01					
2032	4,445,000.00	3,337,783.01					
2033	3,780,000.00	3,179,737.51					
2034	3,890,000.00	3,028,187.51					
2035	2,005,000.00	2,872,187.51					
2036	2,075,000.00	2,782,437.51					
2037	2,175,000.00	2,689,437.51					
2038	2,270,000.00	2,591,937.50					
2039	2,375,000.00	2,490,137.50					
2040	2,490,000.00	2,383,587.50					
2041	2,595,000.00	2,271,787.50					
2042	2,710,000.00	2,155,187.50					
2043	2,840,000.00	2,033,387.50					
2044	2,960,000.00	1,905,637.50					
2045	3,095,000.00	1,772,437.50					
2046	3,205,000.00	1,664,075.00					
2047	3,315,000.00	1,551,837.50					
2048	3,430,000.00	1,435,725.00					
2049	3,555,000.00	1,315,575.00					
2050	3,710,000.00	1,160,387.50					
2051	3,865,000.00	998,325.00					
2052	4,060,000.00	805,075.00					
2053	4,265,000.00	602,075.00					
2054	4,475,000.00	388,825.00					
2055	4,665,000.00	198,525.00					
Total	\$103,220,558.80	\$69,638,042.82					

* Preliminary, subject to change

Source: Big Walnut Local School District

No bonds have been authorized by the electors that have not yet been issued.

The School District is not and has not been in default in the payment of debt service on any of its general obligation bonds or notes.

Overlapping Subdivision Indebtedness

In addition to the School District, other political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the School District. The estimated outstanding bonded indebtedness of such political subdivisions (excluding self-supporting debt and debt payable primarily from enterprise revenues or special assessments) is as follows:

Overlapping Debt Big Walnut Local School District

Overlapping Units	Estimated Outstanding Debt	Percent Applicable to School District	Estimated Amount of Overlapping Debt
Delaware County	\$30,293,023	12.88%	\$3,901,741
Genoa Township	2,310,000	17.62	407,022
Total			\$4,308,743

Source: Ohio Municipal Advisory Council. Data as of November 29, 2024

The following table shows the per capita debt of the residents in the School District based upon the 2023 U.S. Bureau of the Census estimate of 24,617 people residing in the School District, the above overlapping indebtedness figures, and the School District debt shown above, including the Bonds but excluding the Refunded Bonds:

Debt Per Capita Big Walnut Local School District

School District Debt, per capita	\$5,353*
Overlapping Debt, per capita	175
Total Debt, per capita	\$5,528*

* Preliminary, subject to change.

Source: Ohio Municipal Advisory Council and Big Walnut Local School District calculations

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Debt Capacity Analysis

The following table provides an analysis of the School District's general obligation debt capacity, as of March 18, 2026, including the Bonds but excluding the Refunded Bonds. The School District's tax valuation is calculated in accordance with Revised Code Section 133.01(PP) and is based on collection year 2026 data provided by the Delaware County Auditor.

Debt Capacity Big Walnut Local School District

A.	Tax valuation	\$1,850,599,080
B.	Total debt, including the Bonds but excluding the Refunded Bonds	131,785,559*
C.	Exempt debt	0
D.	Total non-exempt debt (B minus C)	131,785,559*
E.	1/10 of 1% direct debt limitation (1/10 of 1% of tax valuation)	1,850,599
F.	Total limited tax non-exempt bonds and notes outstanding (not including Revised Code Section 133.06(G) debt)	0
G.	Debt leeway within 1/10 of 1% unvoted debt limitation, but subject to indirect debt limitation (E minus F)	1,850,599
H.	9/10 of 1% direct debt limitation (Section 133.06(G) debt) (9/10 of 1% of tax valuation)	16,655,391
I.	Total Revised Code Section 133.06(G) debt	0
J.	Debt leeway within 9/10 of 1% unvoted debt limitation, but subject to indirect debt limitation (H minus I)	16,655,391
K.	9% direct debt limitation	166,553,917
L.	Debt leeway within the 9% direct debt limitation (K minus D) ¹	34,768,358*
M.	Net indebtedness as a percentage of tax valuation (D divided by A) ¹	7.12%

* Preliminary, subject to change.

¹ Calculated without reference to applicable moneys in the School District's debt (bond) retirement fund.

Source: Ohio Department of Taxation and Big Walnut Local School District calculations

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Lease Obligations

Under Ohio law, school districts have only the authority to lease or lease purchase any capital asset that is expressly granted by statute or necessarily implied from expressly granted authority. Express statutory authority exists for true leases (i.e., leases where no portion of the lease payment is applied toward the purchase of the capital asset) or lease-purchase or installment sale arrangements for the following: land, office equipment, school buses, administrative office facilities and buildings for any school district purpose. Except in cases where lease-purchase or installment sale arrangements include certain provisions providing that the obligations under such agreement may be terminated at the end of a Fiscal Year (e.g., a requirement of annual appropriation in order to extend the lease term beyond the current Fiscal Year), such agreements would constitute “debt” for purposes of the indirect debt limitation and the statutory direct debt limitations discussed more fully herein (see “SCHOOL DISTRICT DEBT AND DEBT LIMITATIONS – Statutory Debt Limitations Generally”).

The School District currently leases four school buses. Under such leases, the School District is obligated to pay approximately \$122,000 annually, from 2023 through 2027.

Future Financings

The School District does not anticipate financing any additional capital projects in the next five years.

FINANCES OF THE SCHOOL DISTRICT

Budgeting, Tax Levy and Appropriations Procedures

The Revised Code contains detailed provisions regarding School District budgeting, tax levy and appropriation procedures. These procedures involve review by County officials at several steps.

School District budgeting for a Fiscal Year formally begins with the preparation of a tax budget or alternative document as determined by the County Budget Commission (the “Budget Commission”), comprised of the County Auditor, County Treasurer and Prosecuting Attorney of the County. After a public hearing, this budget is adopted by the Board by the January 15th prior to the Fiscal Year to which it pertains. Among other items, the tax budget must show the amounts required for debt service, the estimated receipts for payment from sources other than ad valorem property taxes and the net amount for which an ad valorem property tax levy must be made. The tax budget then is presented for review by the Budget Commission. The Budget Commission holds a public hearing to review the budget, and issues, by March 1st, the Certificate of Estimated Resources that is the basis for School District appropriations and expenditures for the coming Fiscal Year.

Upon approval of the tax budget and issuance of the Certificate of Estimated Resources, the Budget Commission certifies its actions to the Board together with the approved tax rates. Thereafter, the Board levies the approved taxes and certifies them to the proper County officials. The approved and certified tax rates are reflected in the tax bills sent to property owners during the collection year. Real property taxes are payable on a calendar year basis, generally in two installments with the first due usually in January and the second due in June or later.

At the start of each Fiscal Year, the Board generally adopts a temporary appropriation measure to begin that new Fiscal Year and then, within three months, a permanent appropriation measure for that Fiscal Year. Permanent appropriation measures may be amended or supplemented during the Fiscal Year. Annual appropriations may not exceed the Budget Commission’s official estimates of resources. The County

Auditor must certify that the Board's appropriation measures, including any supplements or amendments, do not appropriate moneys in excess of the amount set forth in the latest of those official estimates.

The County serves as tax collector for the School District. Investments and deposits of County funds are governed by Revised Code Chapter 135 (the "Uniform Depository Act"). The County Treasurer is responsible for those investments and deposits. The County's most recent audited financials contain a recitation of the County's current investment practices and can be obtained at the Ohio Auditor of State website: <https://ohioauditor.gov/>.

Financial Reports and Audits

The School District's Fiscal Year is the twelve-month period beginning July 1 and ending June 30. The Board maintains its accounts, appropriations, and other fiscal records on the basis of generally accepted accounting principles ("GAAP").

The State Auditor is charged by law with the responsibility for auditing the financial statements of each taxing subdivision and most public agencies and institutions. A financial report for each Fiscal Year is required to be filed with the State Auditor pursuant to Revised Code Section 117.38. Such reports are required to be submitted to the State Auditor at the close of each Fiscal Year. At the time of filing of such report, the Treasurer is required to publish a notice that the report is completed and available for review in the Treasurer's office.

The most recent audit of the School District's financial statements was completed by Wilson, Shannon & Snow, Inc. (the "Auditor") for the Fiscal Year ended June 30, 2024. This audit was accepted by the State Auditor in lieu of the audit required under Revised Code Section 117.11. The State Auditor made one finding for recovery. An overpayment was found under the Board's contract with a former treasurer, in the amount of \$10,888.72. In accordance with applicable law, a finding for recovery was issued against the former treasurer. More information can be found in APPENDIX C-1. No bring-down procedures have been undertaken by the State Auditor since the date of the financial statements. The audited financial statements for the Fiscal Year ended June 30, 2024 are attached hereto in APPENDIX C-1.

The Auditor has completed an audit of the School District's financial statements for the Fiscal Year ended June 30, 2025 and submitted such audited financial statements to the State Auditor for review. As of the date hereof, the State Auditor has not certified its acceptance of such audited financial statements or publicly released them. This process will be completed by the State Auditor in a reasonable timeframe, and the Auditor's audit of the School District's financial statements for Fiscal Year 2025 is subject to change if the State Auditor determines that modification of such audit report and/or the associated financial statements is necessary to comply with required accounting or auditing standards or uniform administrative requirements, cost principles, and audit requirements for federal awards, if applicable. The financial statements for the Fiscal Year ended June 30, 2025 prepared by the Auditor are attached hereto as APPENDIX C-2. Once the State Auditor has officially accepted, certified and released the final audited financial statements for Fiscal Year 2025, the School District will file such audited financial statements on the EMMA website.

Governmental Accounting Standards Board pronouncements and Financial Accounting Standards Board pronouncements are the principal sources used to determine the accounting principles employed under GAAP. These publications, among other things, provide for a modified accrual basis of accounting for governmental funds and for a full accrual basis of accounting for proprietary funds and for each major and aggregated non-major fiduciary fund. The publications also further provide for the preparation of balance sheets for each major and non-major fund, and statements of revenues and expenditures, and changes in fund balances (major and aggregated non-major governmental funds) or statements of revenues, expenses and changes in retained earnings/equity (major and aggregated non-major proprietary funds) and

statement of cash flows. The principles further require preparation of a statement of net assets and a statement of activities for the entity's business type and government type activities on the full accrual basis of accounting, and management's discussion and analysis of major events and transactions during the year.

Financial Projections

Beginning with Fiscal Year 2026, boards of education are required to submit appropriations, revenue, and fund balance assumptions contained in their annual budget for the current Fiscal Year and projections of expenditures, revenues, and fund balance for the three succeeding Fiscal Years according to rules to be adopted by the Department and the State Auditor. The Department will review the current budget information and the financial projection to determine if a school district has projected a deficit during the first two years of the projection period. If the Department determines that further fiscal analysis is needed, the Department will forward the financial projection to the State Auditor, who will determine if a school district must be formally notified of a pending projected deficit. Such a school district must then take steps to eliminate any deficit in the current year and to plan to avoid projected deficits. Deficit projections arising from the financial projection may have the effect of triggering certain fiscal oversight mechanisms created under State law. A copy of the Board's most recently approved financial projection is attached hereto in APPENDIX D.

Fiscal Oversight System

The State has created a fiscal oversight system designed to ensure the financial stability of public school districts so that they can continue to perform the vital governmental mission of educating children while meeting their ongoing obligations to creditors, employees, vendors and suppliers. Under this fiscal oversight system, a school district may be declared to be in a state of "fiscal caution," "fiscal watch," or "fiscal emergency" based on certain triggering criteria established by law. These triggering criteria relate primarily to the size of the school district's current and projected operating deficits, but also include an evaluation of the school district's financial practices and its effectiveness in taking the necessary corrective measures. Increasing levels of intervention and control are imposed with each successive determination, culminating (at the "fiscal emergency" level) in the creation of an independent governing board for the school district. This independent governing board, the Financial Planning and Supervision Commission ("FPSC"), is vested with extraordinary powers, including the power to remove the superintendent and/or the treasurer and to implement staff reductions which would otherwise violate existing collective bargaining agreements. The State Auditor may conduct a performance audit of a school district in fiscal caution, fiscal watch, or fiscal emergency at any time.*

The School District is not subject to a declaration of fiscal caution, fiscal watch, or fiscal emergency, and is not subject to any directives from the State Auditor, the Director, or a FPSC arising from any prior declaration.

General Fund Operations

The general fund is the main operating fund of the School District. It is the fund from which most of the School District's expenditures are paid and into which most of the School District's revenues are deposited. The School District derives most of its revenues from a tax on real and tangible personal property

* For more information about the criteria the State Auditor and the Director use to determine whether a school district should be placed on fiscal caution, fiscal watch, or fiscal emergency, please visit the State Auditor's website at <https://ohioauditor.gov/fiscal/schools.html>.

and from State aid, including the School Foundation Program. (See “OTHER SOURCES OF SCHOOL DISTRICT FUNDING – School Foundation Program” herein.)

General Fund Set-Aside

Ohio school districts are required to establish the following set-aside within their general fund:

Fund	Source and Amount of Balance	Purpose
Capital and Maintenance Fund ¹	3% ² of general fund revenues ³ using the state base-cost formula amount for the preceding Fiscal Year multiplied by the School District’s student population for the preceding Fiscal Year	Acquisition, replacement, enhancement, maintenance, or repair of permanent improvements

¹ A school district may elect to set aside funds pursuant to previous law by notifying the State Auditor within 90 days of the beginning of the Fiscal Year of such election.

² A different percentage requirement may be set by the State Auditor.

³ A school district may elect to set aside funds from the proceeds of a permanent improvement levy instead of diverting funds from the general fund to meet this requirement.

Any balance remaining in the above funds at the end of the current Fiscal Year is carried over to the next Fiscal Year.

Investment of Funds

According to the Treasurer, all moneys of the School District, specifically moneys in the general fund, the debt (bond) retirement fund, and all project funds containing proceeds of any debt issuances of the School District, are presently or will be invested in accordance with the requirements of Ohio law, and in particular the Uniform Depository Act. Under Revised Code Section 135.14, the School District may invest its funds, provided that such investments generally must mature or be redeemable within five years from the date of purchase. The classifications of obligations which are eligible for such investment by the School District range from investment in the State Treasury Asset Reserve of Ohio investment pool (“STAR Ohio”) to investment in United States Treasury bills, commercial paper, certificates of deposit and banker’s acceptances. Certain investment practices remain exclusive to those school districts whose fiscal officers have completed additional training in accordance with the Uniform Depository Act.

Further, pursuant to Revised Code Section 135.14, all investments of the School District, except for investments in securities in STAR Ohio and certain no-load money market mutual funds, must be made through members of the National Association of Securities Dealers, Inc., banks, savings banks, or savings and loan associations regulated by the State superintendent of financial institutions or through institutions regulated by the comptroller of the currency, Federal Deposit Insurance Corporation, or board of governors of the Federal Reserve System.

The School District interprets the limits on Federal guaranteed investments, bankers’ acceptances, commercial paper and all other legal investments very conservatively. No moneys of the School District have ever been invested in interest-only obligations, reverse-repurchase obligations, inverse floater obligations, or other investment vehicles commonly referred to as derivative investments. No moneys of the School District are invested in obligations which mature later than the time at which it is reasonably expected that the School District will need access to such moneys in order to meet current financial commitments. The Treasurer has attended special training in all of the investment areas to assure strict compliance with the strictly conservative investment philosophy of the School District. All investments are transacted with banks or other financial institutions operating in the State. Complete detail of the current

investment practices of the School District can be found in the most recent audited financial statements of the School District. (See APPENDIX C-1 hereto.)

School District Insurance

The School District maintains comprehensive insurance coverage through the Ohio School Plan, a nonprofit insurance purchasing pool, for liability, real property, building contents, and vehicles. The property insurance covers building/contents in an amount of \$349,789,788. The limit of liability for general liability coverage is \$5,000,000 per occurrence/\$7,000,000 aggregate. Automobile liability carries a limit of \$5,000,000.

Ohio law provides immunity for political subdivisions such as the School District from liability in damages. The immunity covers injury, death, or loss to persons or property allegedly caused by an act or omission of such political subdivisions or their employees in connection with governmental and proprietary functions, as defined in the Ohio statutes. Included among such governmental functions are the design, construction, reconstruction, renovation, repair, maintenance, and operation of any school athletic facility, school auditorium, or gymnasium. The statutes have no effect on any liability imposed by federal law or other federal cause of action. Pursuant to Ohio law, there are, however, five areas in which a political subdivision may be held liable for such loss. These include the negligent operation of a motor vehicle by employees engaged within the scope of their employment and authority; negligent performance of proprietary functions; negligent failure to keep public roads in repair, and other negligent failure to remove obstructions from public roads; negligence of employees due to physical defects within or upon the grounds of buildings used in the performance of governmental functions, excluding jails, juvenile detention workhouses and other detention facilities; and liability specifically imposed by statute. Ohio law also imposes a two-year statute of limitations and puts limits on the damages which may be recovered from such political subdivisions. No punitive or exemplary damages can be recovered, and any insurance benefits are deducted from any award against a political subdivision. Although there is no limitation with respect to compensatory damages representing a person's economic loss, there is a \$250,000 per person ceiling on the compensatory damage that represents a person's non-economic loss in cases other than wrongful death, in which case there is no maximum limitation.

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Cyber-Security

The School District, like many other public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats, including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, “Systems Technology”). As a recipient and provider of personal, private, or sensitive information, the School District may be the target of cybersecurity incidents that could result in adverse consequences to the School District and its Systems Technology, requiring action to mitigate the consequences. Cybersecurity incidents could result from unintentional events or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the School District’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

To mitigate the risk of operations impact and/or damage from cybersecurity incidents or cyber-attacks, the School District invests in multiple forms of cybersecurity and operational safeguards. While School District cybersecurity and operational safeguards are periodically tested, no assurances can be given by the School District that such measures will ensure against cybersecurity threats and attacks, and any breach could damage the School District’s Systems Technology and cause material disruption to the School District’s finances or operations. The costs of remedying any such damage or protecting against future attacks could be substantial. Furthermore, cybersecurity breaches could expose the School District to material litigation and other legal risks, which could cause the School District to incur material costs.

In the event of a Systems Technology breach, the School District has invested in a cyber-security insurance policy. The policy provides for a variety of coverages: cyber-crime, liability, and breach response, amongst other coverages.

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COMMUNITY LIBRARY, SUNBURY

General

The first libraries in Ohio, sometimes known as “social”, “subscription” or “association” libraries, were organized cooperatively and were available for use only by their members, subscribers or shareholders, respectively. By 1850, the year which American library historians have taken as the point the American free library movement began, 187 “social” libraries had been established in Ohio. The School Act of 1853 laid a base for tax support of school district public libraries in Ohio, and in 1869 the Ohio General Assembly enacted legislation authorizing municipalities to open and maintain free libraries and reading rooms.

By the end of the nineteenth century, the authority to establish public libraries had been extended to townships, counties and school districts. New public libraries were established, and some association libraries became public. Many school district libraries came into being because school districts were permitted to levy taxes outside the school millage limits, while real-property millage was restricted for other taxing authorities. By 1927, there were 107 school-district libraries in the state. School-district millage was later restricted by legislation passed in 1929.

The Community Library, Sunbury (the “Library”) is a school district library dedicated to providing welcoming environments for all to pursue knowledge and cultivate interests. The Library opened in 1944 and serves the Big Walnut Local School District (the “School District”).

The current location of the Library opened in 1994 when the Library was serving a population of approximately 15,000. The population of the Library’s service area increased to over 24,000. The project includes a 20,000 square foot addition to the existing building that will double the size of the facility to serve the larger population. The expanded facility is expected to be completed in 2028 and will include a dedicated story time room, larger community meeting rooms, dedicated spaces for tweens and teens, increased collection, outdoor program spacing, increased parking and additional private study rooms.

Library Service District

The Library’s service district boundaries are coterminous with the School District and include Sunbury City, Galena Village and six townships. The Library’s service district encompasses approximately 109 square miles located in Delaware County, Ohio. The Library currently has approximately 21,467 registered borrowers. In 2025, total circulation was 306,084, and 23,296 patrons attended library programs.

Library Officials

The Library is under the control and management of a seven-member board of library trustees (the “Board of Trustees”) appointed by the School District’s Board of Education. Regular meetings of the Board of Trustees are held the second Tuesday of each month.

Library Officials
Community Library

Official	Office	Expiration of Current Term	Beginning of Tenure
Mary Ellen McCullen	President	12/31/2026	10/12/2010
James F. Spurrier	Vice President	12/31/2030	04/12/2005
Phyllis Taylor	Secretary	12/31/2028	01/01/1998
Bruce Denton	Member	12/31/2029	05/19/2025
Scott Fraker	Member	12/31/2030	05/21/2020
Emily Ross	Member	12/31/2027	11/11/2018
Melinda Simmons	Member	12/31/2027	10/12/2010
Chauncey Montgomery	Executive Director/ Fiscal Officer	Contract	

Library Employees

The Library has 12 full-time and 14 part-time employees. The Board of Trustees has adopted a personnel policy, employee job descriptions, and an employee salary schedule. These are reviewed by the Board of Trustees on an annual basis. The Board of Trustees provides health insurance for all full-time employees. All employees are members of the Ohio Public Employees Retirement System, a statewide public retirement system. The Library's employees are not represented by a union or collective bargaining group.

Revenues

The Library draws its operating revenues from two main sources: (a) a 1.00-mill, five-year tax levy for current expenses approved by the electors at the November 7, 2023 election, and (b) the Public Library Fund (the "PLF"), a State fund created by statute effective January 1, 2008 and funded by a portion of the State's total general tax revenue.

Library Financial Statement

APPENDIX E contains the most recent audited financial statements of the Library for the years ending December 31, 2022 and December 31, 2023.

Public Library Fund

Effective 1986, the Ohio General Assembly created the Library and Local Government Support Fund (the "LLGSF") in Revised Code Chapter 4547 and repealed the local situs intangible tax which was previously used, since 1933, to fund public libraries. In 2008, the LLGSF was renamed the Public Library Fund. The PLF is a significant source of funding for the Library. Distribution of the PLF is pursuant to the statutory formula as set forth below.

In the decades following the establishment of the PLF, funding levels have been tied to the preceding month's State income tax collections in varying percentages ranging from 6.3% in 1986 to 5.7% in 2007, with varying "freeze" levels and growth caps. In 2008, PLF funding was shifted to 2.22% of the preceding month's total State General Revenue Fund ("GRF") receipts. However, this percentage has also varied since 2008 due to economic conditions statewide and nationally as a result of the Great Recession. Ohio law calls for the Public Library Fund to receive 1.66% of the GRF tax receipts. For the 2020-2021 State biennium budget, the percentage was increased to 1.70% of GRF tax receipts. The Ohio Department

of Taxation is estimating the total calendar year 2020 PLF distribution will be 7.7% less than the original certification issued July 2019 and 7.6% less than the certification update issued in December 2019.

State PLF Distributions

Calendar Year	PLF Annual Total (millions)	% Change from 2016 Base	% Change from Prior Year
2016	\$377.0	-	(1.00)%
2017	378.5	0.40%	0.40
2018	393.7	4.43	4.02
2019	410.2	8.81	4.19
2020	409.4	8.59	(0.20)
2021	464.4	23.18	13.43
2022	502.4	33.26	8.18
2023	510.2	35.33	1.55
2024	483.4	28.22	-5.25
2025	493.5	30.90	2.09

Source: Ohio Library Council and Ohio Department of Taxation

Despite the adjustments made to State library funding in recent years, the method for distributing funds to public libraries across Ohio's 88 counties has not been altered.

Allocation of the PLF is made in each county by the Budget Commission to each of the public libraries that has qualified under Revised Code Section 5705.28 for participation in the proceeds of such fund. To qualify to receive an allocation from the PLF under Section 5705.28, a library must have been operating prior to January 1, 1968 and have extended the benefits of library service to all of the inhabitants of the county in which the library is located on equal terms and participated in the distribution of proceeds from the county public library fund prior to December 31, 2005. In setting the allocations for the year, the Budget Commission begins with the estimate certified to the county auditor or fiscal officer by the Tax Commissioner as to the total amount of revenue to be received in the county PLF during the fiscal year. The Budget Commission then allocates the amount available for distribution based on the needs of each library for the construction of new library buildings, parts of buildings, improvements, operation, maintenance, or other expenses. In determining the need of each library board of trustees, and in calculating the amount to be distributed to each library board of trustees on the basis of its needs, the Budget Commission may not reduce a library's allocation from the fund on account of additional revenues realized by a library from increased taxes or service charges voted by its electorate, from revenues received through federal or state grants, project, or programs, or from grants from private sources.

There are four public libraries currently existing in the County – Wornstaff Memorial Public Library, Delaware County District Library, Westerville Public Library and the Library. These public libraries receive all of the PLF funds allocated to the County. For 2025, the Library received 16.37% of the PLF funds allocated to the County.

THE PLF IS CREATED BY STATE STATUTE AND, AS A RESULT, THE STATE STATUTE CREATING THIS SOURCE OF REVENUE FOR LIBRARY OPERATIONS IS SUBJECT TO AMENDMENT OR REPEAL BY THE LEGISLATURE OF THE STATE. THE PLF IS NOT SECURITY FOR THE BONDS. (See "SECURITY AND SOURCE OF PAYMENT FOR THE SCHOOL DISTRICT'S GENERAL OBLIGATION DEBT")

Litigation

There are currently no lawsuits pending or threatened against the Library.

Insurance

The Library maintains comprehensive insurance coverage with private carriers for real property and building contents in a maximum amount of \$7,470,122 with a deductible of \$2,500. The Library maintains liability coverage with limits of \$5,000,000. The Library does maintain insurance coverage for cyber security.

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AUDITED FINANCIAL STATEMENTS

**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

For the Fiscal Year Ended June 30, 2024

BIG WALNUT LOCAL SCHOOL DISTRICT

DELAWARE COUNTY

SINGLE AUDIT

JULY 1, 2023 – JUNE 30, 2024





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

Board of Education
Big Walnut Local School District
110 Tippet Court
Sunbury, Ohio 43074

We have reviewed the *Independent Auditor's Report* of the Big Walnut Local School District, Delaware County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery

Mr. Darren Jenkins entered into a contract with the Big Walnut Local School District Board of Education to serve as the District's Treasurer for the 2023/2024 school year. The Employment Contract of the Treasurer for this period stated: "[t]he Board shall pay the Treasurer an annual salary of One Hundred Twenty-Eight Thousand Dollars (\$128,000.00) ... [t]he annual salary shall be paid in twenty-four (24) instalments over the contract year and paid in substantially equal installments ...". Therefore, Mr. Jenkins was to receive a salary of \$128,000 divided over 24 pay periods, equivalent to a gross pay period amount of \$5,333.33. However, Mr. Jenkin's salary was allocated over 20 pay periods providing a gross amount per pay period of \$6,400. Mr. Jenkins then received a total of 15 payments at this elevated rate of \$6,400 before going on continuous unpaid leave effective March 29, 2024, upon the exhaustion of his paid leave balances. During the fiscal year, Mr. Jenkins received a total of \$96,000. However, he should have only received 16 payments at the gross amount of \$5,333.33 per pay period, totaling \$85,333.28. As a result, Mr. Jenkins was overpaid \$10,666.72.

Ohio Rev. Code §3313.25(B)(1) makes a school treasurer liable for a loss of public funds when a loss of public funds results from the treasurer's negligence or other wrongful act.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Darren Jenkins and his insurance company, Ohio School Plan, jointly and severally, in the amount of \$10,666.72, in favor of Big Walnut Local School District, General Fund.

Board of Education
Big Walnut Local School District
110 Tippet Court
Sunbury, Ohio 43074
Page 2

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

A handwritten signature in black ink, appearing to read "Keith Faber". The signature is fluid and cursive, with the first name "Keith" and last name "Faber" clearly distinguishable.

Keith Faber
Auditor of State
Columbus, Ohio

June 11, 2025

**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
Fresh Fruit and Vegetable Program	10.582	N/A	\$ 31,206
National School Lunch Program	10.555	N/A	101,977
Non-Cash Assistance (Food Distribution) Subtotal			<u>133,183</u>
Cash Assistance:			
School Breakfast Program	10.553	N/A	80,239
National School Lunch Program	10.555	N/A	498,676
COVID-19 National School Lunch Program	10.555	N/A	108,031
Special Milk Program for Children	10.556	N/A	2,895
Cash Assistance Subtotal			<u>689,841</u>
Total Child Nutrition Cluster:			<u>823,024</u>
Total U.S. Department of Agriculture			<u>823,024</u>
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	166,030
Special Education Cluster:			
Special Education Grants to States	84.027A	N/A	855,998
COVID-19 Special Education Grants to States	84.027X	N/A	55,919
Special Education Preschool Grants	84.173	N/A	27,156
Total Special Education Cluster			<u>939,073</u>
Supportive Effective Instruction State Grant	84.367	N/A	99,149
English Language Acquisition State Grants	84.365	N/A	7,671
Student Support and Academic Enrichment Program	84.424	N/A	21,621
COVID-19 Elementary and Secondary School Relief Fund - ESSER II	84.425D	N/A	39,965
COVID-19 Elementary and Secondary School Relief Fund - ESSER II State Activity Supplement	84.425D	N/A	896,853
COVID-19 Elementary and Secondary School Relief Fund - ARP ESSER	84.425U	N/A	371,651
COVID-19 Elementary and Secondary School Relief Fund - ARP Homeless Targeted Support	84.425W	N/A	4,782
Total Elementary and Secondary School Emergency Relief Fund			<u>1,313,251</u>
Total U.S. Department of Education			<u>2,546,795</u>
Total Expenditures of Federal Awards			<u>\$ 3,369,819</u>

The accompanying notes are an integral part of this schedule.

**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Big Walnut Local School District, Delaware County (the School District) under programs of the federal government for the fiscal year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

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

Big Walnut Local School District
Delaware County
110 Tippet Court
Sunbury, Ohio 43074

To the Board of Education:

We have audited, in accordance with 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Big Walnut Local School District, Delaware County, (the School District) as of and for the fiscal year ended June 30, 2024, 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 7, 2025.

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 purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a significant deficiency.

Big Walnut Local School District
Delaware County
Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*

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*.

School District's Response to its Finding

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

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.

Wilson, Shannon & Snow, Inc.

Newark, Ohio
March 7, 2025

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

Big Walnut Local School District
Delaware County
110 Tippet Court
Sunbury, Ohio 43074

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Big Walnut Local School District's, Delaware County, (the School District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the School District's major federal program for the fiscal year ended June 30, 2024. The 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, Big Walnut 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 fiscal year ended June 30, 2024.

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 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 program.

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.

Big Walnut Local School District
Delaware County
Independent Auditor's Report on Compliance With Requirements
Applicable to the Major Federal Program and On Internal Control
Over Compliance And the Schedule of Expenditures of
Federal Awards Required by Uniform Guidance
Page 3

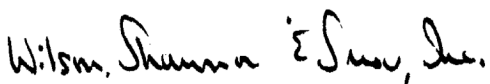
Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Big Walnut Local School District, Delaware County, (the School District) as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our unmodified report thereon dated March 7, 2025. 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Newark, Ohio
March 7, 2025

**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

FINDING 2024-001

Significant Deficiency

Sound accounting practices require that when designing the public office's system of internal control and specific control activities, management should ensure that all transactions are properly authorized in accordance with management policies. In addition, management should plan for adequate segregation of duties or compensating controls.

During our audit, the Interim Treasurer identified errors when entering the contract information into the School District's payroll system (Uniform School Payroll System – USPS) for the Treasurer's compensation which resulted in an overpayment to the Treasurer for the period August 1, 2023 through March 15, 2024 (last pay date before being placed on unpaid medical leave). Per the approved contract for the Treasurer, the period of employment began August 1, 2023 at a salary which was to be paid over 24 pay periods. The Payroll Manager erroneously entered the salary to be paid over 20 pay periods; and although reviewed by the Assistant Treasurer prior to processing payroll, the overpayment was not identified.

The School District should establish procedures to ensure when an employee is hired, the information entered into USPS agrees to the contract or negotiated agreement in all respects and all provisions of the contract or agreement are properly and timely executed.

Official's Response: See Corrective Action Plan.

**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024**

3. FINDINGS FOR FEDERAL AWARDS

None.



DISTRICT ADMINISTRATIVE OFFICE

110 Tippet Court
Sunbury, Ohio 43074
740.965.3010
www.bwls.net

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) For the Fiscal Year Ended June 30, 2024

Finding Number: 2024-001

Planned Corrective Action:

1. Review and Verification Procedures
 - o Utilize a standardized payroll checklist that requires double verification of salary, pay periods, and benefits before finalizing payroll entries.
 - o Require written approval from the Treasurer or designee before processing payroll for newly hired employees.
 - o Utilize the hiring (HR) and contract (Payroll) spreadsheets to verify employee salary information.
 - o Conduct random monthly payroll audits to verify contract compliance for all employees.
2. Segregation of Duties
 - o Ensure that no single individual has end-to-end control over payroll entry and approval.
 - o Assign staff to cross-check all new employee contract entries before final payroll submission.
3. Training and Accountability
 - o Provide training for payroll personnel on proper payroll systems, data entry, contract interpretation, and internal control compliance.
4. Ongoing Monitoring and Reporting
 - o Continue to maintain open lines of communication for employees to report potential payroll discrepancies.

Responsible Parties

- Payroll Manager & Assistant Treasurer – Ensure all contract details are accurately entered and reviewed.
- Treasurer – Conduct audits and oversee segregation of duties.
- Internal Auditor – Provide a review of payroll processing and controls.

Implementation Timeline

- Immediately – Conduct payroll audit and correct past errors.
- Within 30 days – Implement new review procedures and training.
- Within 60 days – Complete system enhancements and monitoring framework.
- Ongoing – Monitoring and reporting.

Responsible Contact Person: J. Scott Gooding II, Interim Treasurer/CFO

BIG WALNUT LOCAL SCHOOL DISTRICT SUNBURY, OHIO

Annual Comprehensive Financial Report

For the Fiscal Year Ended
June 30, 2024

INTRODUCTORY SECTION

BIG WALNUT LOCAL SCHOOL DISTRICT SUNBURY, OHIO

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2024

Prepared By:

Treasurer's Office

J. Scott Gooding II, Interim Treasurer/CFO

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BIG WALNUT LOCAL SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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DISTRICT ADMINISTRATIVE OFFICE

110 Tippet Court
Sunbury, Ohio 43074
740.965.3010
www.bwls.net

March 7, 2025

To the Citizens and Board of Education of the Big Walnut Local School District:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Big Walnut Local School District (the School District) for the fiscal year ended June 30, 2024. This ACFR contains financial statements, supplemental statements, and statistical information conforming with generally-accepted accounting principles as applicable to governmental entities. It provides complete and full disclosure of all material financial aspects of the School District.

This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which requires preparing financial statements in accordance with generally accepted accounting principles and Ohio Revised Code Section 117.38, which requires the School District to file an unaudited annual report with the Auditor of State within 150 days of fiscal year end.

School District management assumes full responsibility for the completeness and reliability of the information contained in this report based on a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than an absolute, assurance that the financial statements are free of any material misstatements.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The firm of Wilson, Shannon, & Snow, Inc. has issued an unmodified opinion on Big Walnut Local School District's financial statements for the fiscal year ended June 30, 2024. The Independent Auditor's Report is located at the front of the financial section of this report.

Profile of the School District

Big Walnut Local 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 and federal guidelines.

The School District was established in 1950. The School District had an enrollment of 4,288 students for the fiscal year ended June 30, 2024, compared to 4,188 students for the fiscal year ended June 30, 2023. These students are housed in one early learning center (preschool), four elementary schools (grades kindergarten through four), one intermediate school (grades five and six), one middle school (grades seven and eight), and one high school (grades nine through twelve). The ages of the buildings vary, with the oldest built in 1926 and the latest opening in the January of 2022. The School District also operates an administrative office building, a transportation building, and a maintenance facility.

As a growing School District that has seen increases in enrollment for the last ten years, it is important for School District leadership to monitor enrollment in order to effectively plan. Based on our most recently updated enrollment study by FutureThink, Inc. completed in June 2019, the School District's enrollment is currently trending closest to the one hundred fifty new homes per year projection, which are 4,404 and 4,673 for fiscal years 2025 and 2029, respectively. These enrollment numbers do not include students living within School District boundaries enrolled in charter schools. For fiscal year 2024, the School District was staffed by one hundred eighty-three classified employees, two hundred seventy-seven certified employees, and twenty-two administrative employees. In fiscal year 2024, salaries and benefits accounted for 81 percent of the School District's operating expenditures. In the opinion of the School District's officials, labor relations are excellent.

The Superintendent is the chief executive officer of the School District and is responsible directly to the Board of Education of the School District. The Superintendent is responsible for the growth and achievement of students and works toward these goals by providing educational direction and supervision to staff members, making programming decisions, and allocating resources to support educational goals.

The Treasurer is the chief financial officer of the School District and also reports directly to the Board of Education of the School District. The Treasurer provides leadership and supervision in the program of fiscal management of all financial activities in addition to serving as the Secretary to the Board of Education.

Annually, the School District approves a temporary budget prior to the start of the fiscal year and a permanent budget before October 1. The annual budget serves as the foundation of the School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Additional information on the School District's budgetary accounting can be found in the notes to the financial statements.

Local Economy

The School District encompasses approximately one hundred nine square miles in Delaware County, Ohio. Delaware County was founded in 1808 and is located in central Ohio approximately twenty miles north of Columbus, the state capital. For nearly a decade, Delaware County has been the fastest-growing county in Ohio. This central location and vast acres of undeveloped land uniquely position the School District for the future development of housing, business, and industry.

Ohio's seasonally adjusted unemployment rate increased from a year ago at 4.4 percent in June 2024 compared to 3.4 percent in June 2023 while the nation's unemployment rate for June 2024 was 4 percent. Additionally, in June 2024 nonagricultural employment in the State of Ohio numbered 5,652,900. Specific employment figures are not available for the Big Walnut Local School District but are available at the county level. Delaware County is a suburban community in central Ohio with a 2.8 percent unemployment rate as of June 2024 which is down from a rate of 3.0 percent in June 2023 (Ohio Labor Market Information, June 2024, Ohio Department of Job and Family Services). The population of Delaware County was 231,636 for 2022 (U.S. Census Bureau Quick Facts).

Long-Term Financial Planning

The School District has two prevailing objectives for long-term financial management.

First, the School District must carefully monitor the revenue stream provided by real estate taxes, income taxes, and State funding to ensure sufficient revenue to maintain an excellent education system within the next five years. The current financial forecast for the General Fund operations over the next five years demonstrates that the ending cash balance at the end of the fiscal year 2025 is projected at \$40,963,298 with positive balances through the fiscal year 2029. The School District utilizes a five-year forecasting model to monitor the School District's financial health and implement appropriate actions to maintain a positive cash balance. The School District's diminishing balance reflects the challenge of Ohio school district financing.

With minimal help from State funding, more responsibility is placed on local residents to support education. The Board of Education was successful in renewing a five-year substitute emergency levy in March 2020 for a continuous period of time. The original substitute levy was approved to collect approximately \$4.9 million annually in 2015 and has increased annually due to new construction in the Big Walnut community. Resources provided by the substitute levy in fiscal year 2022 were approximately \$5.51 million. The School District also benefits from the American Electric Power substation located within its boundaries. The School District receives over \$3 million in additional revenue which will continue for many years. However, the amount is anticipated to decline over time as the transmission infrastructure depreciates. While these current resources are very helpful for day-to-day operations, the School District's five-year forecast shows that to continue providing current services and have an ability to expand opportunities for students, the School District will need to request additional funds in the future.

Secondly, the School District must carefully monitor personnel expenditures for salary and benefits. While the School District has direct influence over salary during negotiations, the cost of providing quality health care becomes increasingly challenging. The School District insurance committee, composed of representation from each bargaining unit, the Board of Education, and the Administration, continually monitors plan design, coverage, and cost in an effort to maintain a sustainable benefit and avoid the additional charges as a result of the Affordable Care Act. This committee and School District leadership will need to work together to maintain sustainable insurance benefits and ensure the long-term financial stability for the School District. During fiscal year 2021, the School District moved all employees to a high deductible health plan with a health savings account, the result of which stabilized insurance costs. The School District began the process in fiscal year 2021 of performing a request for proposals to further work toward a cost-effective and sustainable health insurance plan. This ultimately proved to be unsuccessful due to the district's claims history. However, the School District will do another request for proposals in fiscal year 2025; hopefully with a more positive result.

Outlined below are the negotiated contract terms of the School District's four bargaining units effective in the 2022 school year. Readers may request a copy under the public records act for any negotiated agreement, including the salary schedule, by contacting the School District Treasurer.

Big Walnut Education Association (Teachers)

- Effective July 1, 2022 - June 30, 2025 (three-year extension on previous contract)
- Base Salary Increase of 2 percent for the fiscal year 2023
- Base Salary Increase of 2 percent for the fiscal year 2024
- Base Salary Increase of 2 percent for the fiscal year 2025

Big Walnut Professional Support Staff Association (Secretaries and Aides)

- Effective July 1, 2022 - June 30, 2025
- Base Salary Increase of 1.25 percent for the fiscal year 2023
- Base Salary Increase of 3 percent for the fiscal year 2024
- Base Salary Increase of 3 percent for the fiscal year 2025

OAPSE.AFSCME Local 4/AFL-CIO and Its Local #524

(Maintenance, Custodial, Bus Drivers, Mechanics, and Mail Carrier)

- Effective July 1, 2022 - June 30, 2025
- Base Salary Increase of 3 percent for fiscal year 2023
- Base Salary Increase of 4 percent for the fiscal year 2024
- Base Salary Increase of 5 percent for the fiscal year 2025

OAPSE.AFSCME Local 4/AFL-CIO and Its Local #696 (Head Cooks and Food Service Workers)

- Effective July 1, 2022 - June 30, 2025
- Base Salary Increase of 3 percent for fiscal year 2023
- Base Salary Increase of 3 percent for the fiscal year 2024
- Base Salary Increase of 3 percent for the fiscal year 2025

Financial Policies and Information

The management of the School District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the School District are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived from its implementation and (2) the valuation of cost and benefits requires estimates and judgments by management.

The School District has adopted a modified zero-based budgeting process which calls for administrators and principals to evaluate their needs each year and to make budget requests by answering the question, "What do I need to achieve desired results"? While School District needs will always exceed the available resources, we attempt to fund the most critical needs while being mindful of budget constraints.

Major Initiatives

The School District continues to achieve academically. Prior to the pandemic, the State of Ohio changed testing and report card formats multiple times. For the 2021-2022 year, letter grades were dropped and schools were ranked based on a performance index. Big Walnut continues to rank in the top ten schools in the Greater Columbus area, on the most recent state District report card. While the School District leadership is proud of the continued performance and growth on the report card, priority continues to be on monitoring multiple sources of data, including locally-administered assessments, to evaluate program effectiveness.

The School District has transitioned from working toward the "Big Walnut 2020 Vision," which includes personalizing the learning experience for all students, engaging all students with meaningful activities, and using data to guide our instruction resulting in academic growth for each student to full implementation as the Big Walnut Academic Vision. Small-group instruction, project-based learning, and utilization of technology, are key components in our academic programs. The 2024-2025 academic school year will consist of monitoring our continued progress toward our goals.

During the 2021-2022 academic school year, we rolled out our Eagle Profile, which includes skills all students need to be successful in post-secondary life. This document was created by our Academic Advisory Committee which includes parents, staff members, and administrators; additionally, an input opportunity was provided for all parents. Our Eagle Profile frames our desire to have each student to be a communicator, collaborator, problem solver, adaptable learner, and a responsible citizen. For the 2024-2025 academic school year we will continue to implement the Eagle Profile with fidelity and monitor our progress.

Additionally, the School District utilizes a Facilities Planning Committee to study current facilities and enrollment projections to make recommendations on facility needs of the School District. The committee explored facility options to meet the expected growth in the School District and made a recommendation to the Board of Education as the basis for the combined bond and permanent improvement levy on the November 2017 ballot to build a new high school, build a new elementary school, and renovate security entrances on five of the existing buildings. The School District is grateful to the community for the 6.6 mill bond levy and 1.25 mill permanent improvement levy that was approved by the voters on November 7, 2017. We were pleased to have the security enhancements to the existing building entrances operational for the start of the 2018-2019 school year with the final project closeout being completed in fiscal year 2020. In addition, we were excited to have Prairie Run Elementary open for the start of the 2020-2021 school year. Construction of the high school started in the fall of 2019 and opened the building for students in January 2022. The athletic fields and structures are the final portion of the entire building project and many of the fields and structures were utilized in the fall of 2022. The final project closeout being completed in fiscal year 2024. We are hopeful, based on the estimated growth of property value in the community and favorable interest rates on bond issued debt, the School District will continue to not need to collect the full amount of the millage for the entire repayment schedule.

In March 2021, the School District, with the help of its municipal adviser, performed a bond refunding for debt originally issued in fiscal years 2012 and 2016. Through this bond offering, the School District was able to level out debt spending, lower the interest rate on these refunded bonds, and reduce the overall cost of debt with an anticipated cashflow savings of over \$2 million. We will continue to monitor our debt and market rates to take advantage of more opportunities like this in the future to help keep our tax rates as low as possible for our community.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Big Walnut Local School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement requirements and we are submitting it to the GFOA for consideration.

Acknowledgments

Sincere gratitude goes to the Big Walnut Board of Education members Stephen Fujii, Angela Graziosi, Douglas Crawl, Zach Duffey, and Alice Nicks for their ongoing support and leadership. Special acknowledgment is extended to the Auditor of State's Local Government Services Section, as well as the staff of the Treasurer's Office and the Superintendent's Office for their efforts and contributions in the preparation of this Annual Comprehensive Financial Report.

Respectfully submitted,



J. Scott Gooding II
Interim Treasurer



Ryan McLane
Superintendent



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Big Walnut Local School District
Ohio**

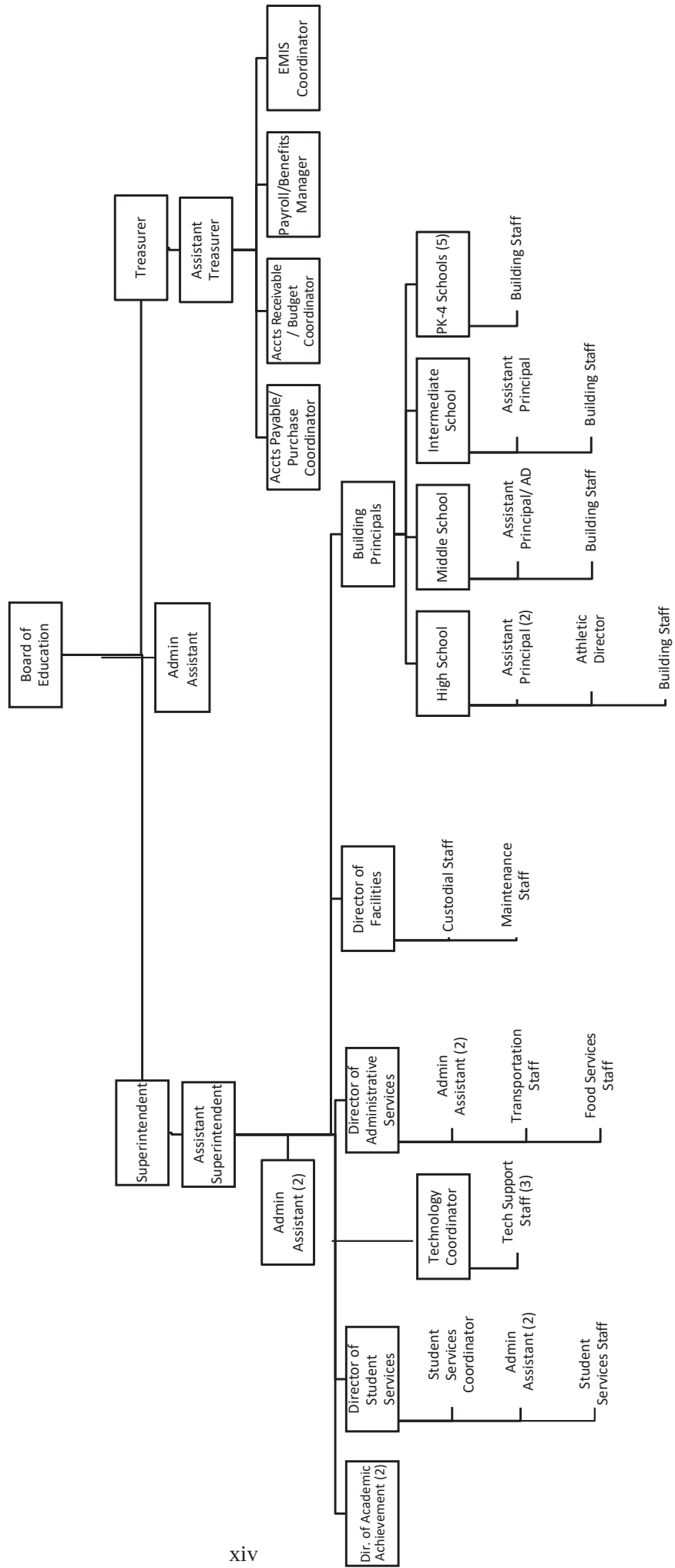
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Big Walnut Local Schools



BIG WALNUT LOCAL SCHOOL DISTRICT

PRINCIPAL OFFICIALS

JUNE 30, 2024

ELECTED OFFICIALS

President, Board of Education Stephen Fujii
Vice President, Board of Education..... Angela Graziosi
Board Member Douglas Crowl
Board Member Zach Duffey
Board Member Alice Nicks

APPOINTED OFFICIALS

Superintendent Ryan McLane
Interim Treasurer J. Scott Gooding II

ADMINISTRATIVE STAFF

Assistant Superintendent Megan Forman
Principal, High School Dr. Nicole Carter
Assistant Principal, High School Kelley Bloomer
Assistant Principal, High School Paul Hershberger
Principal, Middle School Josh Frame
Assistant Principal, Middle School..... Joe Rucker
Principal, Big Walnut Intermediate School Sarah Sandrock
Assistant Principal,
Big Walnut Intermediate School..... Justin Grieger
Principal, Big Walnut Elementary Nicholas Powell
Principal, General Rosecrans Elementary..... Virginia Crawford
Principal, Prairie Run Elementary Kim Castiglione
Principal, Hylen Souders Elementary Amanda Statler
Principal, Early Learning Center
at Harrison Street Elementary Jessica Shelton
Director of Academic Achievement Mike Robertson
Director of Student Services Ross Linscott
Athletic Director Brian Shelton
Director of Technology Wayne Thompson
Director of Administrative Services Tim Wagner
Director of Facilities James Hall
Assistant Treasurer Lynn Starner

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Big Walnut Local School District
Delaware County
110 Tippet Court
Sunbury, Ohio 43074

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 Big Walnut Local School District, Delaware County, Ohio (the School District), as of and for the fiscal year ended June 30, 2024, 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 Big Walnut Local School District, Delaware County, Ohio as of June 30, 2024, and the respective changes in financial position and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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.

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/assets 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 combining and individual nonmajor fund financial statements and schedules and are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

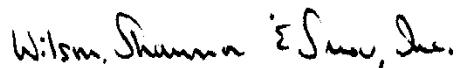
Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2025, 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.



Newark, Ohio
March 7, 2025

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Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of Big Walnut Local School District's (the School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

Highlights

Highlights for fiscal year 2024 are as follows:

In total, net position increased \$15,325,669 or 116 percent. Net position at the end of the prior fiscal year was \$13,216,766 and increased to \$28,542,435.

General revenues were \$72,468,518 or 90 percent of total revenues, and reflect the School District's substantial dependence on local taxes and State funding.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand Big Walnut Local School District as a financial whole, or as an entire operating entity.

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 a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds, with all other nonmajor funds presented in total in a single column. For Big Walnut Local School District, the General Fund, the Bond Retirement debt service fund, and the Building capital projects fund are the most significant funds.

Reporting the School District as a Whole

The statement of net position and the statement of activities reflect how the School District did financially during fiscal year 2024. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

These statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader whether the financial position of the School District as a whole has increased or decreased from the prior fiscal year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Nonfinancial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net position and the statement of activities, all of the School District activities are reported as governmental activities, including instruction, support services, non-instructional services, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund financial statements provide detailed information about the School District's major funds. While the School District uses many funds to account for its financial transactions, the fund financial statements focus on the School District's most significant funds. The School District's major funds are the General Fund, the Bond Retirement debt service fund, and the Building capital projects fund.

Governmental Funds - All of the School District's programs are reported in governmental funds, which focus on how monies flow into and out of those funds and the balances left at fiscal year end for spending in future periods. These funds are reported using 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 determine whether there are more or less financial resources that can be spent in the near future to finance educational programs.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

The School District as a Whole

Table 1 provides a summary of the School District's net position for fiscal year 2024 and fiscal year 2023:

	Table 1 Net Position		
	Governmental Activities		
	2024	2023	Change
<u>Assets</u>			
Current and Other Assets	\$99,759,743	\$82,006,877	\$17,752,866
Net OPEB Asset	3,147,163	4,093,659	(946,496)
Capital Assets, Net	143,365,020	144,592,806	(1,227,786)
Total Assets	246,271,926	230,693,342	15,578,584
			(continued)

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Table 1
Net Position
(continued)

	Governmental Activities		
	2024	2023	Change
<u>Deferred Outflows of Resources</u>			
Pension	\$9,861,972	\$11,099,675	(\$1,237,703)
OPEB	1,838,686	1,270,396	568,290
Other Amounts	2,577,813	2,737,768	(159,955)
Total Deferred Outflows of Resources	14,278,471	15,107,839	(829,368)
<u>Liabilities</u>			
Current and Other Liabilities	6,725,774	7,167,228	441,454
Long-Term Liabilities			
Net Pension Liability	44,921,402	45,048,095	126,693
Net OPEB Liability	3,080,611	2,612,229	(468,382)
Other Amounts	134,863,293	138,455,978	3,592,685
Total Liabilities	189,591,080	193,283,530	3,692,450
<u>Deferred Inflows of Resources</u>			
Pension	2,817,478	4,220,603	1,403,125
OPEB	5,236,634	6,425,571	1,188,937
Other Amounts	34,362,770	28,654,711	(5,708,059)
Total Deferred Inflows of Resources	42,416,882	39,300,885	(3,115,997)
<u>Net Position</u>			
Net Investment in Capital Assets	26,982,717	24,342,978	2,639,739
Restricted	6,919,090	4,914,148	2,004,942
Unrestricted (Deficit)	(5,359,372)	(16,040,360)	10,680,988
Total Net Position	\$28,542,435	\$13,216,766	\$15,325,669

The net pension liability and net OPEB liability (asset) reported by the School District at June 30, 2024, is reported pursuant to Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", respectively. For reasons discussed below, end users of these financial statements will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

GASB standards are national standards and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB Statement No. 27) and postemployment benefits (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension or net OPEB liability. GASB Statements No. 68 and No. 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

GASB Statements No. 68 and No. 75 require the net pension liability and the net OPEB liability (asset) to equal the School District's proportionate share of each plan's collective present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange", that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the 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 health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contribution to provide for these OPEB benefits.

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

Most long-term liabilities have set repayment schedules or in the case of compensated absences (i.e. vacation and sick 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 pension benefits, contribution rates, and return on investments affect the balance of these liabilities but are outside the control of the School District. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB Statements No. 68 and No. 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's change in net pension liability and net OPEB liability (asset), respectively, not accounted for as deferred outflows/inflows.

Pension/OPEB related changes noted in the above table reflect an overall decrease in deferred outflows and deferred inflows. The decrease in the net OPEB asset and the net pension liability and the increase in the net OPEB liability represents the School District's proportionate share of the unfunded benefits. As indicated previously, changes in pension/OPEB benefits, contribution rates, return on investments, and actuarial assumptions all affect the balance of the net pension/OPEB liability (asset).

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Aside from the changes related to pension/OPEB, there are several additional changes of note in the above table. The increase in current and other assets is primarily related to three sources, increase in cash and cash equivalents, income taxes receivable, and property taxes receivable. The increase in cash and cash equivalent was largely due to property tax revenue (increase in assessed valuation due to reappraisal in Delaware County) and investment earnings and other interest (more resources were invested and an increase in the market value). The increase in property taxes and income taxes receivable was primarily due to Delaware County reappraisal of taxes in 2023 with collection in 2024 and continued growth in the community as new residents move into the community. The change in current and other assets caused net position unrestricted to increase. The decrease in net capital assets is largely due to capital assets continuing to depreciate, however the School District did complete the construction of the athletic complex. The decrease in current and other liabilities is due to in the prior year more outstanding liabilities for retainage held on contractors still existed with the completion of the new athletic complex and unearned revenue spent from grant funding from the Ohio School Facilities Commission for safety. The decrease in other long-term liabilities represents scheduled debt retirement (also reflected in the increase in the investment in capital assets).

Table 2 reflects the change in net position for fiscal year 2024 and fiscal year 2023.

Table 2
Change in Net Position

	Governmental Activities		
	2024	2023	Change
<u>Revenues</u>			
Program Revenues			
Charges for Services	\$2,858,884	\$2,829,502	\$29,382
Operating Grants and Contributions	4,491,709	4,474,027	17,682
Capital Grants and Contributions	299,979	31,086	268,893
Total Program Revenues	<u>7,650,572</u>	<u>7,334,615</u>	<u>315,957</u>
General Revenues			
Property Taxes Levied for General Purposes	\$35,254,154	\$28,780,785	\$6,473,369
Property Taxes Levied for Debt Service Purposes	8,830,242	9,145,118	(314,876)
Property Taxes Levied for Permanent Improvements	1,287,863	1,262,396	25,467
Payment in Lieu of Taxes	200,000	100,000	100,000
Income Taxes Levied for General Purposes	11,816,359	11,125,005	691,354
Grants and Entitlements	11,023,173	10,446,561	576,612
Investment Earnings and Other Interest	2,127,723	1,191,433	936,290
Contributions and Donations	680,960	539,520	141,440
Miscellaneous	1,248,044	879,226	368,818
Total General Revenues	<u>72,468,518</u>	<u>63,470,044</u>	<u>8,998,474</u>
Total Revenues	<u>80,119,090</u>	<u>70,804,659</u>	<u>9,314,431</u>
			(continued)

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Table 2
Change in Net Position
(continued)

	Governmental Activities		
	2024	2023	Change
<u>Expenses</u>			
Instruction:			
Regular	\$25,540,854	\$25,249,983	(\$290,871)
Special	8,657,029	7,718,666	(938,363)
Vocational	182,390	299,809	117,419
Support Services:			
Pupils	3,760,956	3,550,242	(210,714)
Instructional Staff	989,837	803,889	(185,948)
Board of Education	323,114	238,018	(85,096)
Administration	4,404,686	4,203,725	(200,961)
Fiscal	1,600,405	1,450,650	(149,755)
Business	11,816	15,745	3,929
Operation and Maintenance of Plant	5,711,772	5,422,081	(289,691)
Pupil Transportation	3,567,171	3,655,297	88,126
Central	511,170	423,199	(87,971)
Non-Instructional Services	2,613,841	2,546,120	(67,721)
Extracurricular Activities	1,873,017	1,783,364	(89,653)
Interest	5,045,363	5,124,499	79,136
Total Expenses	64,793,421	62,485,287	(2,308,134)
Increase in Net Position	15,325,669	8,319,372	7,006,297
Net Position at Beginning of Year	13,216,766	4,897,394	8,319,372
Net Position at End of Year	<u>\$28,542,435</u>	<u>\$13,216,766</u>	<u>(15,325,669)</u>

For program revenues, the increase in charges for services and operating grants and contributions was not significant. The increase in capital grants and contributions is for grant funding from the Ohio School Facilities Commission for safety. For general revenues, the increase in property tax revenue was based on an increase in assessed valuation from the reappraisal for Delaware County and new construction in the community (as previously mentioned above). The increase in investment earnings and other interest is the result of more resources available and an increase in market values. Overall expenses increased due to salary and benefit related increases as well as classroom supplies.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Table 3 indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction:				
Regular	\$25,540,854	\$25,249,983	\$24,118,825	\$23,433,181
Special	8,657,029	7,718,666	7,024,417	6,259,080
Vocational	182,390	299,809	182,390	299,809
Support Services:				
Pupils	3,760,956	3,550,242	2,932,830	2,798,164
Instructional Staff	989,837	803,889	624,128	750,818
Board of Education	323,114	238,018	323,114	238,018
Administration	4,404,686	4,203,725	4,404,686	4,203,725
Fiscal	1,600,405	1,450,650	1,600,405	1,450,650
Business	11,816	15,745	11,816	15,745
Operation and Maintenance of Plant	5,711,772	5,422,081	5,711,772	5,422,081
Pupil Transportation	3,567,171	3,655,297	3,402,967	3,489,500
Central	511,170	423,199	511,170	423,199
Non-Instructional Services	2,613,841	2,546,120	(46,683)	30,902
Extracurricular Activities	1,873,017	1,783,364	1,295,649	1,211,301
Interest	5,045,363	5,124,499	5,045,363	5,124,499
Total Expenses	<u>\$64,793,421</u>	<u>\$62,485,287</u>	<u>\$57,142,849</u>	<u>\$55,150,672</u>

With the substantial contribution of general revenues for funding the School District's activities, only a limited number of activities are affected by program revenues. Instruction costs are partially offset by tuition and fees and grants restricted for various instruction purposes. Non-instructional services costs are supported by cafeteria sales, state and federal subsidies, and donated commodities for food service operations. In addition, this program includes resources received and spent on behalf of the parochial school located within the School District. Extracurricular activities costs are supported by music and athletic fees, ticket sales, and gate receipts at musical and athletic events.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The School District's Funds

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

There was a sizable increase in fund balance in the General Fund (35 percent). There was a decent increase in property tax revenue due to the increase in assessed values and income tax revenue for new construction in the community as previously mentioned above. Also, investment earnings and other interest experienced a significant increase as previously mentioned above. The increase in expenditures was largely related to salary and benefit cost increases.

The increase in fund balance in the Bond Retirement debt service fund was due to property tax and related revenues exceeding amounts required for debt retirement.

The decrease in fund balance in the Building capital projects fund is the result of the School District spending down bond proceeds issued for building construction.

General Fund Budgeting Highlights

The School District's budget is prepared according to Ohio law and is based upon 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 2024, the School District amended its General Fund budget as needed. For revenues, changes from the original budget to the final budget were primarily related to increasing the estimate for property tax revenue. Changes from final budget to actual revenues were not significant. For expenditures, changes from the original budget to the final budget as well as from the final budget to actual expenditures were due to budgeting conservatively.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2024, the School District had \$143,365,020 invested in capital assets (net of accumulated depreciation/amortization). The most significant additions for fiscal year 2024 was the completion of construction of the new athletic complex, various equipment, and several new buses. Disposals included land, various equipment, and five buses. For further information regarding the School District's capital assets, refer to Note 11 to the basic financial statements.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Debt

The School District's outstanding debt at June 30, 2024, consisted of general obligation bonds and financed purchases, in the amount of \$132,110,413 and \$329,299, respectively. The School District's long-term obligations also include the net pension/OPEB liability and compensated absences. For further information regarding the School District's debt, refer to Note 18 to the basic financial statements.

Current Issues

The Big Walnut Local School District, like all other school districts in Ohio and across the country, continue to do our very best to make safe, informed, and cautious decisions as we deal with the numerous impacts post COVID-19, including addressing learning loss and students' mental health needs. During the 2023-2024 academic we continued to address our educational program by concentrating on reading at the grade K-6 levels and enhancing our course offerings at the high school.

In fiscal year 2022, the effective class I millage rate for the School District was at the 20-mill floor, which will be reflected in general property tax revenue as growth continues. Calendar year 2023 was an update year for Delaware County which positively impact fiscal year 2024 (half-year) and beyond. The next appraisal update for Delaware County will occur at the end of 2026 and it is anticipated that values will continue to increase as was seen in 2026. A county reappraisal or update does increase the amount of taxes collected since the School District is on the 20-mill floor. With community growth, the School District also expects an increase in property tax and income tax receipts as new residents move into the community. Along with these funding benefits that come with new construction and growth, there are the financial challenges that occur to accommodate the enrollment growth. Careful planning, monitoring, and foresight over enrollment and expenditures will be a necessary and important process.

The School District utilizes the General Fund five-year forecast as a tool to plan and manage resources effectively. The School District's currently approved five-year forecast shows a positive General Fund cash balance through the end of the fiscal year 2026. The positive cash balance is made possible by the community's approval of a continuing 5.45 mill substitute levy which substituted (renewed) the 6.9 mill substitute emergency levy approved in May 2015, the return of some of our State funding that was cut in May 2020, better than anticipated income tax receipts, and a cautious, conservative spending approach. In the midst of the COVID-19 pandemic, we are grateful for our community's continued support. Further evaluation of revenues and service levels will be necessary to ensure long-term financial health.

Over the last decade, the School District has experienced a steady increase in enrollment, as development in the surrounding communities has increased, which prompted the School District to contract with FutureThink, Inc. to have an enrollment study completed in 2015. This study was updated in the spring of 2019 and provided several scenarios of estimated enrollment growth through the 2029 school year. School District leadership uses these enrollment projections to plan for growth in both staffing and facility needs. We continued to see enrollment increases in the 2023-2024 academic year, during the post COVID-19 era, with the continued growth in both our local economy and residential development. With this growth, we anticipate enrollment growth to continue for the foreseeable future.

Big Walnut Local School District
Management's Discussion and Analysis
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In November 2017, the Big Walnut Community approved a 6.6 mill bond levy to construct a new elementary school, high school, athletic fields, and athletic structures. With the help of the Facilities Committee, we selected both an architect and construction manager in the spring of 2018 and began construction on the elementary school and the central energy plant in the spring of 2019. We were excited to have Prairie Run Elementary open for the start of the 2020-2021 school year. Construction of the high school started in the fall of 2019 and opened the building for our students to attend in January 2022. Some work on the athletic fields and structures began during the fall of 2020 and accelerated in the spring of 2021. All of the athletic facilities were ready for use in the fall of 2023. We continue with the punch list items and commissioning process on the new High School.

To pay for the construction projects, the School District's multi-year debt financing plan was completed at the end of fiscal year 2019. Based on the estimated growth of property value in the community and favorable interest rates, the School District has been able to phase in the millage more gradually than originally anticipated. It is not anticipated the full amount of the approved new millage will need to be collected over the entire repayment schedule; however, close monitoring of funding needs will be required. In addition, the School District was able to refund and slightly restructure this debt to gain several million in cash flow savings during fiscal year 2021. We will continue to work with our advisers to monitor our outstanding debt and take advantage of future opportunities to save taxpayer dollars.

The School District's facilities range in age from newly built to ninety-five years in age and require varying degrees of maintenance and upkeep. As part of the November 2017 levy, there was a 1.25 mill permanent improvement levy that currently has an effective rate of 1.0089 mills. We appreciate having the permanent improvement levy funds but the current and future needs of all buildings far surpass the resources available each year. Therefore, the Board of Education has directed to Administrative Team to develop and long-range capital improvement plan to address these ongoing needs. These funds will come primarily from the increased funds due to reappraisal. School District leadership has and will continue to evaluate the facilities maintenance and upkeep needs as well as ongoing bus, technology, and equipment needs to most effectively use these dollars to support our students and community.

The School District agreed to a three-year contract in the spring of 2022 with both the Big Walnut Education Association (BWEA) and the Big Walnut Professional Support Staff (BWPSS) bargaining units that provided for a 2.0 percent increase to the base salary of BWEA and a 1.25 percent increase to the base salary for BWPSS. Both agreements expire on June 30, 2025. The School District negotiated two-year agreements with the Ohio Association of Public-School Employees (OAPSE) Local #524 and Local #696 bargaining units in the summer/fall of 2022 which provided a 3.0 percent increase to the base salary in the first year and replacing the current insurance plan with a high deductible health plan. Both OAPSE agreements expire on June 30, 2025. Therefore, all the district's collective bargaining agreements will expire next fiscal year. This represents a potential area of vulnerability for the district.

Sunbury Meadows Community Development Authority, located in the City of Sunbury, is still in the process of building approximately five hundred new homes on the east side of State Route 3. Arrowhead Lake Estates and Retreats at Dustin are two new developments being planned within the School District's boundaries and are included within the Galena New Community Authority. Property owners in these subdivisions pay additional mills of property tax for twenty years. The School District's portion in both of these arrangements is 4 mills. This tax is currently designated to the School District to be used for permanent improvements. Upon receipt, these funds are deposited directly into the School District's Permanent Improvement capital projects fund.

Big Walnut Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

There are numerous other areas of development including residential, commercial, and industrial that are either beginning or pending approval that are being tracked and accounted for as the Administration monitors growth and plans for the future.

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 reflect the School District's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to J. Scott Gooding II, Interim Treasurer/CFO, Big Walnut Local School District, 110 Tippet Court, Sunbury, Ohio 43074.

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Big Walnut Local School District
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$46,059,715
Accounts Receivable	320,012
Accrued Interest Receivable	135,558
Intergovernmental Receivable	693,442
Income Taxes Receivable	5,627,556
Prepaid Items	45,607
Inventory Held for Resale	15,969
Materials and Supplies Inventory	12,917
Property Taxes Receivable	46,748,967
Payment in Lieu of Taxes Receivable	100,000
Net OPEB Asset	3,147,163
Nondepreciable Capital Assets	3,537,355
Depreciable Capital Assets, Net	<u>139,827,665</u>
Total Assets	<u>246,271,926</u>
<u>Deferred Outflows of Resources</u>	
Deferred Charge on Refunding	2,577,813
Pension	9,861,972
OPEB	<u>1,838,686</u>
Total Deferred Outflows of Resources	<u>14,278,471</u>
<u>Liabilities</u>	
Accounts Payable	438,077
Contracts Payable	65,193
Accrued Wages and Benefits Payable	4,382,312
Matured Compensated Absences Payable	158,546
Retainage Payable	276,544
Intergovernmental Payable	1,000,987
Accrued Interest Payable	404,115
Long-Term Liabilities	
Due Within One Year	4,142,426
Due in More Than One Year	
Net Pension Liability	44,921,402
Net OPEB Liability	3,080,611
Other Amounts Due in More Than One Year	<u>130,720,867</u>
Total Liabilities	<u>189,591,080</u>
<u>Deferred Inflows of Resources</u>	
Property Taxes	34,262,770
Payment in Lieu of Taxes	100,000
Pension	2,817,478
OPEB	<u>5,236,634</u>
Total Deferred Inflows of Resources	<u>42,416,882</u>
<u>Net Position</u>	
Net Investment in Capital Assets	26,982,717
Restricted For	
Debt Service	352,450
Capital Projects	1,840,932
Athletics and Music	180,456
Food Service Operations	1,069,727
Nonpublic Schools	53,308
Student Activities	173,868
OPEB Plans	3,147,163
Other Purposes	101,186
Unrestricted (Deficit)	<u>(5,359,372)</u>
Total Net Position	<u><u>\$28,542,435</u></u>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2024

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
Instruction				
Regular	\$25,540,854	\$850,616	\$571,413	\$0
Special	8,657,029	106,397	1,526,215	0
Vocational	182,390	0	0	0
Support Services				
Pupils	3,760,956	0	828,126	0
Instructional Staff	989,837	0	65,730	299,979
Board of Education	323,114	0	0	0
Administration	4,404,686	0	0	0
Fiscal	1,600,405	0	0	0
Business	11,816	0	0	0
Operation and Maintenance of Plant	5,711,772	0	0	0
Pupil Transportation	3,567,171	14,084	150,120	0
Central	511,170	0	0	0
Non-Instructional Services	2,613,841	1,322,093	1,338,431	0
Extracurricular Activities	1,873,017	565,694	11,674	0
Interest	5,045,363	0	0	0
Total Governmental Activities	<u>\$64,793,421</u>	<u>\$2,858,884</u>	<u>\$4,491,709</u>	<u>\$299,979</u>

General Revenues

Property Taxes Levied for General Purposes
Property Taxes Levied for Debt Service Purposes
Property Taxes Levied for Permanent Improvements
Payment in Lieu of Taxes
Income Taxes Levied for General Purposes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings and Other Interest
Contributions and Donations
Miscellaneous

Total General Revenues

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See Accompanying Notes to the Basic Financial Statements

Net (Expense) Revenue
and Change in Net Position

Governmental
Activities

(\$24,118,825)
(7,024,417)
(182,390)

(2,932,830)
(624,128)
(323,114)
(4,404,686)
(1,600,405)
(11,816)

(5,711,772)
(3,402,967)
(511,170)
46,683
(1,295,649)
(5,045,363)

(57,142,849)

35,254,154
8,830,242
1,287,863
200,000
11,816,359
11,023,173
2,127,723
680,960
1,248,044

72,468,518

15,325,669

13,216,766

\$28,542,435

Big Walnut Local School District
Balance Sheet
Governmental Funds
June 30, 2024

	General	Bond Retirement	Building	Other Governmental	Total
<u>Assets</u>					
Equity in Pooled Cash and Cash Equivalents	\$34,498,600	\$6,726,650	\$767,881	\$4,025,888	\$46,019,019
Accounts Receivable	254,384	0	0	65,628	320,012
Accrued Interest Receivable	135,558	0	0	0	135,558
Interfund Receivable	198,189	0	0	0	198,189
Intergovernmental Receivable	315,078	0	0	378,364	693,442
Income Taxes Receivable	5,627,556	0	0	0	5,627,556
Prepaid Items	43,455	0	0	2,152	45,607
Inventory Held for Resale	0	0	0	15,969	15,969
Materials and Supplies Inventory	0	0	0	12,917	12,917
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	40,696	0	0	0	40,696
Property Taxes Receivable	36,776,980	8,670,224	0	1,301,763	46,748,967
Payment in Lieu of Taxes Receivable	0	0	0	100,000	100,000
Total Assets	<u>\$77,890,496</u>	<u>\$15,396,874</u>	<u>\$767,881</u>	<u>\$5,902,681</u>	<u>\$99,957,932</u>
<u>Liabilities</u>					
Accounts Payable	\$399,623	\$0	\$0	\$38,454	\$438,077
Contracts Payable	0	0	65,193	0	65,193
Accrued Wages and Benefits Payable	4,158,575	0	0	223,737	4,382,312
Matured Compensated Absences Payable	158,546	0	0	0	158,546
Retainage Payable	0	0	276,544	0	276,544
Interfund Payable	0	0	0	198,189	198,189
Intergovernmental Payable	952,408	0	0	48,579	1,000,987
Total Liabilities	<u>5,669,152</u>	<u>0</u>	<u>341,737</u>	<u>508,959</u>	<u>6,519,848</u>
<u>Deferred Inflows of Resources</u>					
Property Taxes	27,117,266	6,198,775	0	946,729	34,262,770
Payment in Lieu of Taxes	0	0	0	100,000	100,000
Unavailable Revenue	1,357,306	32,680	0	69,707	1,459,693
Total Deferred Inflows of Resources	<u>28,474,572</u>	<u>6,231,455</u>	<u>0</u>	<u>1,116,436</u>	<u>35,822,463</u>
<u>Fund Balances</u>					
Nonspendable	84,151	0	0	15,069	99,220
Restricted	0	9,165,419	426,144	2,596,331	12,187,894
Committed	0	0	0	57,777	57,777
Assigned	698,211	0	0	1,622,746	2,320,957
Unassigned (Deficit)	42,964,410	0	0	(14,637)	42,949,773
Total Fund Balances	<u>43,746,772</u>	<u>9,165,419</u>	<u>426,144</u>	<u>4,277,286</u>	<u>57,615,621</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$77,890,496</u>	<u>\$15,396,874</u>	<u>\$767,881</u>	<u>\$5,902,681</u>	<u>\$99,957,932</u>

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2024

Total Governmental Fund Balances	\$57,615,621

Amounts reported for governmental activities on the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	143,365,020

Deferred outflows of resources includes deferred charges on refundings which do not provide current financial resources and, therefore, are not reported in the funds.	2,577,813

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Accounts Receivable	468,729	
Accrued Interest Receivable	63,909	
Intergovernmental Receivable	14,637	
Income Taxes Receivable	732,396	
Delinquent Property Taxes Receivable	180,022	
		1,459,693

Accrued interest on outstanding debt is not due and payable in the current period and, therefore, is not reported in the funds; it is reported when due.	(404,115)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

General Obligation Bonds Payable	(132,110,413)	
Compensated Absences Payable	(2,423,581)	
Financed Purchases Payable	(329,299)	
		(134,863,293)

The net pension liability and net OPEB liability (asset) are not due and payable in the current period, therefore, the liability, asset, and related deferred outflows/inflows are not reported in governmental funds.

Deferred Outflows - Pension	9,861,972	
Deferred Inflows - Pension	(2,817,478)	
Net Pension Liability	(44,921,402)	
Net OPEB Asset	3,147,163	
Deferred Outflows - OPEB	1,838,686	
Deferred Inflows - OPEB	(5,236,634)	
Net OPEB Liability	(3,080,611)	
		(41,208,304)

Net Position of Governmental Activities	\$28,542,435

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General	Bond Retirement	Building	Other Governmental	Total
<u>Revenues</u>					
Property Taxes	\$35,262,099	\$8,844,565	\$0	\$1,289,497	\$45,396,161
Payment in Lieu of Taxes	0	0	0	200,000	200,000
Income Taxes	11,764,634	0	0	0	11,764,634
Intergovernmental	11,105,303	435,121	0	4,294,868	15,835,292
Investment Earnings and Other Interest	2,004,633	0	65,074	57,422	2,127,129
Tuition and Fees	1,002,886	0	0	0	1,002,886
Extracurricular Activities	0	0	0	524,237	524,237
Charges for Services	14,215	0	0	1,280,816	1,295,031
Contributions and Donations	250,648	0	0	439,329	689,977
Miscellaneous	1,211,815	0	0	69,523	1,281,338
Total Revenues	62,616,233	9,279,686	65,074	8,155,692	80,116,685
<u>Expenditures</u>					
Current:					
Instruction					
Regular	23,463,947	0	0	515,306	23,979,253
Special	7,359,747	0	0	1,276,829	8,636,576
Vocational	124,511	0	0	0	124,511
Support Services					
Pupils	3,153,071	0	0	599,453	3,752,524
Instructional Staff	776,542	0	0	155,935	932,477
Board of Education	323,381	0	0	0	323,381
Administration	4,324,354	0	0	0	4,324,354
Fiscal	1,530,453	110,757	0	15,146	1,656,356
Business	15,251	0	0	0	15,251
Operation and Maintenance of Plant	4,830,109	0	0	265,553	5,095,662
Pupil Transportation	3,870,088	0	0	680,586	4,550,674
Central	509,732	0	0	13,983	523,715
Non-Instructional Services	11,690	0	0	2,477,190	2,488,880
Extracurricular Activities	856,962	0	0	598,222	1,455,184
Capital Outlay	59,457	0	415,419	953,838	1,428,714
Debt Service:					
Principal Retirement	11,176	3,818,726	0	351,366	4,181,268
Interest	267	4,885,314	0	20,479	4,906,060
Interest on Capital Appreciation Bonds	0	86,274	0	0	86,274
Total Expenditures	51,220,738	8,901,071	415,419	7,923,886	68,461,114
Excess of Revenues Over (Under) Expenditures	11,395,495	378,615	(350,345)	231,806	11,655,571
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	7,885	0	0	264,945	272,830
Inception of Financed Purchase	0	0	0	554,071	554,071
Transfers In	0	0	0	2,143	2,143
Transfers Out	(2,143)	0	0	0	(2,143)
Total Other Financing Sources (Uses)	5,742	0	0	821,159	826,901
Changes in Fund Balances	11,401,237	378,615	(350,345)	1,052,965	12,482,472
Fund Balances Beginning of Year	32,345,535	8,786,804	776,489	3,224,321	45,133,149
Fund Balances End of Year	\$43,746,772	\$9,165,419	\$426,144	\$4,277,286	\$57,615,621

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to Statement of Activities
For the Fiscal Year Ended June 30, 2024

Changes in Fund Balances - Total Governmental Funds \$12,482,472

Amounts reported for governmental activities on the statement of activities are different because of the following:

Governmental funds report capital outlays as expenditures.

However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current fiscal year.

Nondepreciable Capital Assets	33,466	
Depreciable Capital Assets	2,831,137	
Depreciation/Amortization	<u>(3,826,384)</u>	(961,781)

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net position and is offset against the proceeds from the sale of capital assets resulting in a gain on disposal of capital assets on the statement of activities.

Proceeds from Sale of Capital Assets	(272,830)	
Gain on Disposal of Capital Assets	<u>6,825</u>	(266,005)

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

Delinquent Property Taxes	(23,902)	
Income Taxes	51,725	
Intergovernmental	(81,607)	
Charges for Services	41,277	
Investment Earnings and Other Interest Revenue	44,041	
Tuition and Fees	(46,004)	
Extracurricular Activities	(3,039)	
Contributions	8,712	
Miscellaneous	<u>4,377</u>	(4,420)

Repayment of principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities on the statement of net position.

General Obligation Bonds	3,818,726	
Financed Purchases	351,366	
Leases Payable	<u>11,176</u>	4,181,268

(continued)

Big Walnut Local School District
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to Statement of Activities
For the Fiscal Year Ended June 30, 2024
(continued)

The inception of a financed purchase is reported as an other financing source in the governmental funds but increases long-term liabilities on the statement of net position. (\$554,071)

Interest is reported as an expenditure when due in the governmental funds but is accrued on outstanding debt on the statement of net position. Premiums are reported as revenues when the debt is first issued; however, this amount is deferred and amortized on the statement of activities. Accounting losses are amortized over the life of the debt on the statement of activities.

Accrued Interest Payable	8,209	
Annual Accretion on Capital Appreciation Bonds	(299,965)	
Payment on Accretion on Capital Appreciation Bonds	86,274	
Amortization of Premium	312,408	
Amortization of Deferred Charge on Refunding	(159,955)	(53,029)

Compensated absences reported on the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (133,229)

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

Pension	(4,035,760)	
OPEB	208,695	(3,827,065)

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

Pension	4,327,875	
OPEB	133,654	4,461,529

Change in Net Position of Governmental Activities	\$15,325,669

See Accompanying Notes to the Basic Financial Statements

Big Walnut Local School District
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Revenues</u>				
Property Taxes	\$28,673,102	\$33,322,830	\$33,302,830	(\$20,000)
Income Taxes	12,717,547	11,062,620	11,062,620	0
Intergovernmental	10,820,984	11,319,598	11,105,303	(214,295)
Interest	330,380	1,719,604	1,719,604	0
Tuition and Fees	1,049,573	1,186,823	1,003,501	(183,322)
Charges for Services	30,077	22,361	14,215	(8,146)
Contributions and Donations	195,342	244,120	241,937	(2,183)
Miscellaneous	509,986	1,179,627	1,090,463	(89,164)
Total Revenues	54,326,991	60,057,583	59,540,473	(517,110)
<u>Expenditures</u>				
Current:				
Instruction				
Regular	23,541,214	23,989,711	23,558,437	431,274
Special	7,327,413	7,531,179	7,364,402	166,777
Vocational	287,205	149,017	145,292	3,725
Support Services				
Pupils	3,191,451	3,284,018	3,233,000	51,018
Instructional Staff	696,658	789,551	775,527	14,024
Board of Education	344,276	479,643	383,789	95,854
Administration	4,528,010	4,461,557	4,387,400	74,157
Fiscal	1,364,199	1,571,464	1,546,638	24,826
Business	17,321	17,373	16,814	559
Operation and Maintenance of Plant	5,376,775	5,454,213	5,182,756	271,457
Pupil Transportation	3,875,554	4,001,658	3,947,697	53,961
Central	546,410	567,935	531,712	36,223
Non-Instructional Services	9,838	8,508	8,193	315
Extracurricular Activities	937,866	868,167	848,723	19,444
Capital Outlay	0	76,987	0	76,987
Total Expenditures	52,044,190	53,250,981	51,930,380	1,320,601
Excess of Revenues Over Expenditures	2,282,801	6,806,602	7,610,093	803,491
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	95,697	130,107	99,927	(30,180)
Sale of Capital Assets	0	8,300	7,885	(415)
Transfers Out	0	0	(2,143)	(2,143)
Total Other Financing Sources (Uses)	95,697	138,407	105,669	(32,738)
Changes in Fund Balance	2,378,498	6,945,009	7,715,762	770,753
Fund Balance Beginning of Year	25,149,858	25,149,858	25,149,858	0
Prior Year Encumbrances Appropriated	620,618	620,618	620,618	0
Fund Balance End of Year	\$28,148,974	\$32,715,485	\$33,486,238	\$770,753

See Accompanying Notes to the Basic Financial Statements

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Big Walnut Local School District
Statement of Change in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2024

<u>Additions</u>	
Amounts Received as Fiscal Agent	\$321,083
Charges Received on Behalf of OHSAA	<u>19,082</u>
Total Additions	<u>340,165</u>
<u>Deductions</u>	
Distributions as Fiscal Agent	321,083
Distributions on Behalf of OHSAA	<u>19,082</u>
Total Deductions	<u>340,165</u>
Change in Net Position	0
Net Position at Beginning of Year	<u>0</u>
Net Position at End of Year	<u><u>\$0</u></u>
See Accompanying Notes to the Basic Financial Statements	

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 - Description of the School District and Reporting Entity

Big Walnut 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 and federal guidelines.

The School District was established in 1950. The School District serves an area of approximately one hundred ten square miles and is located in Delaware County. It is staffed by one hundred eighty-three classified employees, two hundred seventy-seven certified employees (two hundred sixty-four teachers and thirteen others), and twenty-two administrative employees who provide services to 4,228 students and other community members. The School District currently operates one preschool, four elementary schools, an intermediate school, a middle school, and a high school.

Reporting Entity

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

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

The following activity is included within the School District's reporting entity:

Within the School District boundaries, Genoa Christian Academy is operated as a private school. Current state legislation provides funding to this parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the School District, as directed by the parochial school. This activity is reflected in the Auxiliary Services special revenue fund for financial reporting purposes by the School District.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 - Description of the School District and Reporting Entity (continued)

The School District participates in three jointly governed organizations and two insurance pools, and is associated with a related organization. These organizations are the Metropolitan Educational Technology Association, Delaware Area Career Center, City of Sunbury Community Park Joint Recreation Board, Ohio School Plan, Ohio Association of School Business Officials Workers' Compensation Group Rating Plan, and the Sunbury Community Library. These organizations are presented in Notes 22, 23, and 24 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). 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, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants, contributions, and interest that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the 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.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements

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

B. Fund Accounting

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

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 liabilities and deferred inflows of resources is reported as fund balance. The School District's three major funds are the General Fund, the Bond Retirement debt service fund, and the Building capital projects fund.

General Fund - The General Fund 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.

Bond Retirement Fund - The Bond Retirement Fund is used to account for and report property taxes and related revenues restricted for the payment of principal and interest on general obligation bonds.

Building Fund - The Building Fund is used to account for and report debt proceeds and other resources restricted to building improvements.

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report activities that are not required to be reported in a trust fund. The School District did not have any trust funds in fiscal year 2024. The School District's custodial funds account for resources held on behalf of the Sunbury Meadows Community Development Authority and the Ohio High School Athletic Association. These funds had no balance at June 30, 2024; therefore, no statement of net position is presented for fiduciary funds.

C. 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 all liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (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 are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects 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 fund financial statements for governmental funds.

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

Fiduciary funds present a statement of change in fiduciary net position which reports additions to and deductions from fiduciary funds.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

D. Basis of Accounting

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

Revenues - Exchange and Nonexchange Transactions

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

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

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, income taxes, grants, investment earnings and other interest, tuition, student fees, and charges for services.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that time. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for a deferred charge on refunding and for pension and OPEB. A deferred charge on refunding results from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the life of the old debt or the life of the new debt, whichever is shorter. Deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB and explained in Note 15 and Note 16 to the basic financial statements.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of financial position may report deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources consists of property taxes, payment in lieu of taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there was an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. Payment in lieu of taxes represents a contractual promise to make payment of property taxes which reflect all or a portion of the taxes which would have been paid if the taxes had not been exempted. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes accrued interest, intergovernmental revenue including grants, income taxes, delinquent property taxes, and other sources. These amounts are deferred and recognized as inflows of resources in the period when the amounts become available. For further details on unavailable revenue, refer to the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities on page 21. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position and explained in Note 15 and Note 16 to the basic financial statements.

Expenses/Expenditures

On the accrual basis, 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 governmental funds.

E. Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the alternative tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The alternative tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount 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 the level of control selected by the Board. The legal level of budgetary control is at the fund level for all funds. Budgetary allocations at the function and object level within all funds are made by the School District Treasurer.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources requested by the School District prior to fiscal year end.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

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

F. Cash and Investments

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

During fiscal year 2024, the School District invested in mutual funds, negotiable certificates of deposit, federal agency securities, United States treasury securities, commercial paper, and STAR Ohio. Investments are reported at fair value or amortized cost. Fair value is based on quoted market price or current share price. STAR 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 Statement No. 79, “Certain External Investment Pools and Pool Participants”. The School District measures the 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 a NAV that approximates fair value.

STAR Ohio reserves the right to limit the transaction 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 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

The School District’s commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

The Board of Education has allocated interest earnings according to State statutes. Investment earnings and other interest revenue credited to the General Fund during fiscal year 2024 was \$2,004,633 which includes \$409,540 assigned from other School District funds.

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

H. Inventory

Materials and supplies inventory is presented at cost on a first-in, first-out basis and is expensed/expensed when used. Inventories consists of administrative supplies held for consumption. Inventory held for resale is presented at lower cost or market and consists of donated and purchased food held for resale.

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions. Unclaimed monies that have a legal restriction on their use are reported as restricted.

J. Capital Assets

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

All capital assets (except for intangible right to use lease assets which are discussed below) are capitalized at cost and updated for additions and reductions during the fiscal year. Donated capital assets are recorded at their acquisition value on the date donated. The School District maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All capital assets, 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	Useful Lives
Land Improvements	15 - 40 years
Buildings and Building Improvements	5 - 100 years
Furniture, Fixtures, and Equipment	5 - 40 years
Vehicles	10 - 12 years

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

Note 2 - Summary of Significant Accounting Policies (continued)

K. Deferred Charge on Refunding

For refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This deferred amount is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as deferred outflows of resources on the statement of net position.

L. Interfund Assets/Liabilities

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivables/Payables”. Interfund balances within governmental activities are eliminated on the statement of net position.

M. Leases Payable

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

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

N. Compensated Absences

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 probable the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees’ wage rates at fiscal year end, taking into consideration any limits specified in the School District’s termination policy. The School District records a liability for accumulated unused sick leave for all employees after ten years of service.

The entire compensated absences liability is reported on the government-wide financial statements.

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

O. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on 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 are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current fiscal year. The 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 to pay those benefits. Bonds, financed purchases, and leases are recognized as a liability on the fund financial statements when due.

P. Unamortized Premiums

On government-wide financial statements, premiums are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of bonds payable.

On the governmental fund financial statements, bond premiums are recognized in the period when the debt is issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited in the Bond Retirement Fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to a bond escrow agent.

Q. Net Position

Net position represents the difference between all other elements on the statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes includes resources restricted for federal and state grants. 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 is available. Restricted net position for OPEB plans represent the corresponding restricted asset amount held in trust by the OPEB plans for future benefits.

R. Fund Balance

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

Nonspendable - The nonspendable classification 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” 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 are imposed by law through constitutional provisions.

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

Assigned - Amounts in the assigned 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. Assigned fund balance represents the remaining amount that is not restricted or committed. Assigned amounts represent intended uses established by the Board of Education. Fund balance policy of the Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated. The Board of Education has also assigned fund balance for certain educational, extracurricular, and staff activities and for permanent improvements.

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

The School District first applies restricted resources when an expenditure is 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 can be used.

S. Pensions/Other Postemployment Benefits

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB, pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans, and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB systems. 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 systems report investments at fair value.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 2 - Summary of Significant Accounting Policies (continued)

T. Interfund Transactions

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Payments for interfund services provided and used are not eliminated.

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

U. 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 - Change in Accounting Principles

For fiscal year 2024, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, "Accounting Changes and Error Corrections", and related guidance from GASB Implementation Guide No. 2023-1, "Implementation Guidance Update-2023." The School District also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, "Implementation Guidance Update-2021."

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The School District reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and GASB Implementation Guide 2021-1 and 2023-1 did not have any effect on beginning net position/fund balance.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 3 - Change in Accounting Principles (continued)

In an effort to promote comparability with other governments, the School District updated its calculation of net position restricted for OPEB plans for fiscal year 2024. This change had no impact on beginning net position, but rather reclassified the amounts presented as net position restricted for OPEB plans and unrestricted net position.

Note 4 - Accountability

At June 30, 2024, the Early Childhood Education and Title VI-B special revenue funds had deficit fund balances, in the amount of \$12,337 and \$1,512, respectively. These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund 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 (Non-GAAP Basis) and Actual for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed, or assigned fund balance (GAAP basis).

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 5 - Budgetary Basis of Accounting (continued)

The adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund are as follows:

Changes in Fund Balance

	<u>General</u>
GAAP Basis	\$11,401,237
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2023, Received in Cash FY 2024	11,906,146
Accrued FY 2024, Not Yet Received in Cash	(14,634,984)
Expenditure Accruals:	
Accrued FY 2023, Paid in Cash FY 2024	(5,387,021)
Accrued FY 2024, Not Yet Paid in Cash	5,669,152
Cash Adjustments:	
Unrecorded Cash Activity FY 2023	17,954
Unrecorded Cash Activity FY 2024	(264,949)
Prepaid Items	(5,475)
Encumbrances Outstanding at Fiscal Year End (Budget Basis)	<u>(986,298)</u>
Budget Basis	<u>\$7,715,762</u>

Note 6 - Deposits and Investments

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

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

Inactive deposits are public deposits 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.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 6 - Deposits and Investments (continued)

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 may be deposited or invested in the following securities:

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 6 - Deposits and Investments (continued)

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Investments

Investments are reported at fair value or amortized cost. As of June 30, 2024, the School District had the following investments:

Measurement/Investment	Measurement Amount	Less Than Six Months	Six Months to One Year	One Year to Two Years	More Than Two Years
Fair Value - Level One Inputs					
Mutual Funds	\$424,570	\$424,570	\$0	\$0	\$0
Fair Value - Level Two Inputs					
Negotiable Certificates of Deposit	491,272	491,272	0	0	0
Federal Farm Credit Bank Notes	2,119,599	229,844	0	429,060	1,460,695
Federal Home Loan Bank Notes	2,342,600	257,972	0	618,143	1,466,485
Federal Home Loan Mortgage Corporation Notes	392,796	0	0	0	392,796
United States Treasury Bills/Notes	5,352,221	2,389,841	1,289,822	721,861	950,697
Total Fair Value - Level Two Inputs	10,698,488	3,368,929	1,289,822	1,769,064	4,270,673
Amortized Cost					
Commercial Paper	3,975,513	2,143,118	1,832,395	0	0
Net Asset Value Per Share					
STAR Ohio	10,868,985	10,868,985	0	0	0
Total Investments	\$25,967,556	\$16,805,602	\$3,122,217	\$1,769,064	\$4,270,673

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2024. The mutual funds are measured at fair value using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 6 - Deposits and Investments (continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The investment policy restricts the Treasurer from investing in any securities other than those identified in the Ohio Revised Code and that all investments must mature within five years from the date of investment unless they are matched to a specific obligation or debt of the School District. The School District's policy indicates that it will attempt to minimize the effect of market value fluctuations by (1) maintaining adequate liquidity so that current obligations can be met without a sale of securities; (2) diversification of maturities; and (3) diversification of assets.

The mutual funds carry a rating of Aaa-mf by Moody's. The negotiable certificates of deposit are generally covered by FDIC and/or SIPC insurance. The federal agency securities and United States treasury securities carry a rating of Aaa by Moody's. The commercial paper carries a rating of P-1 by Moody's. STAR Ohio carries a rating of AAAM by Standard and Poor's. The School District has no investment policy dealing with credit risk beyond the requirements of State statute. Ohio law requires that mutual funds must be rated, at the time of purchase, in the highest category at the time of purchase by at least one nationally recognized statistical rating organization, commercial paper must be rated in the highest category at the time of purchase by two nationally recognized statistical rating organization, and STAR Ohio must maintain the highest rating provided by at least one nationally recognized statistical rating organization.

The School District places no limit on the amount of its interim monies it may invest in a particular security.

	Fair Value	Percentage of Portfolio
Negotiable Certificates of Deposit	\$491,272	1.89%
Federal Farm Credit Bank	2,119,599	8.16
Federal Home Loan Bank	2,342,600	9.02
Federal Home Mortgage Corporation	392,796	1.51
United States Treasury	5,352,221	20.61
Commercial Paper	3,975,513	15.31

Note 7 - Receivables

Receivables at June 30, 2024, consisted of accounts (student fees and billings for user charged services), accrued interest, interfund, intergovernmental, income taxes, property taxes, and payment in lieu of taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except income taxes and property taxes, are expected to be collected within one year. Income taxes and property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 7 - Receivables (continued)

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities	
Major Funds	
General Fund	
Delaware County	\$226
Delaware Area Career Center	5,206
Tuition	303,677
School Employees Retirement System	5,504
State of Ohio	465
Total Major Funds	<u>315,078</u>
Other Governmental Funds	
Athletics and Music	2,000
Early Childhood Education	14,051
Elementary and Secondary School Emergency Relief	141,761
Title VI-B	141,681
Title I	13,349
Title IV-A	702
Early Childhood Special Education	3,053
Title II-A	61,767
Total Other Governmental Funds	<u>378,364</u>
Total Intergovernmental Receivables	<u>\$693,442</u>

Note 8 - Income Taxes

The School District levies a voted tax of .75 percent for general operations on the income of residents and of estates. The tax was effective on January 1, 2000, for a five-year period. In May 2006, voters approved the tax as a continuing tax. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

Note 9 - Property Taxes

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 9 - Property Taxes (continued)

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien on December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Delaware County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents real and public utility property taxes which were measurable as of June 30, 2024, and for which there was an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources - property taxes.

The amount available as an advance at June 30, 2024, was \$9,516,766 in the General Fund, \$2,438,769 in the Bond Retirement debt service fund, and \$350,640 in the Permanent Improvement capital projects fund. The amount available as an advance at June 30, 2023, was \$7,557,497 in the General Fund, \$2,590,246 in the Bond Retirement debt service fund, and \$357,062 in the Permanent Improvement capital projects fund.

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 9 - Property Taxes (continued)

The assessed values upon which fiscal year 2024 taxes were collected are:

	2023 Second- Half Collections		2024 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,115,628,700	89.16%	\$1,550,322,260	91.93%
Public Utility Personal	135,655,850	10.84	136,052,190	8.07
Total Assessed Value	<u>\$1,251,284,550</u>	<u>100.00%</u>	<u>\$1,686,374,450</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$42.17		\$38.77	

Note 10 - Payment in Lieu of Taxes

In accordance with agreements related to tax increment financing districts, Delaware County has entered into agreements with a number of property owners under which the County has granted property tax exemptions to those property owners. The property owners have agreed to make payments to the County which reflect all or a portion of the property taxes which the property owners would have paid if their taxes had not been exempted. The agreements require a portion of these payments to be made to the School District. Each property owner contractually promises to make these payments in lieu of taxes until the agreement expires.

Note 11 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance at 6/30/23	Additions	Reductions	Balance at 6/30/24
Governmental Activities				
Nondepreciable Capital Assets				
Land	\$3,802,300	\$0	(\$264,945)	\$3,537,355
Construction in Progress	9,738,566	33,466	(9,772,032)	0
Total Nondepreciable Capital Assets	<u>13,540,866</u>	<u>33,466</u>	<u>(10,036,977)</u>	<u>3,537,355</u>
Depreciable Capital Assets				
Tangible Assets				
Land Improvements	1,111,686	96,025	0	1,207,711
Building and Building Improvements	148,466,450	10,116,675	0	158,583,125
Furniture, Fixtures, and Equipment	1,782,060	1,154,135	0	2,936,195
Vehicles	3,491,078	1,236,334	(327,147)	4,400,265
Total Tangible Assets	<u>154,851,274</u>	<u>12,603,169</u>	<u>(327,147)</u>	<u>167,127,296</u>

(continued)

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 11 - Capital Assets (continued)

	Balance at 6/30/23	Additions	Reductions	Balance at 6/30/24
Governmental Activities (continued)				
Intangible Assets				
Intangible Right to Use Lease - Equipment	\$50,502	\$0	(\$50,502)	\$0
Total Depreciable Capital Assets	<u>154,901,776</u>	<u>12,603,169</u>	<u>(377,649)</u>	<u>167,127,296</u>
Less Accumulated Depreciation/Amortization				
Depreciation				
Land Improvements	(501,409)	(39,454)	0	(540,863)
Building and Building Improvements	(20,579,346)	(3,130,598)	0	(23,709,944)
Furniture, Fixtures, and Equipment	(727,999)	(337,371)	0	(1,065,370)
Vehicles	<u>(2,005,747)</u>	<u>(303,794)</u>	<u>326,087</u>	<u>(1,983,454)</u>
Total Accumulated Depreciation	<u>(23,814,501)</u>	<u>(3,811,217)</u>	<u>326,087</u>	<u>(27,299,631)</u>
Amortization				
Intangible Right to Use Lease - Equipment	<u>(35,335)</u>	<u>(15,167)</u>	<u>50,502</u>	<u>0</u>
Total Accumulated Depreciation/Amortization	<u>(23,849,836)</u>	<u>(3,826,384)</u>	<u>376,589</u>	<u>(27,299,631)</u>
Depreciable Capital Assets, Net	<u>131,051,940</u>	<u>8,776,785</u>	<u>(1,060)</u>	<u>139,827,665</u>
Governmental Activities				
Capital Assets, Net	<u>\$144,592,806</u>	<u>\$8,810,251</u>	<u>(\$10,038,037)</u>	<u>\$143,365,020</u>

Depreciation/Amortization expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,562,201
Special	123,028
Vocational	60,424
Support Services:	
Pupils	31,485
Instructional Staff	83,495
Administration	157,166
Fiscal	1,566
Operation and Maintenance of Plant	785,548
Pupil Transportation	317,423
Central	783
Noninstructional Services	246,087
Extracurricular Activities	457,178
Total Depreciation/Amortization Expense	<u>\$3,826,384</u>

Of the current year depreciation total of \$3,826,384, \$15,167 is presented as regular instruction expense on the Statement of Activities related to the School District's intangible asset of copiers, which is included as an Intangible Right to Use Lease - Lease Asset.

The School District's old intermediate building has a carrying value of \$1,413,939. This building is temporarily idle. As of June 30, 2024, the School District is evaluating plans for future use.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 12 - Interfund

At June 30, 2024, the General Fund had an interfund receivable, in the amount of \$198,189, from other governmental funds for short-term loans made to those funds. All amounts are expected to be repaid within one year.

Note 13 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the School District contracted for the following insurance coverage.

Coverage provided by the Ohio School Plan:	
Buildings and Contents	\$283,715,818
Auto Liability	5,000,000
General Liability	
Each Occurrence	5,000,000
Aggregate	7,000,000

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

For fiscal year 2024, the School District participated in the Ohio School Plan (Plan), an insurance purchasing pool. Each participant enters into an individual agreement with the Plan for insurance coverage and pays annual premiums to the Plan based on the types and limits of coverage and deductibles selected by the participant.

The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The intent of the Plan 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 Plan. The third party administrator, Sheakley Uniservice, Inc., reviews each participants' claims experience and determines the rating tier for that participant. A common premium rate is applied to all participants in a given rating tier. Each participant pays its workers' compensation premium to the State based on the rate for their rating tier rather than its individual rate. Sheakley Uniservice, Inc. provides administrative, cost control, and actuarial services to the Plan.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 14 - Contractual Commitments

The School District has several outstanding contracts for professional services. The following amounts remain on these contracts as of June 30, 2024:

Vendor	Contract Amount	Amount Paid as of 6/30/24	Outstanding Balance
Bluegrass Recreation Sales & Installation	\$252,140	\$0	\$252,140
Bricker Graydon, LLP	60,000	44,344	15,656
Buckeye Paving Company	65,630	0	65,630
Garland/DBS, Inc.	90,000	61,297	28,703
Gilbane Building Company	1,826,346	1,478,689	347,657
Multi Ventures Limited	424,689	364,360	60,329
Summit Construction Company	57,877	0	57,877
Multi Ventures Limited	446,518	0	446,518
Voorhis Slone Welsh Crossland	842,998	721,449	121,549

All of the remaining commitment amounts were encumbered at year end. The amounts of \$65,193 and \$276,544 in contracts payable and retainage payable, respectively, has been capitalized in governmental activities.

At fiscal year end, the amount of significant encumbrances expected to be honored upon performance by the vendor in fiscal year 2025 are as follows:

General Fund	\$986,298
Building Fund	445,713
Other Governmental Funds	1,362,923
Total	<u>\$2,794,934</u>

Note 15 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

Note 15 - Defined Benefit Pension Plans (continued)

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 16 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 15 - Defined Benefit Pension Plans (continued)

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 2023.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary, and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$1,107,641 for fiscal year 2024. Of this amount \$80,220 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 15 - Defined Benefit Pension Plans (continued)

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. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. 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, a one-time 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 one-time ad-hoc COLA of 1 percent 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. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

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

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 15 - Defined Benefit Pension Plans (continued)

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 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$3,220,234 for fiscal year 2024. Of this amount \$466,882 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2023, 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	0.18231250%	0.16181935%	
Prior Measurement Date	0.18308980%	0.15809706%	
Change in Proportionate Share	<u>0.00077730%</u>	<u>0.00372229%</u>	
Proportionate Share of the Net			
Pension Liability	\$10,073,705	\$34,847,697	\$44,921,402
Pension Expense	\$914,668	\$3,121,092	\$4,035,760

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 15 - Defined Benefit Pension Plans (continued)

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$432,991	\$1,270,474	\$1,703,465
Changes of assumptions	71,358	2,869,897	2,941,255
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	889,377	889,377
School District contributions subsequent to the measurement date	1,107,641	3,220,234	4,327,875
Total Deferred Outflows of Resources	<u>\$1,611,990</u>	<u>\$8,249,982</u>	<u>\$9,861,972</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$77,329	\$77,329
Changes of assumptions	0	2,160,207	2,160,207
Net difference between projected and actual earnings on pension plan investments	141,595	104,440	246,035
Changes in proportionate share and Difference between School District contributions and proportionate share of contributions	112,011	221,896	333,907
Total Deferred Inflows of Resources	<u>\$253,606</u>	<u>\$2,563,872</u>	<u>\$2,817,478</u>

\$4,327,875 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$14,864)	(\$100,171)	(\$115,035)
2026	(388,277)	(972,162)	(1,360,439)
2027	646,380	3,593,210	4,239,590
2028	7,504	(55,001)	(47,497)
Total	<u>\$250,743</u>	<u>\$2,465,876</u>	<u>\$2,716,619</u>

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 15 - Defined Benefit Pension Plans (continued)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 15 - Defined Benefit Pension Plans (continued)

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*. 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 an arithmetic 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, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	<u>100.00 %</u>	

Discount Rate - The total pension liability for 2023 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 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 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 2023 was 6.90 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	\$14,868,273	\$10,073,705	\$6,035,194

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 15 - Defined Benefit Pension Plans (continued)

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2023, 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

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, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	26.00%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
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 2.25 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 15 - Defined Benefit Pension Plans (continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. 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, 2023. 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, 2023.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$53,588,044	\$34,847,697	\$18,998,490

Social Security

Effective July 1, 1991, all employees not otherwise covered by the State Teachers Retirement System or the School Employees Retirement System have an option to choose Social Security or the State Teachers Retirement System/School Employees Retirement System. As of June 30, 2024, two of the Board of Education members have elected Social Security.

Note 16 - Defined Benefit OPEB Plans

See Note 15 for a description of the net OPEB liability (asset).

Note 16 - Defined Benefit OPEB Plans (continued)

Plan Description - School Employees Retirement System (SERS)

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

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

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 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, 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 2024, the School District's surcharge obligation was \$133,654.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 16 - Defined Benefit OPEB Plans (continued)

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 \$133,654 for fiscal year 2024. Of this amount \$133,654 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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, 2024, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.18699320%	0.16181935%	
Prior Measurement Date	0.18605490%	0.15809706%	
Change in Proportionate Share	0.00093830%	0.00372229%	
Proportionate Share of the:			
Net OPEB Liability	\$3,080,611	\$0	\$3,080,611
Net OPEB Asset	\$0	\$3,147,163	\$3,147,163
OPEB Expense	(\$169,000)	(\$39,695)	(\$208,695)

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 16 - Defined Benefit OPEB Plans (continued)

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$6,417	\$4,907	\$11,324
Changes of assumptions	1,041,645	463,624	1,505,269
Net difference between projected and actual earnings on OPEB plan investments	23,876	5,618	29,494
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	93,545	65,400	158,945
School District contributions subsequent to the measurement date	133,654	0	133,654
Total Deferred Outflows of Resources	<u>\$1,299,137</u>	<u>\$539,549</u>	<u>\$1,838,686</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$1,588,785	\$480,020	\$2,068,805
Changes of assumptions	874,923	2,076,451	2,951,374
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	198,304	18,151	216,455
Total Deferred Inflows of Resources	<u>\$2,662,012</u>	<u>\$2,574,622</u>	<u>\$5,236,634</u>

\$133,654 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 in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$478,216)	(\$861,954)	(\$1,340,170)
2026	(442,142)	(425,728)	(867,870)
2027	(260,581)	(163,594)	(424,175)
2028	(156,948)	(221,492)	(378,440)
2029	(119,258)	(203,394)	(322,652)
Thereafter	(39,384)	(158,911)	(198,295)
Total	<u>(\$1,496,529)</u>	<u>(\$2,035,073)</u>	<u>(\$3,531,602)</u>

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 16 - Defined Benefit OPEB Plans (continued)

Actuarial Assumptions - SERS

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

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

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

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

	<u>June 30, 2023</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	2048
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate,	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 16 - Defined Benefit OPEB Plans (continued)

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

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 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 2048 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, 2022, and the June 30, 2023, 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 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 16 - Defined Benefit OPEB Plans (continued)

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 (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$3,937,901	\$3,080,611	\$2,404,601

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$2,263,218	\$3,080,611	\$4,163,766

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to the prior year are presented below:

	June 30, 2023	June 30, 2022
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 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 16 - Defined Benefit OPEB Plans (continued)

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, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 15.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. 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, 2023. 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, 2023.

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, 2023, 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	\$2,663,661	\$3,147,163	\$3,568,241
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	\$3,587,781	\$3,147,163	\$2,616,446

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 17 - Other Employee Benefits

A. Compensated Absences

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

Teachers, administrators, and classified employees earn sick leave at a rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of two hundred forty days for administrators, support staff, and food service employees, and two hundred sixty days for teachers, and maintenance, custodial, and transportation employees. Upon retirement, payment is made for one-fourth of accrued but unused sick leave credit to a maximum of sixty days for administrators, support staff, and food service employees, sixty-five days for teachers, and seventy days for maintenance, custodial, and transportation employees.

B. Health Care Benefits

The School District offers employee medical benefits through Anthem Blue Cross and Blue Shield. Depending upon the plan chosen, the employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. The School District offers life insurance to all employees through Dearborn National Life Insurance Company. Dental insurance is offered to all employees through Delta Dental.

Note 18 - Long-Term Obligations

Changes in the School District's long-term obligations during fiscal year 2024 were as follows:

	Balance at 6/30/2023	Additions	Reductions	Balance at 6/30/2024	Amounts Due Within One Year
Governmental Activities					
General Long-Term Activities					
General Obligation Bonds					
School Facilities Construction and Improvement Bonds (Group D) FY 2010					
Term Bonds 1.650%	\$1,980,000	\$0	\$985,000	\$995,000	\$995,000
Refunding School Improvement Bonds FY2015					
Term Bonds 3%	320,000	0	10,000	310,000	10,000
Serial Bonds 3-3.625%	9,565,000	0	0	9,565,000	0
Bond Premium	190,027	0	192	189,835	0

(continued)

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 18 - Long-Term Obligations (continued)

	Balance at 6/30/2023	Additions	Reductions	Balance at 6/30/2024	Amounts Due Within One Year
Governmental Activities (continued)					
General Long-Term Activities (continued)					
General Obligation Bonds (continued)					
Refunding School Improvement Bonds FY2017					
Serial Bonds 3-5%	\$2,630,000	\$0	\$400,000	\$2,230,000	\$415,000
Bond Premium	269,638	0	41,010	228,628	0
School Facilities Construction and and Improvement Bonds FY2018					
Serial Bonds 2-4%	8,285,000	0	310,000	7,975,000	320,000
Bond Premium	469,787	0	17,578	452,209	0
School Facilities Construction and and Improvement Bonds FY2019					
Serial Bonds 2-5.5%	12,690,000	0	190,000	12,500,000	360,000
Term Bonds 3.75-5%	24,655,000	0	0	24,655,000	0
Bond Premium	3,179,553	0	16,177	3,163,376	0
School Facilities Construction and and Improvement Bonds FY2019					
Serial Bonds 2-5.5%	29,045,000	0	1,215,000	27,830,000	1,100,000
Term Bonds 3.75-5%	24,950,000	0	0	24,950,000	0
Bond Premium	4,938,815	0	111,134	4,827,681	0
Refunding School Improvement Bonds FY2021A					
Serial Bonds 4%	4,470,000	0	595,000	3,875,000	625,000
Bond Premium	752,110	0	100,113	651,997	0
Refunding School Improvement Bonds FY2021B					
Serial Bonds .19-1.67%	4,845,000	0	0	4,845,000	0
Capital Appreciation Bonds 21.8	865,054	0	113,726	751,328	157,127
Accretion on Capital Appreciation Bonds	612,204	299,965	86,274	825,895	0
Bond Premium	1,315,668	0	26,204	1,289,464	0
Total General Obligation Bonds	<u>136,027,856</u>	<u>299,965</u>	<u>4,217,408</u>	<u>132,110,413</u>	<u>3,982,127</u>

(continued)

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 18 - Long-Term Obligations (continued)

	Balance at 6/30/2023	Additions	Reductions	Balance at 6/30/2024	Amounts Due Within One Year
Governmental Activities (continued)					
General Long-Term Activities (continued)					
Net Pension Liability					
SERS	\$9,902,920	\$170,785	\$0	\$10,073,705	\$0
STRS	35,145,175	0	297,478	34,847,697	0
Total Net Pension Liability	45,048,095	170,785	297,478	44,921,402	0
Net OPEB Liability					
SERS	2,612,229	468,382	0	3,080,611	0
Compensated Absences Payable	2,290,352	252,599	119,370	2,423,581	55,637
Financed Purchases Payable from					
Direct Borrowing	126,594	554,071	351,366	329,299	104,662
Leases Payable	11,176	0	11,176	0	0
Total Governmental Activities					
Long-Term Obligations	<u>\$186,116,302</u>	<u>\$1,745,802</u>	<u>\$4,996,798</u>	<u>\$182,865,306</u>	<u>\$4,142,426</u>

FY 2010 School Facilities Construction and Improvement Bonds (Group D) - On December 1, 2009, the School District issued \$10,000,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue consists of term bonds, in the original amount of \$10,000,000. The bonds were issued for a fifteen fiscal year period, with final maturity in fiscal year 2025. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

The remaining principal, in the amount of \$995,000, will be paid at stated maturity on December 1, 2024.

FY 2015 Refunding School Improvement Bonds - On November 18, 2014, the School District issued current refunding general obligation bonds, in the amount of \$9,965,000, to refund the remaining balance of the FY 2010 School Facilities Construction and Improvement Bonds (Group C). The refunding bond issue includes term and serial bonds, in the original amount of \$400,000 and \$9,565,000, respectively. The bonds were issued for a twenty-three fiscal year period, with final maturity in fiscal year 2038. The bonds are being retired through the Bond Retirement debt service fund.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 18 - Long-Term Obligations (continued)

The bonds maturing on December 1, 2025, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2024	\$10,000

The remaining principal, in the amount of \$300,000, will be paid at stated maturity on December 1, 2025.

The serial bonds maturing on or after December 1, 2025, are subject to prior redemption on or after December 1, 2024, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As of June 30, 2023, the refunded bonds were fully retired.

FY 2017 Refunding School Improvement Bonds - On December 28, 2016, the School District issued general obligation bonds, in the amount of \$4,100,000, to partially refund the balance of the FY 2009 School Facilities Construction and Improvement Bonds. The refunding bond issue consists of serial bonds, in the original amount of \$4,100,000. The bonds were issued for a twelve fiscal year period, with final maturity in fiscal year 2029. The bonds are being retired through the Bond Retirement debt service fund.

The serial bonds maturing on or after December 1, 2026, are subject to prior redemption on or after December 1, 2026, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As of June 30, 2023, the refunded bonds were fully retired.

FY 2018 School Facilities Construction and Improvement Bonds - On March 22, 2018, the School District issued \$9,460,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue consists of serial bonds, in the original amount of \$9,460,000. The bonds were issued for a seventeen fiscal year period, with final maturity in fiscal year 2035. The bonds are being retired through the Bond Retirement debt service fund.

The serial bonds maturing on or after December 1, 2026, are subject to prior redemption on or after June 1, 2027, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As of June 30, 2023, all of the bond proceeds had been spent and \$428,400 was spent on items which were not capitalized.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 18 - Long-Term Obligations (continued)

FY 2019 School Facilities Construction and Improvement Bonds - On July 25, 2018, the School District issued \$42,000,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue includes serial and term bonds, in the original amount of \$17,345,000 and \$24,655,000, respectively. The bonds were issued for a thirty-seven fiscal year period, with final maturity in fiscal year 2056. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2035, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2032	\$40,000
2033	35,000
2034	40,000

The remaining principal, in the amount of \$955,000, will be paid at stated maturity on December 1, 2035.

The bonds maturing on December 1, 2042, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2041	\$1,280,000

The remaining principal, in the amount of \$1,340,000, will be paid at stated maturity on December 1, 2042.

The bonds maturing on December 1, 2050, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2045	\$1,555,000
2046	1,615,000
2047	1,675,000
2048	1,735,000
2049	1,805,000

The remaining principal, in the amount of \$1,875,000, will be paid at stated maturity on December 1, 2050.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 18 - Long-Term Obligations (continued)

The bonds maturing on December 1, 2055, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2051	\$1,935,000
2052	2,035,000
2053	2,140,000
2054	2,245,000

The remaining principal, in the amount of \$2,350,000, will be paid at stated maturity on December 1, 2055.

The serial bonds maturing on or after December 1, 2027, are subject to prior redemption on or after June 1, 2028, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As of June 30, 2023, all of the bond proceeds had been spent and \$802,563 was spent on items which were not capitalized.

FY 2019 School Facilities Construction and Improvement Bonds - On May 1, 2019, the School District issued \$56,500,000 in voted general obligation bonds for constructing, renovating, and improving school facilities, and acquiring land. The bond issue includes serial and term bonds, in the original amount of \$31,550,000 and \$24,950,000, respectively. The bonds were issued for a thirty-seven fiscal year period, with final maturity in fiscal year 2056. The bonds are being retired through the Bond Retirement debt service fund.

The bonds maturing on December 1, 2044, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2042	\$1,370,000
2043	1,425,000

The remaining principal, in the amount of \$1,480,000, will be paid at stated maturity on December 1, 2044.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 18 - Long-Term Obligations (continued)

The bonds maturing on December 1, 2048, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2045	\$1,540,000
2046	1,590,000
2047	1,640,000

The remaining principal, in the amount of \$1,695,000, will be paid at stated maturity on December 1, 2048.

The bonds maturing on December 1, 2053, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2049	\$1,750,000
2050	1,835,000
2051	1,930,000
2052	2,025,000

The remaining principal, in the amount of \$2,125,000, will be paid at stated maturity on December 1, 2053.

The bonds maturing on December 1, 2055, are subject to mandatory sinking fund redemption, at a redemption price equal to 100 percent of the principal amount redeemed plus accrued interest to the date of redemption, on December 1 in the years and the respective principal amounts as follows:

Year	Amount
2054	\$2,230,000

The remaining principal, in the amount of \$2,315,000, will be paid at stated maturity on December 1, 2055.

The serial bonds maturing on or after June 1, 2028, are subject to prior redemption on or after June 1, 2028, by and at the sole option of the School District, either in whole or in part and in integral multiples of \$5,000, at a redemption price of 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

As of June 30, 2023, all of the bond proceeds had been spent and \$3,321,209 was spent on items which were not capitalized.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 18 - Long-Term Obligations (continued)

FY 2021A Refunding School Improvement Bonds - On March 11, 2021, the School District issued general obligation bonds, in the amount of \$5,595,000, to currently refund the remaining balance of the FY 2012 Refunding School Improvement Bonds. The refunding bond issue consists of serial bonds, in the original amount of \$5,595,000. The bonds were issued for a ten fiscal year period, with maturity in fiscal year 2031. The bonds are being retired through the Bond Retirement debt service fund.

The serial bonds are not subject to prior redemption.

The refunded bonds were fully retired on June 1, 2021.

FY 2021B Refunding School Improvement Bonds - On March 11, 2021, the School District issued general obligation bonds, in the amount of \$5,954,988, to advance refund the remaining balance of the FY 2016 Refunding School Improvement Bonds. The refunding bond issue includes serial and capital appreciation bonds, in the original amount of \$4,950,000 and \$1,004,988, respectively. The bonds were issued for a twelve fiscal year period, with maturity in fiscal year 2033. The bonds are being retired through the Bond Retirement debt service fund.

The serial bonds are subject to prior redemption on or after December 1, 2030, by and at the sole option of the School District, either in whole on any date or in part on any interest payment date, and in integral multiples of \$5,000, at 100 percent of the principal amount redeemed plus accrued interest to the redemption date.

The capital appreciation bonds are not subject to prior redemption. The capital appreciation bonds will mature in fiscal years 2023 through 2027. The maturity amount of the bonds is \$2,485,000. For fiscal year 2024, \$299,965 was accreted and \$86,274 was retired on the capital appreciation bonds for a total value of \$1,577,223, at fiscal year end.

As of June 30, 2024, \$5,955,000 of the refunded bonds was still outstanding.

Other Long-Term Liabilities

There is no repayment schedule for the net pension/OPEB liability; however, employer pension/OPEB contributions are made from the General Fund and the Food Service, Auxiliary Services, Early Childhood Education, Elementary and Secondary School Emergency Relief, and Title VI-B special revenue funds.

Compensated absences will be paid from the General Fund and the Food Service special revenue fund.

During fiscal years 2021, 2022, and 2024, the School District entered in financed purchase agreements for school buses in the amount of \$165,000, \$255,000, and \$554,071, respectively, to be paid from the Permanent Improvement capital projects fund.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 18 - Long-Term Obligations (continued)

The School District's overall debt margin was \$40,457,792 with an unvoted debt margin of \$1,686,374 at June 30, 2024. The School District has been authorized by the Ohio Superintendent of Public Instruction to exceed its overall limitation because it has been designated as a "special needs" school district.

Principal and interest requirements to retire general obligation bonds and financed purchases outstanding at June 30, 2024, were as follows:

Fiscal Year Ending June 30,	General Obligation Bonds				
	Serial	Term	Capital Appreciation	Interest	Total
2025	\$2,820,000	\$1,005,000	\$157,128	\$4,962,800	\$8,944,928
2026	3,085,000	300,000	328,641	5,216,778	8,930,419
2027	3,510,000	0	265,559	5,162,210	8,937,769
2028	4,485,000	0	0	4,425,602	8,910,602
2029	4,645,000	0	0	4,257,890	8,902,890
2030-2034	23,840,000	75,000	0	18,543,070	42,458,070
2035-2039	17,360,000	995,000	0	14,137,021	32,492,021
2040-2044	7,595,000	5,415,000	0	11,041,835	24,051,835
2045-2049	1,480,000	14,525,000	0	8,034,678	24,039,678
2050-2054	0	19,455,000	0	4,418,067	23,873,067
2055-2056	0	9,140,000	0	392,939	9,532,939
	<u>\$68,820,000</u>	<u>\$50,910,000</u>	<u>\$751,328</u>	<u>\$80,592,890</u>	<u>\$201,074,218</u>

Fiscal Year Ending June 30,	Financed Purchases From Direct Borrowings	
	Principal	Interest
2025	\$104,662	\$15,806
2026	109,686	10,782
2027	114,951	5,518
	<u>\$329,299</u>	<u>\$32,106</u>

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 19 - Fund Balance

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 governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below.

Fund Balance	General	Bond Retirement	Building	Other Governmental	Total Governmental Funds
Nonspendable for:					
Materials and Supplies					
Inventory	\$0	\$0	\$0	\$12,917	\$12,917
Prepaid Items	43,455	0	0	2,152	45,607
Unclaimed Monies	40,696	0	0	0	40,696
Total Nonspendable	84,151	0	0	15,069	99,220
Restricted for:					
Athletics and Music	0	0	0	180,456	180,456
Building Construction	0	0	426,144	1,070,389	1,496,533
Debt Retirement	0	9,165,419	0	0	9,165,419
Food Service Operations	0	0	0	1,059,119	1,059,119
Nonpublic Schools	0	0	0	53,148	53,148
Regular Instruction	0	0	0	58,458	58,458
Special Instruction	0	0	0	893	893
Student Activities	0	0	0	173,868	173,868
Total Restricted	0	9,165,419	426,144	2,596,331	12,187,894
Committed for:					
Permanent Improvements	0	0	0	57,777	57,777
Assigned for:					
Educational Activities	157,039	0	0	0	157,039
Extracurricular Activities	3,248	0	0	0	3,248
Permanent Improvements	0	0	0	1,622,746	1,622,746
Staff	11,516	0	0	0	11,516
Unpaid Obligations	526,408	0	0	0	526,408
Total Assigned	698,211	0	0	1,622,746	2,320,957
Unassigned (Deficit)	42,964,410	0	0	(14,637)	42,949,773
Total Fund Balance	\$43,746,772	\$9,165,419	\$426,144	\$4,277,286	\$57,615,621

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 20 - Set Asides

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

The following cash basis information identifies the change in the fund balance set aside for capital improvements during fiscal year 2024.

	<u>Capital Improvements</u>
Balance June 30, 2023	\$0
Current Year Set Aside Requirement	843,886
Current Year Offsets	<u>(843,886)</u>
Balance June 30, 2024	<u><u>\$0</u></u>

Note 21 - Interfund Transfers

During fiscal year 2024, the General Fund made transfers to other governmental funds, in the amount of \$2,143, to fund capital projects.

Note 22 - Jointly Governed Organizations

A. Metropolitan Educational Technology Association

The School District is a participant in the Metropolitan Educational Technology Association (META), which is a computer consortium. META is an association of public school districts within the boundaries of Athens, Crawford, Delaware, Erie, Fairfield, Franklin, Jackson, Knox, Licking, Madison, Mahoning, Marion, Morrow, Muskingum, Pickaway, Richland, Trumbull, Union, and Wyandot Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of META consists of twelve members of participating school districts. During fiscal year 2024, the School District paid \$109,535 to META for various services.

META also serves as a purchasing cooperative made up of school districts, libraries, and related agencies to obtain prices for quality merchandise and services commonly used by the participants. All participants must pay all fees, charges, or other assessments related to this activity.

Financial information can be obtained from the Metropolitan Educational Technology Association, 100 Executive Drive, Marion, Ohio 43302.

Note 22 - Jointly Governed Organizations (continued)

B. Delaware Area Career Center

The Delaware Area Career Center is a distinct political subdivision of the State of Ohio which provides vocational education. The Career Center operates under the direction of a Board consisting of one representative from each of the eleven participating school district's Boards of Education. The Board possesses its own budgeting and taxing authority. The degree of control exercised by the School District is limited to its representation on the Board. Financial information can be obtained from the Delaware Area Career Center, 4565 Columbus Pike Road, Delaware, Ohio 43015.

C. City of Sunbury Community Park Joint Recreation Board

The School District and the City of Sunbury participate in a Joint Recreation Board created under the provisions of Ohio Revised Code Sections 755.12 to 755.18. The Joint Recreation Board consists of one representative appointed by the School District, one representative appointed by the City, and an agreed upon member at large. The member at large shall be a resident of the City and the School District and be appointed by both parties. The City has agreed to commit approximately twenty-one acres of land and the School District has committed \$1.4 million to the development of the park. Financial information can be obtained from the City of Sunbury, P.O. Box 508, Sunbury, Ohio, 43074.

Note 23 - Insurance Pools

A. 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 board of directors consisting of superintendents and treasurers. The Hylant Group, Inc. is the Plan's administrator and is responsible for processing claims. Financial information can be obtained from Hylant Administrative Services, 811 Madison Ave., Toledo, Ohio 43604. See Note 13 for a description of the plan.

B. Ohio Association of School Business Officials Workers' Compensation Group Rating Plan

The School District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials (OASBO) Workers' Compensation Group Rating Plan (Plan) was established through the Ohio Association of School Business Officials as an insurance purchasing pool. The Plan's business and affairs are conducted by the five member OASBO Board of Directors. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the program. See Note 13 for a description of the plan.

Big Walnut Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 24 - Related Organization

The Sunbury Community Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by the Board of Trustees appointed by the Big Walnut Board of Education. The Board of Trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the School District for operational subsidies. Although the School District serves as the taxing authority, its role is limited to a ministerial function. The determination to request approval of a tax, the rate, and the purpose are discretionary decisions made solely by the Board of Trustees. Financial information can be obtained from the Sunbury Community Library, 44 Burrer Drive, Sunbury, Ohio 43704.

Note 25 - Contingencies

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2024.

B. School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, DEW adjustments for fiscal year 2024 were not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2024 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

C. Litigation

The School District is party to legal proceedings seeking damages or injunctive relief generally incidental to its operations. The management of the School District do not feel this will have a material impact on the financial statements.

Note 26 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2024, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Big Walnut Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.18231250%	0.18308980%	0.18610990%	0.18199010%
School District's Proportionate Share of the Net Pension Liability	\$10,073,705	\$9,902,920	\$6,866,916	\$12,037,209
School District's Covered Payroll	\$7,281,457	\$6,209,957	\$6,477,821	\$6,403,550
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	138.35%	159.47%	106.01%	187.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
0.18401130%	0.18408430%	0.16536950%	0.16647170%	0.16083990%	0.14705300%
\$11,009,719	\$10,542,849	\$9,880,463	\$12,184,193	\$9,177,680	\$7,442,269
\$6,384,652	\$5,972,407	\$5,622,100	\$5,240,186	\$4,889,340	\$4,372,336
172.44%	176.53%	175.74%	232.51%	187.71%	170.21%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

Big Walnut Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.16181935%	0.15809706%	0.159052552%	0.15467933%
School District's Proportionate Share of the Net Pension Liability	\$34,847,697	\$35,145,175	\$20,336,298	\$37,426,894
School District's Covered Payroll	\$22,120,293	\$20,012,736	\$17,858,786	\$18,764,893
School District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	157.54%	175.61%	113.87%	199.45%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017	2016	2015
0.15414035%	0.15383542%	0.14334122%	0.13513111%	0.12764004%	0.12055539%
\$34,087,212	\$33,824,953	\$34,051,014	\$45,232,456	\$35,275,973	\$29,323,243
\$18,010,979	\$17,759,950	\$15,802,929	\$14,255,336	\$14,399,121	\$12,256,554
189.26%	190.46%	215.47%	317.30%	244.99%	239.25%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

Big Walnut Local School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Eight Fiscal Years (1)

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.18699320%	0.18605490%	0.18591180%	0.18052180%
School District's Proportionate Share of the Net OPEB Liability	\$3,080,611	\$2,612,229	\$3,518,534	\$3,923,331
School District's Covered Payroll	\$7,281,457	\$6,209,957	\$6,477,821	\$6,403,550
School District's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	42.31%	42.07%	54.32%	61.27%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%

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

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017
0.18425540%	0.18585750%	0.16685730%	0.16756910%
\$4,633,635	\$5,156,189	\$4,478,012	\$4,776,339
\$6,384,652	\$5,972,407	\$5,622,100	\$5,240,186
72.57%	86.33%	79.65%	91.15%
15.57%	13.57%	12.46%	11.49%

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

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability (Asset)	0.16181935%	0.15809706%	0.159052552%	0.15467933%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$3,147,163)	(\$4,093,659)	(\$3,353,492)	(\$2,718,485)
School District's Covered Payroll	\$22,120,293	\$20,012,736	\$17,858,786	\$18,764,893
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	-14.23%	-20.46%	-18.78%	-14.49%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.50%	230.70%	174.70%	182.10%

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

Amounts presented as of the School District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information

2020	2019	2018	2017
0.15414035%	0.15383542%	0.14334122%	0.16756910%
(\$2,552,933)	(\$2,471,979)	\$5,592,646	\$7,226,847
\$18,010,979	\$17,759,950	\$15,802,929	\$14,255,336
-14.17%	-13.92%	35.39%	50.70%
174.70%	176.00%	47.10%	37.30%

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

	2024	2023	2022	2021
Net Pension Liability				
Contractually Required Contribution	\$1,107,641	\$1,019,404	\$869,394	\$906,895
Contributions in Relation to the Contractually Required Contribution	<u>(1,107,641)</u>	<u>(1,019,404)</u>	<u>(869,394)</u>	<u>(906,895)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$7,911,721	\$7,281,457	\$6,209,957	\$6,477,821
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution (2)	\$133,654	\$133,421	\$115,591	\$91,767
Contributions in Relation to the Contractually Required Contribution	<u>(133,654)</u>	<u>(133,421)</u>	<u>(115,591)</u>	<u>(91,767)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.69%</u>	<u>1.83%</u>	<u>1.86%</u>	<u>1.42%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.69%</u>	<u>15.83%</u>	<u>15.86%</u>	<u>15.42%</u>

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

(2) Includes Surcharge

See Accompanying Notes to the Required Supplementary Information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$896,497	\$861,928	\$806,275	\$787,094	\$733,626	\$644,415
<u>(896,497)</u>	<u>(861,928)</u>	<u>(806,275)</u>	<u>(787,094)</u>	<u>(733,626)</u>	<u>(644,415)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$6,403,550	\$6,384,652	\$5,972,407	\$5,622,100	\$5,240,186	\$4,889,340
14.00%	13.50%	13.50%	14.00%	14.00%	13.18%
\$76,577	\$124,141	\$131,147	\$86,526	\$79,935	\$113,514
<u>(76,577)</u>	<u>(124,141)</u>	<u>(131,147)</u>	<u>(86,526)</u>	<u>(79,935)</u>	<u>(113,514)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.20%</u>	<u>1.94%</u>	<u>2.20%</u>	<u>1.54%</u>	<u>1.53%</u>	<u>2.32%</u>
<u>15.20%</u>	<u>15.44%</u>	<u>15.70%</u>	<u>15.54%</u>	<u>15.53%</u>	<u>15.50%</u>

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Pension Liability				
Contractually Required Contribution	\$3,220,234	\$3,096,841	\$2,801,783	\$2,500,230
Contributions in Relation to the Contractually Required Contribution	<u>(3,220,234)</u>	<u>(3,096,841)</u>	<u>(2,801,783)</u>	<u>(2,500,230)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$23,001,671	\$22,120,293	\$20,012,736	\$17,858,786
Pension Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

See Accompanying Notes to the Required Supplementary Information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$2,627,085	\$2,521,537	\$2,486,393	\$2,212,410	\$1,995,747	\$2,015,877
<u>(2,627,085)</u>	<u>(2,521,537)</u>	<u>(2,486,393)</u>	<u>(2,212,410)</u>	<u>(1,995,747)</u>	<u>(2,015,877)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$18,764,893	\$18,010,979	\$17,759,950	\$15,802,929	\$14,255,336	\$14,399,121
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Big Walnut Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Net Pension Liability

Changes in Benefit Terms/Assumptions - SERS

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

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

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

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

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

Changes in Assumptions - STRS

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

Big Walnut Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

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

Investment rate of return:

Fiscal Years 2022 through 2024	7.00 percent, net of investment expenses, including inflation
Fiscal Years 2018 through 2021	7.45 percent, net of investment expenses, including inflation
Fiscal Year 2017 and prior	7.75 percent, net of investment expenses, including inflation

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

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

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

Changes in Benefit Term - STRS Pension

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

Big Walnut Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

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

Net OPEB Liability

Changes in Assumptions - SERS

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

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

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

Municipal Bond Index Rate:	
Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Big Walnut Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Changes in Assumptions - STRS

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

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

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

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

Changes in Benefit Terms - STRS OPEB

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

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

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

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

Big Walnut Local School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

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

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

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

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

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Big Walnut Local School District
Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes, other than for debt service or capital projects. Following is a description of the School District's nonmajor special revenue funds:

Food Service

To account for grants and charges for services restricted for the School District's food service operations.

Other Local Grants

To account for local grants and donations restricted for purposes outlined by the grant or the donor.

High School Multi-Handicapped

To account for donations restricted for a multi-handicapped unit room.

Student Activities

To account for resources received and restricted for various student activity programs.

Athletic and Music

To account for gate receipts and other revenues from athletic events and other programs restricted to expenditure for the School District's athletic and music programs (except for supplemental coaching contracts).

Auxiliary Services

To account for State resources restricted to providing services and materials to students attending non-public schools within the School District.

Early Childhood Education

To account for State grants restricted to providing services for the cost of the preschool program.

Network Connectivity

To account for grants restricted for the installation and ongoing support of data communication links connecting public school buildings to the statewide network and to the internet.

Miscellaneous State Grants

To account for State grants restricted for purposes outlined by the grant.

Elementary and Secondary School Emergency Relief

To account for grants restricted to provide emergency relief related to the COVID-19 pandemic.

(continued)

Big Walnut Local School District
Combining Statements - Nonmajor Governmental Funds

**Nonmajor Special Revenue Funds
(continued)**

Title VI-B

To account for Federal grants restricted to assisting the School District in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Limited English Proficiency

To account for Federal grants restricted to educating children who are not proficient in the English language.

Title I

To account for Federal grants restricted to assisting the School District in meeting the special needs of educationally deprived children.

Title IV-A

To account for Federal grants restricted to improve student academic achievement with access to a well-rounded education, improve school conditions for learning, and improve use of technology.

Early Childhood Special Education

To account for Federal grants restricted to supporting the improvement and expansion of services for handicapped children ages three to five.

Title II-A

To account for Federal grants restricted to hiring additional classroom teachers in grades 1 through 3 so that the number of students per teacher will be reduced.

Miscellaneous Federal Grants

To account for Federal grants restricted for purposes outlined by the grant.

Nonmajor Capital Projects Funds

Capital projects funds are used to account for resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities and other capital assets.

Permanent Improvement

To account for property taxes and other resources restricted or assigned for the acquisition, construction, or improvement of capital facilities.

Capital Projects

To account for resources committed by the Board of Education for the acquisition, construction, or improvement of capital facilities.

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,611,578	\$2,414,310	\$4,025,888
Accounts Receivable	65,628	0	65,628
Intergovernmental Receivable	378,364	0	378,364
Prepaid Items	2,152	0	2,152
Inventory Held for Resale	15,969	0	15,969
Materials and Supplies Inventory	12,917	0	12,917
Property Taxes Receivable	0	1,301,763	1,301,763
Payment in Lieu of Taxes Receivable	0	100,000	100,000
Total Assets	<u>\$2,086,608</u>	<u>\$3,816,073</u>	<u>\$5,902,681</u>
<u>Liabilities</u>			
Accounts Payable	\$24,416	\$14,038	\$38,454
Accrued Wages and Benefits Payable	223,737	0	223,737
Interfund Payable	198,189	0	198,189
Intergovernmental Payable	48,579	0	48,579
Total Liabilities	<u>494,921</u>	<u>14,038</u>	<u>508,959</u>
<u>Deferred Inflows of Resources</u>			
Property Taxes	0	946,729	946,729
Payment in Lieu of Taxes	0	100,000	100,000
Unavailable Revenue	65,313	4,394	69,707
Total Deferred Inflows of Resources	<u>65,313</u>	<u>1,051,123</u>	<u>1,116,436</u>
<u>Fund Balances</u>			
Nonspendable	15,069	0	15,069
Restricted	1,525,942	1,070,389	2,596,331
Committed	0	57,777	57,777
Assigned	0	1,622,746	1,622,746
Unassigned (Deficit)	(14,637)	0	(14,637)
Total Fund Balances	<u>1,526,374</u>	<u>2,750,912</u>	<u>4,277,286</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$2,086,608</u>	<u>\$3,816,073</u>	<u>\$5,902,681</u>

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024

	Food Service	Other Local Grants	High School Multi- Handicapped	Student Activities
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,136,628	\$7,567	\$893	\$170,698
Accounts Receivable	61,700	0	0	3,170
Intergovernmental Receivable	0	0	0	0
Prepaid Items	853	0	0	0
Inventory Held for Resale	15,969	0	0	0
Materials and Supplies Inventory	12,917	0	0	0
Total Assets	<u>\$1,228,067</u>	<u>\$7,567</u>	<u>\$893</u>	<u>\$173,868</u>
<u>Liabilities</u>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits Payable	77,675	0	0	0
Interfund Payable	0	0	0	0
Intergovernmental Payable	26,827	0	0	0
Total Liabilities	<u>104,502</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue	<u>50,676</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Balances</u>				
Nonspendable	13,770	0	0	0
Restricted	1,059,119	7,567	893	173,868
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances (Deficit)	<u>1,072,889</u>	<u>7,567</u>	<u>893</u>	<u>173,868</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$1,228,067</u>	<u>\$7,567</u>	<u>\$893</u>	<u>\$173,868</u>

Athletic and Music	Auxiliary Services	Early Childhood Education	Miscellaneous State Grants	Elementary and Secondary School Emergency Relief	Title VI-B
\$177,773	\$67,128	\$0	\$50,891	\$0	\$0
758	0	0	0	0	0
2,000	0	14,051	0	141,761	141,681
0	160	0	0	351	788
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$180,531</u>	<u>\$67,288</u>	<u>\$14,051</u>	<u>\$50,891</u>	<u>\$142,112</u>	<u>\$142,469</u>
\$75	\$2,430	\$0	\$0	\$0	\$21,911
0	10,118	9,750	0	45,303	80,891
0	0	1,714	0	90,619	26,985
0	1,432	2,587	0	5,839	11,894
<u>75</u>	<u>13,980</u>	<u>14,051</u>	<u>0</u>	<u>141,761</u>	<u>141,681</u>
<u>0</u>	<u>0</u>	<u>12,337</u>	<u>0</u>	<u>0</u>	<u>2,300</u>
0	160	0	0	351	788
180,456	53,148	0	50,891	0	0
0	0	(12,337)	0	0	(2,300)
<u>180,456</u>	<u>53,308</u>	<u>(12,337)</u>	<u>50,891</u>	<u>351</u>	<u>(1,512)</u>
<u>\$180,531</u>	<u>\$67,288</u>	<u>\$14,051</u>	<u>\$50,891</u>	<u>\$142,112</u>	<u>\$142,469</u>

(continued)

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024
(continued)

	Title I	Title IV-A	Early Childhood Special Education	Title II-A
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$0	\$0	\$0	\$0
Accounts Receivable	0	0	0	0
Intergovernmental Receivable	13,349	702	3,053	61,767
Prepaid Items	0	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Total Assets	<u>\$13,349</u>	<u>\$702</u>	<u>\$3,053</u>	<u>\$61,767</u>
<u>Liabilities</u>				
Accounts Payable	\$0	\$0	\$0	\$0
Accrued Wages and Benefits Payable	0	0	0	0
Interfund Payable	13,349	702	3,053	61,767
Intergovernmental Payable	0	0	0	0
Total Liabilities	<u>13,349</u>	<u>702</u>	<u>3,053</u>	<u>61,767</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fund Balances</u>				
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Unassigned (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances (Deficit)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$13,349</u>	<u>\$702</u>	<u>\$3,053</u>	<u>\$61,767</u>

<u>Total</u>
\$1,611,578
65,628
378,364
2,152
15,969
<u>12,917</u>
<u>\$2,086,608</u>
\$24,416
223,737
198,189
<u>48,579</u>
<u>494,921</u>
<u>65,313</u>
15,069
1,525,942
<u>(14,637)</u>
<u>1,526,374</u>
<u>\$2,086,608</u>

Big Walnut Local School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2024

	Permanent Improvement	Capital Projects	Total
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$2,353,306	\$61,004	\$2,414,310
Property Taxes Receivable	1,301,763	0	1,301,763
Payment in Lieu of Taxes Receivable	100,000	0	100,000
Total Assets	\$3,755,069	\$61,004	\$3,816,073
<u>Liabilities</u>			
Accounts Payable	\$10,811	\$3,227	\$14,038
<u>Deferred Inflows of Resources</u>			
Property Taxes	946,729	0	946,729
Payment in Lieu of Taxes	100,000	0	100,000
Unavailable Revenue	4,394	0	4,394
Total Deferred Inflows of Resources	1,051,123	0	1,051,123
<u>Fund Balances</u>			
Restricted	1,070,389	0	1,070,389
Committed	0	57,777	57,777
Assigned	1,622,746	0	1,622,746
Total Fund Balances	2,693,135	57,777	2,750,912
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$3,755,069	\$61,004	\$3,816,073

Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2024

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Property Taxes	\$0	\$1,289,497	\$1,289,497
Payment in Lieu of Taxes	0	200,000	200,000
Intergovernmental	4,286,516	8,352	4,294,868
Investment Earnings and Other Interest	43,447	13,975	57,422
Extracurricular Activities	524,237	0	524,237
Charges for Services	1,280,816	0	1,280,816
Contributions and Donations	16,529	422,800	439,329
Miscellaneous	69,523	0	69,523
Total Revenues	6,221,068	1,934,624	8,155,692
<u>Expenditures</u>			
Current:			
Instruction			
Regular	411,691	103,615	515,306
Special	1,276,829	0	1,276,829
Support Services			
Pupils	599,453	0	599,453
Instructional Staff	155,935	0	155,935
Fiscal	0	15,146	15,146
Operation and Maintenance of Plant	0	265,553	265,553
Pupil Transportation	63,790	616,796	680,586
Central	13,983	0	13,983
Non-Instructional Services	2,477,190	0	2,477,190
Extracurricular Activities	598,222	0	598,222
Capital Outlay	375,530	578,308	953,838
Debt Service:			
Principal Retirement	0	351,366	351,366
Interest	0	20,479	20,479
Total Expenditures	5,972,623	1,951,263	7,923,886
Excess of Revenues Over (Under) Expenditures	248,445	(16,639)	231,806
<u>Other Financing Sources</u>			
Sale of Capital Assets	0	264,945	264,945
Inception of Financed Purchase	0	554,071	554,071
Transfers In	0	2,143	2,143
Total Other Financing Sources	0	821,159	821,159
Changes in Fund Balances	248,445	804,520	1,052,965
Fund Balances Beginning of Year	1,277,929	1,946,392	3,224,321
Fund Balances End of Year	\$1,526,374	\$2,750,912	\$4,277,286

Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2024

	Food Service	Other Local Grants	High School Multi- Handicapped	Student Activities
<u>Revenues</u>				
Intergovernmental	\$832,978	\$0	\$0	\$0
Investment Earnings and Other Interest	39,030	0	0	0
Extracurricular Activities	0	0	0	101,692
Charges for Services	1,280,816	0	0	0
Contributions and Donations	805	5,250	0	10,374
Miscellaneous	0	2,125	0	10,902
Total Revenues	<u>2,153,629</u>	<u>7,375</u>	<u>0</u>	<u>122,968</u>
<u>Expenditures</u>				
Current:				
Instruction				
Regular	0	4,111	0	0
Special	0	0	0	0
Support Services				
Pupils	0	0	0	0
Instructional Staff	0	0	0	0
Pupil Transportation	0	0	0	0
Central	0	0	0	0
Non-Instructional Services	1,957,740	0	0	0
Extracurricular Activities	0	2,106	0	107,842
Capital Outlay	0	0	0	0
Total Expenditures	<u>1,957,740</u>	<u>6,217</u>	<u>0</u>	<u>107,842</u>
Changes in Fund Balances	195,889	1,158	0	15,126
Fund Balances (Deficit) Beginning of Year	<u>877,000</u>	<u>6,409</u>	<u>893</u>	<u>158,742</u>
Fund Balances (Deficit) End of Year	<u><u>\$1,072,889</u></u>	<u><u>\$7,567</u></u>	<u><u>\$893</u></u>	<u><u>\$173,868</u></u>

Athletic and Music	Auxiliary Services	Early Childhood Education	Network Connectivity	Miscellaneous State Grants	Elementary and Secondary School Emergency Relief
\$0	\$461,201	\$60,568	\$13,983	\$48,220	\$1,285,020
0	4,417	0	0	0	0
422,545	0	0	0	0	0
0	0	0	0	0	0
100	0	0	0	0	0
56,496	0	0	0	0	0
479,141	465,618	60,568	13,983	48,220	1,285,020
0	0	0	0	1,028	406,402
0	0	72,905	0	0	169,864
0	0	0	0	0	581,973
0	0	0	0	29,129	0
0	0	0	0	0	3,990
0	0	0	13,983	0	0
0	519,450	0	0	0	0
488,274	0	0	0	0	0
0	0	0	0	0	85,689
488,274	519,450	72,905	13,983	30,157	1,247,918
(9,133)	(53,832)	(12,337)	0	18,063	37,102
189,589	107,140	0	0	32,828	(36,751)
\$180,456	\$53,308	(\$12,337)	\$0	\$50,891	\$351

(continued)

Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2024
(continued)

	Title VI-B	Limited English Proficiency	Title I	Title IV-A
<u>Revenues</u>				
Intergovernmental	\$945,431	\$7,671	\$166,030	\$21,620
Investment Earnings and Other Interest	0	0	0	0
Extracurricular Activities	0	0	0	0
Charges for Services	0	0	0	0
Contributions and Donations	0	0	0	0
Miscellaneous	0	0	0	0
				0
Total Revenues	<u>945,431</u>	<u>7,671</u>	<u>166,030</u>	<u>21,620</u>
<u>Expenditures</u>				
Current:				
Instruction				
Regular	0	0	0	150
Special	829,412	7,462	166,030	4,000
Support Services				
Pupils	0	0	0	17,480
Instructional Staff	0	209	0	0
Pupil Transportation	59,800	0	0	0
Central	0	0	0	0
Non-Instructional Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>889,212</u>	<u>7,671</u>	<u>166,030</u>	<u>21,630</u>
Changes in Fund Balances	56,219	0	0	(10)
Fund Balances (Deficit) Beginning of Year	<u>(57,731)</u>	<u>0</u>	<u>0</u>	<u>10</u>
Fund Balances (Deficit) End of Year	<u><u>(\$1,512)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Early Childhood Special Education	Title II-A	Miscellaneous Federal Grants	Total
\$27,156	\$99,149	\$317,489	\$4,286,516
0	0	0	43,447
0	0	0	524,237
0	0	0	1,280,816
0	0	0	16,529
0	0	0	69,523
	0	0	
27,156	99,149	317,489	6,221,068
0	0	0	411,691
27,156	0	0	1,276,829
0	0	0	599,453
0	98,949	27,648	155,935
0	0	0	63,790
0	0	0	13,983
0	0	0	2,477,190
0	0	0	598,222
0	0	289,841	375,530
27,156	98,949	317,489	5,972,623
0	200	0	248,445
0	(200)	0	1,277,929
\$0	\$0	\$0	\$1,526,374

Big Walnut Local School District
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2024

	Permanent Improvement	Capital Projects	Total
<u>Revenues</u>			
Property Taxes	\$1,289,497	\$0	\$1,289,497
Payment in Lieu of Taxes	200,000	0	200,000
Intergovernmental	8,352	0	8,352
Investment Earnings and Other Interest	13,975	0	13,975
Contributions and Donations	422,800	0	422,800
Total Revenues	1,934,624	0	1,934,624
<u>Expenditures</u>			
Current:			
Instruction			
Regular	103,615	0	103,615
Support Services			
Fiscal	15,146	0	15,146
Operation and Maintenance of Plant	265,553	0	265,553
Pupil Transportation	616,796	0	616,796
Capital Outlay	575,081	3,227	578,308
Debt Service:			
Principal Retirement	351,366	0	351,366
Interest	20,479	0	20,479
Total Expenditures	1,948,036	3,227	1,951,263
Excess of Revenues Expenditures	(13,412)	(3,227)	(16,639)
<u>Other Financing Sources</u>			
Sale of Capital Assets	264,945	0	264,945
Inception of Financed Purchase	554,071	0	554,071
Transfers In	0	2,143	2,143
Total Other Financing Sources	819,016	2,143	821,159
Changes in Fund Balances	805,604	(1,084)	804,520
Fund Balances Beginning of Year	1,887,531	58,861	1,946,392
Fund Balances End of Year	\$2,693,135	\$57,777	\$2,750,912

Big Walnut Local School District
Combining Statements - Custodial Fund

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Custodial Funds

Sunbury Meadows Community Development Authority

To account for resources held for the benefit of the Sunbury Meadows Community Development Authority for which the Treasurer serves as ex-officio fiscal agent. This fund had no balances at June 30, 2024; therefore no statement of net position is presented.

Athletic Tournaments

To account for resources held for the benefit of the Ohio High School Athletic Association. This fund had no balances at June 30, 2024; therefore no statement of net position is presented.

Big Walnut Local School District
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2024

	Sunbury Meadows Community Development Authority	Athletic Tournaments	Total
<u>Additions</u>			
Amounts Received as Fiscal Agent	\$321,083	\$0	\$321,083
Charges Received on Behalf of OHSAA	0	19,082	19,082
Total Additions	321,083	19,082	340,165
<u>Deductions</u>			
Distributions as Fiscal Agent	321,083	0	321,083
Distributions on Behalf of OHSAA	0	19,082	19,082
Total Deductions	321,083	19,082	340,165
Change in Net Position	0	0	0
Net Position at Beginning of Year	0	0	0
Net Position at End of Year	\$0	\$0	\$0

**INDIVIDUAL FUND SCHEDULES
OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

Big Walnut Local School District
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	Original Budget	Budget	Actual	Variance with Final Budget
<u>Revenues</u>				
Property Taxes	\$28,673,102	\$33,322,830	\$33,302,830	(\$20,000)
Income Taxes	12,717,547	11,062,620	11,062,620	0
Intergovernmental	10,820,984	11,319,598	11,105,303	(214,295)
Interest	330,380	1,719,604	1,719,604	0
Tuition and Fees	1,049,573	1,186,823	1,003,501	(183,322)
Charges for Services	30,077	22,361	14,215	(8,146)
Contributions and Donations	195,342	244,120	241,937	(2,183)
Miscellaneous	509,986	1,179,627	1,090,463	(89,164)
Total Revenues	54,326,991	60,057,583	59,540,473	(517,110)
<u>Expenditures</u>				
Current:				
Instruction				
Regular				
Salaries	15,884,859	15,634,355	15,611,004	23,351
Fringe Benefits	5,085,081	5,479,109	5,470,016	9,093
Purchased Services	1,620,530	1,750,999	1,405,896	345,103
Materials and Supplies	782,064	870,596	824,526	46,070
Other	1,740	2,040	1,688	352
Capital Outlay	166,940	252,612	245,307	7,305
Total Regular	23,541,214	23,989,711	23,558,437	431,274
Special				
Salaries	4,638,613	4,531,744	4,509,995	21,749
Fringe Benefits	2,077,701	2,351,265	2,340,643	10,622
Purchased Services	550,236	590,467	465,641	124,826
Materials and Supplies	49,863	49,863	40,763	9,100
Capital Outlay	11,000	7,840	7,360	480
Total Special	7,327,413	7,531,179	7,364,402	166,777
Vocational				
Salaries	225,708	107,346	106,856	490
Fringe Benefits	61,497	37,444	34,209	3,235
Purchased Services	0	4,227	4,227	0
Total Vocational	287,205	149,017	145,292	3,725
Total Instruction	31,155,832	31,669,907	31,068,131	601,776

(continued)

Big Walnut Local School District
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024
(continued)

	Original Budget	Budget	Actual	Variance with Final Budget
Support Services				
Pupils				
Salaries	\$1,091,785	\$1,071,680	\$1,069,211	\$2,469
Fringe Benefits	338,888	396,923	392,398	4,525
Purchased Services	1,732,152	1,785,257	1,745,831	39,426
Materials and Supplies	27,626	29,158	24,661	4,497
Capital Outlay	1,000	1,000	899	101
Total Pupils	3,191,451	3,284,018	3,233,000	51,018
Instructional Staff				
Salaries	451,199	511,640	509,194	2,446
Fringe Benefits	214,628	246,079	237,244	8,835
Purchased Services	0	500	500	0
Materials and Supplies	4,650	4,651	2,106	2,545
Other	26,081	26,581	26,383	198
Capital Outlay	100	100	100	0
Total Instructional Staff	696,658	789,551	775,527	14,024
Board of Education				
Salaries	20,000	9,250	9,250	0
Fringe Benefits	12,176	7,269	6,580	689
Purchased Services	272,000	313,121	236,704	76,417
Materials and Supplies	0	16,822	0	16,822
Other	40,100	133,181	131,255	1,926
Total Board of Education	344,276	479,643	383,789	95,854
Administration				
Salaries	2,829,610	2,806,764	2,792,658	14,106
Fringe Benefits	1,288,548	1,269,879	1,260,735	9,144
Purchased Services	325,195	327,899	283,083	44,816
Materials and Supplies	51,057	36,666	32,042	4,624
Other	13,100	10,350	8,883	1,467
Capital Outlay	20,500	9,999	9,999	0
Total Administration	4,528,010	4,461,557	4,387,400	74,157
Fiscal				
Salaries	589,155	630,309	629,367	942
Fringe Benefits	155,019	173,867	172,723	1,144
Purchased Services	9,000	9,701	9,534	167
Materials and Supplies	16,300	17,434	17,014	420
Other	594,725	739,460	717,630	21,830
Capital Outlay	0	693	370	323
Total Fiscal	1,364,199	1,571,464	1,546,638	24,826

(continued)

Big Walnut Local School District
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024
(continued)

	Original Budget	Budget	Actual	Variance with Final Budget
Business				
Salaries	\$11,496	\$11,541	\$11,308	\$233
Fringe Benefits	1,825	1,832	1,749	83
Purchased Services	4,000	4,000	3,757	243
Total Business	17,321	17,373	16,814	559
Operation and Maintenance of Plant				
Salaries	1,905,518	1,683,016	1,667,724	15,292
Fringe Benefits	784,032	670,271	667,578	2,693
Purchased Services	2,459,507	2,853,450	2,613,851	239,599
Materials and Supplies	225,198	244,956	233,603	11,353
Other	2,520	2,520	0	2,520
Total Operation and Maintenance of Plant	5,376,775	5,454,213	5,182,756	271,457
Pupil Transportation				
Salaries	1,807,690	1,595,044	1,579,348	15,696
Fringe Benefits	1,145,005	871,603	864,053	7,550
Purchased Services	397,059	421,755	399,781	21,974
Materials and Supplies	525,800	529,387	520,646	8,741
Capital Outlay	0	583,869	583,869	0
Total Pupil Transportation	3,875,554	4,001,658	3,947,697	53,961
Central				
Salaries	117,235	173,170	171,955	1,215
Fringe Benefits	60,020	101,040	98,703	2,337
Purchased Services	365,155	284,725	253,056	31,669
Materials and Supplies	4,000	9,000	7,998	1,002
Total Central	546,410	567,935	531,712	36,223
Total Support Services	19,940,654	20,627,412	20,005,333	622,079
Non-Instructional Services				
Salaries	2,147	2,147	2,147	0
Fringe Benefits	341	341	321	20
Purchased Services	350	2,020	2,020	0
Materials and Supplies	3,000	2,000	1,705	295
Other	4,000	2,000	2,000	0
Total Non-Instructional Services	9,838	8,508	8,193	315
Extracurricular Activities				
Academic and Subject Oriented Activities				
Salaries	99,207	97,583	96,272	1,311
Fringe Benefits	15,751	16,229	14,613	1,616
Materials and Supplies	1,500	500	0	500
Total Academic and Subject Oriented Activities	116,458	114,312	110,885	3,427

(continued)

Big Walnut Local School District
General Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024
(continued)

	Original Budget	Budget	Actual	Variance with Final Budget
Sport Oriented Activities				
Salaries	\$590,414	\$554,409	\$551,895	\$2,514
Fringe Benefits	98,043	83,095	79,950	3,145
Purchased Services	130,951	116,351	105,993	10,358
Materials and Supplies	1,000	0	0	0
Capital Outlay	1,000	0	0	0
Total Sport Oriented Activities	821,408	753,855	737,838	16,017
Total Extracurricular Activities	937,866	868,167	848,723	19,444
Capital Outlay				
Building Improvement Services				
Capital Outlay	0	76,987	0	76,987
Total Expenditures	52,044,190	53,250,981	51,930,380	1,320,601
Excess of Revenues Over Expenditures	2,282,801	6,806,602	7,610,093	803,491
<u>Other Financing Sources (Uses)</u>				
Refund of Prior Year Expenditures	95,697	130,107	99,927	(30,180)
Sale of Capital Assets	0	8,300	7,885	(415)
Transfers Out	0	0	(2,143)	(2,143)
Total Other Financing Sources (Uses)	95,697	138,407	105,669	(32,738)
Changes in Fund Balance	2,378,498	6,945,009	7,715,762	770,753
Fund Balance Beginning of Year	25,149,858	25,149,858	25,149,858	0
Prior Year Encumbrances Appropriated	620,618	620,618	620,618	0
Fund Balance End of Year	<u>\$28,148,974</u>	<u>\$32,715,485</u>	<u>\$33,486,238</u>	<u>\$770,753</u>

Big Walnut Local School District
Bond Retirement Debt Service Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Property Taxes	\$8,996,042	\$8,996,042	\$0
Intergovernmental	435,121	435,121	0
Total Revenues	<u>9,431,163</u>	<u>9,431,163</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Support Services			
Fiscal			
Other	115,617	110,757	4,860
Debt Service:			
Principal Retirement	3,818,726	3,818,726	0
Interest	4,885,314	4,885,314	0
Interest on Capital Appreciation Bonds	86,274	86,274	0
Total Debt Service	<u>8,790,314</u>	<u>8,790,314</u>	<u>0</u>
Total Expenditures	<u>8,905,931</u>	<u>8,901,071</u>	<u>4,860</u>
Changes in Fund Balance	525,232	530,092	4,860
Fund Balance Beginning of Year	<u>6,196,558</u>	<u>6,196,558</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$6,721,790</u></u>	<u><u>\$6,726,650</u></u>	<u><u>\$4,860</u></u>

Big Walnut Local School District
Building Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Interest	\$76,087	\$76,087	\$0
<u>Expenditures</u>			
Current:			
Capital Outlay			
Architecture and Engineering Services			
Purchased Services	109,448	100,094	9,354
Building Improvement Services			
Other	1,786	0	1,786
Capital Outlay	255,091	254,554	537
Total Building Improvement Services	256,877	254,554	2,323
Building Acquisition and Construction Services			
Purchased Services	227,614	227,614	0
Other	6,253	2,866	3,387
Capital Outlay	469,611	469,023	588
Total Building Acquisition and Construction Services	703,478	699,503	3,975
Other Facilities Acquisition and Construction			
Purchased Services	11,702	11,362	340
Total Expenditures	1,081,505	1,065,513	15,992
Changes in Fund Balance	(1,005,418)	(989,426)	15,992
Fund Balance Beginning of Year	510,475	510,475	0
Prior Year Encumbrances Appropriated	796,505	796,505	0
Fund Balance End of Year	\$301,562	\$317,554	\$15,992

Big Walnut Local School District
Food Service Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Intergovernmental	\$699,795	\$699,795	\$0
Interest	37,784	37,784	0
Charges for Services	1,285,198	1,247,576	(37,622)
Contributions and Donations	3,000	805	(2,195)
Total Revenues	2,025,777	1,985,960	(39,817)
<u>Expenditures</u>			
Current:			
Non-Instructional Services			
Salaries	665,251	654,112	11,139
Fringe Benefits	258,245	250,967	7,278
Purchased Services	33,225	26,241	6,984
Materials and Supplies	903,130	891,115	12,015
Other	2,681	2,681	0
Capital Outlay	36,650	33,647	3,003
Total Expenditures	1,899,182	1,858,763	40,419
Excess of Revenues Over Expenditures	126,595	127,197	602
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	23,155	23,155	0
Changes in Fund Balance	149,750	150,352	602
Fund Balance Beginning of Year	946,861	946,861	0
Prior Year Encumbrances Appropriated	18,387	18,387	0
Fund Balance End of Year	\$1,114,998	\$1,115,600	\$602

Big Walnut Local School District
Other Local Grants Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Contributions and Donations	\$5,250	\$5,250	\$0
Miscellaneous	<u>2,125</u>	<u>2,125</u>	<u>0</u>
Total Revenues	<u>7,375</u>	<u>7,375</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Materials and Supplies	<u>4,998</u>	<u>4,998</u>	<u>0</u>
Support Services			
Instructional Staff			
Materials and Supplies	<u>6</u>	<u>0</u>	<u>6</u>
Extracurricular Activities			
Academic and Subject			
Oriented Activities			
Materials and Supplies	<u>4,117</u>	<u>3,879</u>	<u>238</u>
Total Expenditures	<u>9,121</u>	<u>8,877</u>	<u>244</u>
Changes in Fund Balance	(1,746)	(1,502)	244
Fund Balance Beginning of Year	<u>6,409</u>	<u>6,409</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$4,663</u></u>	<u><u>\$4,907</u></u>	<u><u>\$244</u></u>

Big Walnut Local School District
High School Multi-Handicapped Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>	\$0	\$0	\$0
<u>Expenditures</u>	<u>0</u>	<u>0</u>	<u>0</u>
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	<u>893</u>	<u>893</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$893</u></u>	<u><u>\$893</u></u>	<u><u>\$0</u></u>

Big Walnut Local School District
Student Activities Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Extracurricular Activities	\$104,166	\$98,522	(\$5,644)
Contributions and Donations	11,514	10,374	(1,140)
Miscellaneous	10,902	10,902	0
Total Revenues	<u>126,582</u>	<u>119,798</u>	<u>(6,784)</u>
<u>Expenditures</u>			
Current:			
Extracurricular Activities			
Academic and Subject			
Oriented Activities			
Fringe Benefits	327	0	327
Purchased Services	1,800	1,587	213
Materials and Supplies	400	395	5
Other	40,983	39,653	1,330
Capital Outlay	6,000	5,904	96
Total Academic and Subject			
Oriented Activities	<u>49,510</u>	<u>47,539</u>	<u>1,971</u>
Occupation Oriented Activities			
Other	<u>26,207</u>	<u>25,349</u>	<u>858</u>
School and Public Service			
Co-Curricular Activities			
Other	57,697	54,703	2,994
Capital Outlay	2,800	2,800	0
Total School and Public Service			
Co-Curricular Activities	<u>60,497</u>	<u>57,503</u>	<u>2,994</u>
Total Expenditures	<u>136,214</u>	<u>130,391</u>	<u>5,823</u>
Changes in Fund Balance	(9,632)	(10,593)	(961)
Fund Balance Beginning of Year	149,017	149,017	0
Prior Year Encumbrances Appropriated	<u>14,082</u>	<u>14,082</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$153,467</u></u>	<u><u>\$152,506</u></u>	<u><u>(\$961)</u></u>

Big Walnut Local School District
Athletic and Music Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Extracurricular Activities	\$424,545	\$416,875	(\$7,670)
Contributions and Donations	700	100	(600)
Miscellaneous	62,162	53,758	(8,404)
Total Revenues	487,407	470,733	(16,674)
<u>Expenditures</u>			
Current:			
Extracurricular Activities			
Academic and Subject			
Oriented Activities			
Purchased Services	5,193	5,193	0
Materials and Supplies	3,100	2,275	825
Total Academic and Subject			
Oriented Activities	8,293	7,468	825
Sport Oriented Activities			
Salaries	30,561	28,610	1,951
Fringe Benefits	5,233	4,378	855
Purchased Services	286,701	282,000	4,701
Materials and Supplies	66,647	60,262	6,385
Capital Outlay	113,480	112,309	1,171
Total Sport Oriented Activities	502,622	487,559	15,063
Total Expenditures	510,915	495,027	15,888
Changes in Fund Balance	(23,508)	(24,294)	(786)
Fund Balance Beginning of Year	182,611	182,611	0
Prior Year Encumbrances Appropriated	8,834	8,834	0
Fund Balance End of Year	\$167,937	\$167,151	(\$786)

Big Walnut Local School District
Auxiliary Services Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Intergovernmental	\$461,201	\$461,201	\$0
Interest	4,804	4,804	0
Total Revenues	<u>466,005</u>	<u>466,005</u>	<u>0</u>
<u>Expenditures</u>			
Current:			
Non-Instructional Services			
Salaries	112,299	101,794	10,505
Fringe Benefits	39,664	36,316	3,348
Purchased Services	170,057	170,057	0
Materials and Supplies	178,373	154,460	23,913
Capital Outlay	132,420	132,420	0
Total Expenditures	<u>632,813</u>	<u>595,047</u>	<u>37,766</u>
Changes in Fund Balance	(166,808)	(129,042)	37,766
Fund Balance Beginning of Year	9,263	9,263	0
Prior Year Encumbrances Appropriated	<u>157,545</u>	<u>157,545</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$37,766</u></u>	<u><u>\$37,766</u></u>

Big Walnut Local School District
Early Childhood Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Intergovernmental	<u>\$265,070</u>	<u>\$58,854</u>	<u>(\$206,216)</u>
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	46,099	46,099	0
Fringe Benefits	<u>14,469</u>	<u>14,469</u>	<u>0</u>
Total Instruction	<u>60,568</u>	<u>60,568</u>	<u>0</u>
Capital Outlay			
Site Improvement Services			
Capital Outlay	113,912	113,912	0
Purchased Services	<u>90,590</u>	<u>90,590</u>	<u>0</u>
Total Capital Outlay	<u>204,502</u>	<u>204,502</u>	<u>0</u>
Total Expenditures	<u>265,070</u>	<u>265,070</u>	<u>0</u>
Changes in Fund Balance	0	(206,216)	(206,216)
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>\$0</u></u>	<u><u>(\$206,216)</u></u>	<u><u>(\$206,216)</u></u>

Big Walnut Local School District
Network Connectivity Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Intergovernmental	\$13,983	\$13,983	\$0
<u>Expenditures</u>			
Current:			
Support Services			
Central			
Purchased Services	<u>13,983</u>	<u>13,983</u>	<u>0</u>
Changes in Fund Balance	0	0	0
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Big Walnut Local School District
Miscellaneous State Grants Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Intergovernmental	\$48,220	\$48,220	\$0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Purchased Services	2,483	0	2,483
Materials and Supplies	1,217	1,028	189
Total Instruction	3,700	1,028	2,672
Support Services			
Instructional Staff			
Purchased Services	4,850	4,850	0
Materials and Supplies	2,294	2,294	0
Capital Outlay	21,985	21,985	0
Total Support Services	29,129	29,129	0
Total Expenditures	32,829	30,157	2,672
Changes in Fund Balance	15,391	18,063	2,672
Fund Balance Beginning of Year	32,828	32,828	0
Fund Balance End of Year	\$48,219	\$50,891	\$2,672

Big Walnut Local School District
Elementary and Secondary School Emergency Relief Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Intergovernmental	\$1,438,655	\$1,348,036	(\$90,619)
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Salaries	55,719	55,719	0
Fringe Benefits	16,447	16,447	0
Purchased Services	145,893	145,893	0
Materials and Supplies	252,994	252,994	0
Total Regular	471,053	471,053	0
Special			
Salaries	118,379	118,379	0
Fringe Benefits	52,626	52,626	0
Total Special	171,005	171,005	0
Total Instruction	642,058	642,058	0
Support Services			
Pupils			
Salaries	125,221	125,221	0
Fringe Benefits	73,368	73,368	0
Purchased Services	382,134	382,134	0
Total Pupils	580,723	580,723	0
Pupil Transportation			
Purchased Services	4,782	4,782	0
Total Support Services	585,505	585,505	0
Capital Outlay			
Building Improvement Services			
Capital Outlay	85,689	85,689	0
Total Expenditures	1,313,252	1,313,252	0
Changes in Fund Balance	125,403	34,784	(90,619)
Fund Balance (Deficit) Beginning of Year	(378,397)	(378,397)	0
Prior Year Encumbrances Appropriated	252,994	252,994	0
Fund Balance (Deficit) End of Year	\$0	(\$90,619)	(\$90,619)

Big Walnut Local School District
Title VI-B Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Intergovernmental	\$1,057,386	\$943,664	(\$113,722)
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	505,008	505,008	0
Fringe Benefits	131,673	131,673	0
Purchased Services	294,175	294,175	0
Materials and Supplies	9,384	9,384	0
Total Instruction	940,240	940,240	0
Support Services			
Pupil Transportation			
Purchased Services	22,595	22,595	0
Capital Outlay	35,819	35,819	0
Total Support Services	58,414	58,414	0
Total Expenditures	998,654	998,654	0
Changes in Fund Balance	58,732	(54,990)	(113,722)
Fund Balance (Deficit) Beginning of Year	(137,713)	(137,713)	0
Prior Year Encumbrances Appropriated	78,981	78,981	0
Fund Balance (Deficit) End of Year	\$0	(\$113,722)	(\$113,722)

Big Walnut Local School District
Limited English Proficiency Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Intergovernmental	<u>\$8,995</u>	<u>\$7,671</u>	<u>(\$1,324)</u>
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Materials and Supplies	8,786	8,786	0
Support Services			
Instructional Staff			
Purchased Services	<u>209</u>	<u>209</u>	<u>0</u>
Total Expenditures	<u>8,995</u>	<u>8,995</u>	<u>0</u>
Changes in Fund Balance	0	(1,324)	(1,324)
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>\$0</u></u>	<u><u>(\$1,324)</u></u>	<u><u>(\$1,324)</u></u>

Big Walnut Local School District
Title I Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Intergovernmental	\$166,030	\$152,681	(\$13,349)
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Purchased Services	<u>166,030</u>	<u>166,030</u>	<u>0</u>
Changes in Fund Balance	0	(13,349)	(13,349)
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$0</u>	<u>(\$13,349)</u>	<u>(\$13,349)</u>

Big Walnut Local School District
Title IV-A Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Intergovernmental	\$29,999	\$27,522	(\$2,477)
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Materials and Supplies	200	200	0
Special			
Materials and Supplies	5,725	5,725	0
Total Instruction	5,925	5,925	0
Support Services			
Pupils			
Salaries	15,136	15,136	0
Fringe Benefits	2,334	2,334	0
Total Support Services	17,470	17,470	0
Total Expenditures	23,395	23,395	0
Changes in Fund Balance	6,604	4,127	(2,477)
Fund Balance (Deficit) Beginning of Year	(6,604)	(6,604)	0
Fund Balance (Deficit) End of Year	\$0	(\$2,477)	(\$2,477)

Big Walnut Local School District
Early Childhood Special Education Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Intergovernmental	\$27,156	\$24,103	(\$3,053)
<u>Expenditures</u>			
Current:			
Instruction			
Special			
Salaries	<u>27,156</u>	<u>27,156</u>	<u>0</u>
Changes in Fund Balance	0	(3,053)	(3,053)
Fund Balance (Deficit) Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>(\$3,053)</u></u>	<u><u>(\$3,053)</u></u>

Big Walnut Local School District
Title II-A Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Revenues</u>			
Intergovernmental	<u>\$139,054</u>	<u>\$69,271</u>	<u>(\$69,783)</u>
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Salaries	719	719	0
Fringe Benefits	110	110	0
Purchased Services	99,897	99,897	0
Materials and Supplies	<u>6,439</u>	<u>6,439</u>	<u>0</u>
Total Expenditures	<u>107,165</u>	<u>107,165</u>	<u>0</u>
Changes in Fund Balance	31,889	(37,894)	(69,783)
Fund Balance (Deficit) Beginning of Year	(43,720)	(43,720)	0
Prior Year Encumbrances Appropriated	<u>11,831</u>	<u>11,831</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u><u>\$0</u></u>	<u><u>(\$69,783)</u></u>	<u><u>(\$69,783)</u></u>

Big Walnut Local School District
Miscellaneous Federal Grants Special Revenue Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<u>Expenditures</u>			
Current:			
Support Services			
Instructional Staff			
Purchased Services	23,552	23,552	0
Materials and Supplies	3,336	3,336	0
Capital Outlay	760	760	0
Total Support Services	<u>27,648</u>	<u>27,648</u>	<u>0</u>
Capital Outlay			
Building Improvement Services			
Capital Outlay	<u>289,841</u>	<u>289,841</u>	<u>0</u>
Total Expenditures	<u>317,489</u>	<u>317,489</u>	<u>0</u>
Changes in Fund Balance	(317,489)	(317,489)	0
Fund Balance Beginning of Year	310,629	310,629	0
Prior Year Encumbrances Appropriated	<u>6,860</u>	<u>6,860</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Big Walnut Local School District
Permanent Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance with Final Budget
<u>Revenues</u>			
Property Taxes	\$1,295,919	\$1,295,919	\$0
Payment in Lieu of Taxes	200,000	200,000	0
Intergovernmental	8,352	8,352	0
Contributions and Donations	231,107	231,107	0
Total Revenues	1,735,378	1,735,378	0
<u>Expenditures</u>			
Current:			
Instruction			
Regular			
Purchased Services	104,246	102,870	1,376
Capital Outlay	50,000	8,956	41,044
Total Instruction	154,246	111,826	42,420
Support Services			
Fiscal			
Other	16,559	15,146	1,413
Operation and Maintenance of Plant			
Purchased Services	186,784	183,518	3,266
Materials and Supplies	38,458	38,458	0
Capital Outlay	79,309	79,309	0
Total Operation and Maintenance of Plant	304,551	301,285	3,266
Pupil Transportation			
Purchased Services	378,898	378,898	0
Capital Outlay	80,156	80,156	0
Total Pupil Transportation	459,054	459,054	0
Total Support Services	780,164	775,485	4,679

(continued)

Big Walnut Local School District
Permanent Improvement Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024
(continued)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Capital Outlay			
Site Improvement Services			
Capital Outlay	\$221,215	\$220,475	\$740
Architecture and Engineering Services			
Purchased Services	3,582	0	3,582
Building Improvement Services			
Purchased Services	48,000	48,000	0
Capital Outlay	1,351,283	1,343,785	7,498
Total Building Improvement Services	1,399,283	1,391,785	7,498
Total Capital Outlay	1,624,080	1,612,260	11,820
Total Expenditures	2,558,490	2,499,571	58,919
Excess of Revenues			
Under Expenditures	(823,112)	(764,193)	58,919
<u>Other Financing Sources</u>			
Refund of Prior Year Expenditures	1,833	1,833	0
Sale of Capital Assets	264,945	264,945	0
Total Other Financing Sources	266,778	266,778	0
Changes in Fund Balance	(556,334)	(497,415)	58,919
Fund Balance Beginning of Year	1,196,087	1,196,087	0
Prior Year Encumbrances Appropriated	277,011	277,011	0
Fund Balance End of Year	<u>\$916,764</u>	<u>\$975,683</u>	<u>\$58,919</u>

Big Walnut Local School District
Capital Projects Capital Projects Fund

Schedule of Revenues, Expenditures,
and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Fiscal Year Ended June 30, 2024

	Budget	Actual	Variance with Final Budget
<u>Expenditures</u>			
Capital Outlay			
Building Improvement Services			
Capital Outlay	3,316	3,227	89
Total Expenditures	3,316	3,227	89
Excess of Revenues Under Expenditures	(3,316)	(3,227)	89
<u>Other Financing Sources</u>			
Transfers In	2,143	2,143	0
Changes in Fund Balance	(1,173)	(1,084)	89
Fund Balance Beginning of Year	58,861	58,861	0
Fund Balance End of Year	<u>\$57,688</u>	<u>\$57,777</u>	<u>\$89</u>

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STATISTICAL SECTION

**Big Walnut Local School District
Statistical Section**

This part of the School District’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District’s overall financial health.

Contents	Page

Financial Trends.....	S-2

These schedules contain trend information to help the reader understand how the School District’s financial performance and well-being have changed over time.

Revenue Capacity	S-12

These schedules contain information to help the reader assess the School District’s most significant local revenue sources.

Debt Capacity.....	S-21

These schedules present information to help the reader assess the affordability of the School District’s current levels of outstanding debt and the School District’s ability to issue additional debt in the future.

Demographic and Economic Information.....	S-26

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District’s financial activities take place.

Operating Information	S-28

These schedules contain service data to help the reader understand how the information in the School District’s financial report relates to the services the School District provides and the activities it performs.

Source: Unless otherwise noted the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Big Walnut Local School District
Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Investment in Capital Assets	\$26,982,717	\$24,342,978	\$20,776,050	\$17,832,868
Restricted for				
Debt Service	352,450	0	0	0
Capital Projects	1,840,932	2,466,361	4,612,376	4,532,917
Other Purposes	4,725,708	2,447,787	1,642,307	3,015,061
Unrestricted (Deficit)	<u>(5,359,372)</u>	<u>(16,040,360)</u>	<u>(22,133,339)</u>	<u>(31,834,241)</u>
Total Net Position (Deficit)	<u>\$28,542,435</u>	<u>\$13,216,766</u>	<u>\$4,897,394</u>	<u>(\$6,453,395)</u>

Note: The School District reported the impact of GASB Statement No. 75 beginning in fiscal year 2017.

2020	2019	2018	2017	2016	2015
\$12,362,906	\$10,376,623	\$10,058,821	\$9,487,788	\$8,796,981	\$7,701,671
0	1,352,272	2,519,154	2,278,581	1,793,141	1,498,459
4,505,021	2,305,434	861,272	0	0	69,978
638,762	676,046	620,541	581,977	582,386	384,737
<u>(33,970,292)</u>	<u>(23,043,588)</u>	<u>(26,346,975)</u>	<u>(43,217,028)</u>	<u>(28,622,259)</u>	<u>(28,986,056)</u>
<u>(\$16,463,603)</u>	<u>(\$8,333,213)</u>	<u>(\$12,287,187)</u>	<u>(\$30,868,682)</u>	<u>(\$17,449,751)</u>	<u>(\$19,331,211)</u>

Big Walnut Local School District
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2024	2023	2022	2021
<u>Expenses</u>				
Instruction				
Regular	\$25,540,854	\$25,249,983	\$24,536,745	\$26,310,029
Special	8,657,029	7,718,666	6,826,085	7,801,201
Vocational	182,390	299,809	251,006	230,906
Support Services				
Pupils	3,760,956	3,550,242	2,875,570	2,524,838
Instructional Staff	989,837	803,889	693,161	833,164
Board of Education	323,114	238,018	152,054	121,164
Administration	4,404,686	4,203,725	3,525,111	4,786,374
Fiscal	1,600,405	1,450,650	1,351,890	1,450,979
Business	11,816	15,745	13,633	14,467
Operation and Maintenance of Plant	5,711,772	5,422,081	4,531,619	4,054,688
Pupil Transportation	3,567,171	3,655,297	3,277,308	3,677,345
Central	511,170	423,199	415,384	477,275
Non-Instructional Services	2,613,841	2,546,120	2,379,289	2,205,041
Extracurricular Activities	1,873,017	1,783,364	1,291,205	1,127,761
Interest	5,045,363	5,124,499	5,173,714	3,334,104
Total Expenses	64,793,421	62,485,287	57,293,774	58,949,336
<u>Program Revenues</u>				
Charges for Services				
Regular	850,616	954,514	993,597	1,308,228
Special	106,397	99,909	92,937	85,868
Pupils	0	0	21,527	20,938
Pupil Transportation	14,084	21,043	16,078	716
Non-Instructional Services	1,322,093	1,191,534	328,623	268,115
Extracurricular Activities	565,694	562,502	449,717	302,457
Total Charges for Services	2,858,884	2,829,502	1,902,479	1,986,322
Operating Grants, Contributions, and Interest	4,491,709	4,474,027	5,687,258	3,470,226
Capital Grants and Contributions	299,979	31,086	0	0
Total Program Revenues	7,650,572	7,334,615	7,589,737	5,456,548
Net Expense	(57,142,849)	(55,150,672)	(49,704,037)	(53,492,788)
<u>General Revenues and Other Changes in Net Position</u>				
Property Taxes Levied for General Purposes	35,254,154	28,780,785	27,776,028	24,949,385
Property Taxes Levied for Debt Service Purposes	8,830,242	9,145,118	8,926,246	7,720,572
Property Taxes Levied for Permanent Improvements	1,287,863	1,262,396	1,230,455	1,099,698
Payment in Lieu of Taxes	200,000	100,000	100,000	100,000
Income Taxes Levied for General Purposes	11,816,359	11,125,005	11,716,115	9,540,219
Grants and Entitlements not				
Restricted to Specific Programs	11,023,173	10,446,561	10,350,416	9,850,190
Investment Earnings and Other Interest	2,127,723	1,191,433	(113,151)	158,888
Contributions and Donations	680,960	539,520	420,046	520,795
Miscellaneous	1,248,044	879,226	648,671	700,272
Total General Revenues	72,468,518	63,470,044	61,054,826	54,640,019
Changes in Net Position	\$15,325,669	\$8,319,372	\$11,350,789	\$1,147,231

Note: Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in fiscal year 2018.

2020	2019	2018	2017	2016	2015
\$23,801,101	\$18,955,861	\$10,254,559	\$19,971,733	\$16,804,654	\$15,684,048
7,861,502	6,616,961	4,266,106	5,918,612	4,820,732	4,334,012
132,377	105,709	57,054	129,042	116,856	115,738
2,418,107	2,073,108	1,302,823	2,208,747	1,788,455	1,598,266
1,314,476	1,202,464	635,746	1,462,702	1,333,494	936,657
169,284	0	141,801	121,953	182,953	132,995
5,145,813	4,704,373	1,203,922	3,911,763	3,384,838	2,817,247
1,493,636	1,397,464	1,102,816	1,262,719	1,146,703	1,076,889
15,578	14,809	14,613	13,439	11,120	14,102
3,627,810	3,582,968	3,272,304	3,278,133	3,022,454	2,873,373
4,004,298	3,676,052	2,982,312	2,891,832	2,447,728	2,316,202
472,090	471,534	419,477	366,231	296,599	260,203
1,964,858	1,750,163	1,624,643	1,807,612	1,428,381	1,389,565
1,251,132	1,179,596	741,650	988,450	881,660	720,093
5,793,789	4,363,707	1,798,985	1,425,636	1,350,037	1,729,427
59,465,851	50,094,769	29,818,811	45,758,604	39,016,664	35,998,817
1,114,653	1,148,476	1,079,360	1,244,998	1,024,241	880,806
68,820	50,611	104,923	17,408	47,340	57,123
21,900	23,189	0	0	0	0
4,514	12,752	11,872	13,351	7,729	4,262
747,027	916,442	851,479	870,485	850,151	794,779
346,611	429,197	325,396	268,913	251,329	242,269
2,303,525	2,580,667	2,373,030	2,415,155	2,180,790	1,979,239
2,726,410	2,295,492	2,261,866	2,328,495	2,273,904	2,038,024
0	0	0	0	0	0
5,029,935	4,876,159	4,634,896	4,743,650	4,454,694	4,017,263
(54,435,916)	(45,218,610)	(25,183,915)	(41,014,954)	(34,561,970)	(31,981,554)
19,714,738	23,151,704	22,552,163	20,769,187	18,811,905	16,850,516
5,577,265	4,193,152	3,051,453	2,744,057	2,593,320	2,511,378
952,590	1,098,417	856,815	0	0	0
100,000	0	100,000	70,000	30,000	0
7,465,998	8,108,834	7,102,089	6,489,797	6,209,585	5,773,333
9,198,208	9,289,852	9,104,648	8,695,044	8,216,417	7,861,995
2,589,199	2,080,163	298,431	93,846	144,272	34,516
352,062	270,455	243,094	194,648	197,890	214,468
355,466	810,227	456,717	456,104	240,041	274,052
46,305,526	49,002,804	43,765,410	39,512,683	36,443,430	33,520,258
(\$8,130,390)	\$3,784,194	\$18,581,495	(\$1,502,271)	\$1,881,460	\$1,538,704

Big Walnut Local School District
Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund				
Nonspendable	\$84,151	\$80,819	\$87,914	\$88,142
Restricted	0	0	29	29
Assigned	698,211	483,852	569,135	1,593,396
Unassigned	<u>42,964,410</u>	<u>31,780,864</u>	<u>25,566,067</u>	<u>18,279,311</u>
Total General Fund	<u>43,746,772</u>	<u>32,345,535</u>	<u>26,223,145</u>	<u>19,960,878</u>
All Other Governmental Funds				
Nonspendable	15,069	18,308	11,992	8,831
Restricted	12,187,894	12,028,988	13,186,926	32,949,242
Committed	57,777	58,861	103,923	114,032
Assigned	1,622,746	777,701	546,170	868,942
Unassigned (Deficit)	<u>(14,637)</u>	<u>(96,244)</u>	<u>(176,944)</u>	<u>(397,927)</u>
Total All Other Governmental Funds	<u>13,868,849</u>	<u>12,787,614</u>	<u>13,672,067</u>	<u>33,543,120</u>
Total Governmental Funds	<u><u>\$57,615,621</u></u>	<u><u>\$45,133,149</u></u>	<u><u>\$39,895,212</u></u>	<u><u>\$53,503,998</u></u>

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$91,101	\$64,805	\$57,285	\$58,977	\$57,833	\$55,842
487	2,995	3,579	3,784	3,964	4,257
1,870,019	2,335,640	1,330,868	1,863,106	520,193	1,357,116
<u>8,758,100</u>	<u>12,951,546</u>	<u>12,613,581</u>	<u>11,565,058</u>	<u>12,258,589</u>	<u>10,768,740</u>
<u>10,719,707</u>	<u>15,354,986</u>	<u>14,005,313</u>	<u>13,490,925</u>	<u>12,840,579</u>	<u>12,185,955</u>
8,989	7,980	7,075	5,767	4,280	3,899
76,203,440	111,851,102	4,286,606	2,766,301	2,461,948	2,286,544
130,409	125,031	8,884,492	39,929	91,911	242,909
507,809	260,495	98,770	138,223	539,339	340,672
<u>(63,902)</u>	<u>(21,590)</u>	<u>(21,796)</u>	<u>(17,523)</u>	<u>(21,618)</u>	<u>(10,800)</u>
<u>76,786,745</u>	<u>112,223,018</u>	<u>13,255,147</u>	<u>2,932,697</u>	<u>3,075,860</u>	<u>2,863,224</u>
<u><u>\$87,506,452</u></u>	<u><u>\$127,578,004</u></u>	<u><u>\$27,260,460</u></u>	<u><u>\$16,423,622</u></u>	<u><u>\$15,916,439</u></u>	<u><u>\$15,049,179</u></u>

Big Walnut Local School District
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2024	2023	2022	2021
<u>Revenues</u>				
Property Taxes	\$45,396,161	\$39,212,783	\$37,995,431	\$42,576,359
Payment in Lieu of Taxes	200,000	100,000	100,000	100,000
Income Taxes	11,764,634	11,046,323	11,574,828	9,892,165
Intergovernmental	15,835,292	14,988,479	15,876,680	13,497,933
Investment Earnings and Other Interest	2,127,129	1,204,457	(112,861)	180,898
Tuition and Fees	1,002,886	1,119,637	1,073,765	1,252,299
Extracurricular Activities	524,237	522,110	414,727	300,468
Charges for Services	1,295,031	1,194,506	350,916	288,450
Contributions and Donations	689,977	547,533	442,491	503,896
Miscellaneous	1,281,338	920,587	722,444	659,901
Total Revenues	80,116,685	70,856,415	68,438,421	69,252,369
<u>Expenditures</u>				
Current:				
Instruction				
Regular	23,979,253	23,127,414	22,005,155	22,156,779
Special	8,636,576	7,608,729	7,194,144	7,193,040
Vocational	124,511	231,338	231,880	197,339
Support Services				
Pupils	3,752,524	3,475,081	3,018,111	2,322,766
Instructional Staff	932,477	722,135	738,523	719,491
Board of Education	323,381	238,663	153,242	120,521
Administration	4,324,354	4,158,186	3,979,246	4,018,904
Fiscal	1,656,356	1,512,875	1,470,074	1,387,349
Business	15,251	16,392	14,519	13,957
Operation and Maintenance of Plant	5,095,662	4,929,560	4,335,262	3,733,645
Pupil Transportation	4,550,674	3,388,645	3,668,796	3,745,262
Central	523,715	438,060	439,488	466,443
Non-Instructional Services	2,488,880	2,385,379	2,312,327	2,038,662
Extracurricular Activities	1,455,184	1,367,288	1,113,334	990,717
Capital Outlay	1,428,714	2,962,354	21,975,030	43,855,361
Debt Service:				
Principal Retirement	4,181,268	3,996,770	4,539,848	4,720,771
Interest	4,906,060	4,999,543	5,113,228	5,483,494
Interest on Capital Appreciation Bonds	86,274	60,066	0	503,537
Total Expenditures	68,461,114	65,618,478	82,302,207	103,668,038
Excess of Revenues Over (Under) Expenditures	11,655,571	5,237,937	(13,863,786)	(34,415,669)

2020	2019	2018	2017	2016	2015
\$26,185,884	\$28,449,867	\$26,498,467	\$23,615,859	\$21,408,246	\$19,322,497
100,000	100,000	0	70,000	30,000	0
7,104,032	8,113,752	6,961,625	6,470,375	6,246,771	5,693,134
11,909,106	11,610,459	11,334,562	10,961,151	10,381,669	9,866,947
2,681,860	1,984,354	300,072	96,345	144,806	33,547
1,149,887	1,111,487	1,414,805	1,125,601	1,063,109	903,346
319,758	395,002	289,901	265,389	247,993	236,267
770,593	930,286	858,055	875,222	855,613	800,899
347,746	274,351	248,064	206,064	290,401	214,850
441,132	781,623	495,810	460,214	243,817	276,942
51,009,998	53,751,181	48,401,361	44,146,220	40,912,425	37,348,429
20,187,145	20,310,711	19,092,847	17,703,487	15,744,945	15,468,083
7,175,917	6,757,601	6,184,112	5,476,769	4,724,234	4,438,547
108,881	106,242	109,995	109,899	105,400	105,627
2,214,896	2,189,322	2,162,016	2,069,813	1,769,692	1,603,107
1,139,495	1,257,672	1,385,996	1,309,792	1,293,838	933,163
167,934	178,973	142,145	121,563	182,938	132,995
4,073,507	4,035,738	3,657,564	3,415,893	3,290,199	2,972,172
1,335,842	1,301,984	1,195,937	1,170,000	1,141,626	1,092,943
13,228	14,121	13,009	12,547	13,218	12,486
3,302,388	3,381,086	3,294,791	3,117,812	2,948,237	2,817,163
3,883,062	3,575,681	3,168,266	2,888,587	2,478,561	2,457,964
439,645	451,151	434,183	349,743	291,739	266,241
1,757,645	1,586,569	1,576,768	1,630,533	1,319,058	1,300,116
1,089,099	1,132,278	974,560	863,854	897,886	692,643
35,272,777	9,335,799	1,168,655	936,780	981,005	611,057
2,835,548	1,506,648	1,458,040	1,392,498	1,623,354	1,725,553
5,745,333	3,760,928	1,517,037	1,281,012	1,275,967	1,539,896
489,208	288,850	281,064	269,010	102,153	242,221
91,231,550	61,171,354	47,816,985	44,119,592	40,184,050	38,411,977
(40,221,552)	(7,420,173)	584,376	26,628	728,375	(1,063,548)

(continued)

Big Walnut Local School District
Changes in Fund Balances
Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(continued)

	2024	2023	2022	2021
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	\$272,830	\$0	\$0	\$0
Bond Anticipation Notes Issued	0	0	0	0
Current Refunding	0	0	0	0
General Obligation Bonds Issued	0	0	0	11,549,988
Premium on Bonds Issued	0	0	0	2,313,503
Payment to Refunded Bond Escrow Agent	0	0	0	(13,639,163)
Inception of Financed Purchase	554,071	0	255,000	0
Inception of Lease	0	0	0	188,887
Transfers In	2,143	1,007	1,144	2,137
Transfers Out	(2,143)	(1,007)	(1,144)	(2,137)
Total Other Financing Sources (Uses)	<u>826,901</u>	<u>0</u>	<u>255,000</u>	<u>413,215</u>
Changes in Fund Balances	<u>\$12,482,472</u>	<u>\$5,237,937</u>	<u>(\$13,608,786)</u>	<u>(\$34,002,454)</u>
Debt Service as a Percentage of Noncapital Expenditures	13.98%	14.46%	15.40%	17.67%

2020	2019	2018	2017	2016	2015
\$0	\$0	\$0	\$750	\$0	\$0
0	0	9,500,000	0	0	0
0	0	(9,500,000)	0	(1,340,000)	(10,000,000)
0	98,500,000	9,460,000	4,100,000	5,990,000	9,965,000
0	8,743,822	536,413	420,349	1,112,385	191,563
0	0	0	(4,396,400)	(5,623,500)	0
0	0	0	0	0	0
150,000	324,115	256,049	355,856	0	189,245
105,371	0	0	0	1,003,099	0
(105,371)	0	0	0	(1,003,099)	0
150,000	107,567,937	10,252,462	480,555	138,885	345,808
(\$40,071,552)	\$100,147,764	\$10,836,838	\$507,183	\$867,260	(\$717,740)
16.04%	10.69%	7.00%	6.81%	7.67%	9.30%

Big Walnut Local School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Public Utility Personal Property	
	Assessed Value		Estimated Actual Value	Assessed Value	Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial Public Utility			
2024	\$1,456,634,310	\$93,687,950	\$4,429,492,171	\$136,052,190	\$154,604,761
2023	1,034,759,580	80,869,120	3,187,510,571	135,655,850	154,154,375
2022	987,104,130	73,797,510	3,031,147,542	134,950,100	153,352,386
2021	941,839,860	73,000,520	2,899,543,942	133,931,410	152,194,784
2020	820,686,690	64,344,950	2,528,661,828	132,928,210	151,054,784
2019	786,156,710	59,365,740	2,415,778,428	131,757,830	149,724,807
2018	753,139,000	57,454,340	2,315,980,971	130,844,650	148,687,102
2017	667,726,580	58,068,610	2,073,700,542	132,179,380	150,203,841
2016	649,294,940	44,115,560	1,981,172,857	116,869,400	132,806,136
2015	635,498,370	44,151,420	1,941,856,542	28,604,860	32,505,523

Source: Delaware County Auditor

- (1) Since each type of property has its own direct rate, a weighted average of the separate rates is presented.
See S-14 for the direct rate by property type.

Note: Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated actual value. The assessed value of public utility personal property ranges from 25 percent of actual value for railroad property to 88 percent for electric transmission and distribution property.

For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent, and homestead exemptions before being billed.

Total		Percentage of Total Assessed Value to Total Estimated Actual Value	Weighted Average Tax Rate (1)
Assessed Value	Estimated Actual Value		
\$1,686,374,450	\$4,584,096,932	36.79%	\$30.48
1,251,284,550	3,341,664,946	37.44	34.37
1,195,851,740	3,184,499,928	37.55	34.57
1,148,771,790	3,051,738,726	37.64	34.68
1,017,959,850	2,679,716,612	37.99	35.57
977,280,280	2,565,503,235	38.09	32.77
941,437,990	2,464,668,073	38.20	31.50
857,974,570	2,223,904,383	38.58	30.95
810,279,900	2,113,978,993	38.33	31.13
708,254,650	1,974,362,065	35.87	31.16

Big Walnut Local School District
Property Tax Rates - Direct and All Overlapping Governments
(Per \$1,000 of Assessed Values)
Last Ten Years

Collection Year	2024	2023	2022	2021
Big Walnut Local School District				
Voted Millage				
1976 Current Expense				
Effective Millage Rates				
Residential/Agricultural Real	\$8.9565	\$8.9565	\$8.9600	\$8.9600
Commercial/Industrial/Public Utility Real	8.9565	8.9565	8.9600	9.0200
Public Utility Personal	13.9000	13.9000	13.9000	13.9000
1985 Current Expense				
Effective Millage Rates				
Residential/Agricultural Real	6.4435	6.4435	6.4400	6.4400
Commercial/Industrial/Public Utility Real	6.4435	6.4435	6.4400	6.4900
Public Utility Personal	10.0000	10.0000	10.0000	10.0000
1990 Bond \$16,500,000	0.0000	0.0000	0.0000	0.0000
1991 Bond/Library \$1,500,000	0.0000	0.0000	0.0000	0.0000
2004 Bond \$13,000,000	1.0000	1.1900	1.1900	1.1900
2008 Bond \$30,000,000	1.0000	2.0800	2.0800	2.0800
2010 Emergency \$4,900,000	0.0000	0.0000	0.0000	0.0000
2015 Substitute	3.6200	4.7200	4.7600	4.8200
2017 Bond \$108,000,000	3.4000	4.4300	4.5500	4.5500
2017 Permanent Improvement				
Effective Millage Rates				
Residential/Agricultural Real	0.7243	0.9853	1.0000	1.0100
Commercial/Industrial/Public Utility Real	0.8800	1.1008	1.1100	1.1200
Public Utility Personal	1.2500	1.2500	1.2500	1.2500
Total Voted Millage				
Total Effective Voted Millage by Type of Property				
Residential/Agricultural Real	25.1443	28.8053	28.9800	29.0500
Commercial/Industrial/Public Utility Real	25.3000	28.9208	29.0900	29.2700
Public Utility Personal	34.1700	37.5700	37.7300	37.7900
Unvoted Millage				
General	4.6000	4.6000	4.6000	4.6000
Total Millage (Total Direct Rate)				
Total Effective Millage by Type of Property				
Residential/Agricultural Real	29.7443	33.4053	33.5800	33.6500
Commercial/Industrial/Public Utility Real	29.9000	33.5208	33.6900	33.8700
Public Utility Personal	38.7700	42.1700	42.3300	42.3900
Total Weighted Average Tax Rate	30.4811	34.3700	34.5700	34.6800

2020	2019	2018	2017	2016	2015
\$8.9600	\$8.9600	\$8.9600	\$8.9600	\$8.9600	\$8.9600
9.4600	9.5000	9.5200	10.0600	10.0700	10.0300
13.9000	13.9000	13.9000	13.9000	13.9000	13.9000
6.4400	6.4400	6.4400	6.4400	6.4400	6.4400
6.8100	6.8400	6.8500	7.2400	7.2500	7.2200
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
0.0000	0.0000	0.0000	0.0000	0.0000	0.9500
0.0000	0.0000	0.0000	0.0000	0.0500	0.0500
1.1900	1.1900	1.2100	1.4500	1.5500	0.1000
2.0800	2.0800	2.1000	2.1500	2.1500	2.6700
0.0000	0.0000	0.0000	0.0000	0.0000	6.9300
5.4400	5.4500	5.4800	5.9100	6.0500	n/a
4.5500	1.7000	0.3100	n/a	n/a	n/a
1.1300	1.1300	1.1400	n/a	n/a	n/a
1.1800	1.1800	1.1800	n/a	n/a	n/a
1.2500	1.2500	1.2500	n/a	n/a	n/a
29.7900	26.9500	25.6400	24.9100	25.2000	26.1000
30.7100	27.9400	26.6500	26.8100	27.1200	27.9500
38.4100	35.5700	34.2500	33.4100	33.7000	34.6000
4.6000	4.6000	4.6000	4.6000	4.6000	4.6000
34.3900	31.5500	30.2400	29.5100	29.8000	30.7000
35.3100	32.5400	31.2500	31.4100	31.7200	32.5500
43.0100	40.1700	38.8500	38.0100	38.3000	39.2000
35.5700	32.7700	31.5000	30.9500	31.1300	31.1600

Big Walnut Local School District
Property Tax Rates - Direct and All Overlapping Governments
(Per \$1,000 of Assessed Values)
Last Ten Years
(continued)

Collection Year	2024	2023	2022	2021
Delaware County	\$5.2700	\$5.1900	\$5.6900	\$6.3500
Delaware Area Career Center	3.2000	3.2000	3.2000	3.2000
Village of Galena	3.7000	3.7000	3.7000	3.7000
City of Sunbury	2.5000	2.5000	2.5000	2.5000
Berkshire Township	2.1000	2.1000	2.1000	2.1000
Genoa Township	14.8100	14.9100	14.9800	14.9800
Harlem Township	10.0000	10.0000	10.0000	10.0000
Kingston Township	2.3000	2.3000	2.3000	2.3000
Porter Township	2.5000	2.5000	2.5000	2.5000
Trenton Township	2.5000	2.5000	2.5000	2.5000
Delaware County 911 District	0.6800	0.6800	0.6800	0.6300
Delaware County Health Department	0.7000	0.7000	0.7000	0.7000
Delaware-Morrow Mental Health District	1.5000	1.5000	1.0000	1.0000
Preservation Park District	1.3000	1.3000	1.3000	0.9000
BST and G Fire Department	4.8500	4.8500	4.8500	4.8500
Kingston-Porter Fire District	7.5000	7.5000	7.5000	7.5000
Big Walnut LSD Library District	1.0000	1.0000	1.0000	1.0000

Source: Ohio Department of Taxation

Note: The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year. The basic property rate can be increased only by a majority vote of the School District's residents.

Overlapping rates are those of local and county governments that apply to property owners within the School District. Property tax rates for all overlapping governments are based upon the original voted levy.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is appraised every six years and property values are updated in the third year following each reappraisal.

2020	2019	2018	2017	2016	2015
\$6.3700	\$6.3700	\$5.8600	\$5.8800	\$5.9000	\$5.9100
3.2000	3.2000	3.2000	3.2000	3.2000	3.2000
3.7000	3.7000	3.7000	3.7000	3.7000	3.7000
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
2.1000	2.1000	2.1000	2.1000	0.8000	0.8000
14.9800	13.3000	13.3000	13.3000	13.3000	11.7000
10.0000	10.0000	10.0000	10.0000	10.0000	10.0000
2.3000	2.3000	2.3000	2.3000	2.3000	2.3000
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
2.5000	2.5000	2.5000	2.5000	2.5000	2.5000
0.6300	0.6300	0.6300	0.6300	0.4500	0.4500
0.7000	0.7000	0.7000	0.7000	0.7000	0.7000
1.0000	1.0000	1.0000	1.0000	0.2500	1.0000
0.9000	0.9000	0.6000	0.6000	0.6000	0.6000
4.8500	4.8500	4.8500	3.0000	3.0000	3.0000
7.5000	7.5000	7.5000	7.5000	7.5000	7.5000
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Big Walnut Local School District
Real Property Tax Levies and Collections
Last Ten Years

Collection Year (1)	Current Tax Levy (2)	Current Tax Collections	Percentage of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percentage of Total Tax Collections to Total Tax Levy
2023	\$51,402,179	\$50,767,590	98.77%	\$775,244	\$51,542,834	100.27%
2022	42,997,419	42,198,140	98.31	960,458	43,158,598	100.37
2021	39,914,523	39,241,105	98.31	703,405	39,944,510	100.08
2020	36,267,683	35,681,897	98.38	727,901	36,409,798	100.39
2019	32,029,168	31,520,055	98.41	522,851	32,042,906	100.04
2018	29,730,612	29,277,741	98.48	432,839	29,710,580	99.93
2017	26,547,078	25,970,911	97.83	287,343	26,258,254	98.91
2016	25,338,989	25,049,218	98.86	445,691	25,494,909	100.62
2015	22,092,570	21,697,404	98.21	432,772	22,130,176	100.17
2014	22,275,154	21,697,404	97.41	432,772	22,130,176	99.35

Source: Delaware County Auditor

(1) The 2024 information cannot be presented because all collections have not been made by June 30, 2024.

(2) State reimbursement of rollback and homestead exemptions are included.

Note: The County's current reporting system does not track delinquency tax collections by tax year.
Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent.
Penalties and interest are applied to the total outstanding delinquent balance.
The presentation will be updated as new information becomes available.

Big Walnut Local School District
Principal Taxpayers - Real Property
Current Year and Nine Years Ago

Taxpayer	2024	
	Real Property Assessed Valuation	Percentage of Total School District Assessed Valuation (2024 Collection Year)
Northstar, LLC	\$10,110,780	0.65%
Columbus Outlets, LLC	9,517,960	0.61
Village at Sunbury Mills LTD	7,489,690	0.48
Rushmore OH Partners, LLC	6,954,470	0.45
Cockrell, Margaret Ann	4,347,690	0.28
Cockrell, David and Curtis	4,255,800	0.28
Inn at Walnut Trail Limited	4,228,000	0.27
Karapacha Farms, LLC	4,052,290	0.26
Ohashi Technica USA, Inc.	3,845,570	0.25
Cockrell David B @3	3,540,820	0.23
Total	58,343,070	3.76
All Other Taxpayers	1,491,979,190	96.24
Total Assessed Valuation	\$1,550,322,260	100.00%

Taxpayer	2015	
	Real Property Assessed Valuation	Percentage of Total School District Assessed Valuation (2015 Collection Year)
Northstar, LLC	\$5,147,630	0.76%
Sunbury Mills Development LTD	4,503,920	0.66
Ohashi Technica USA, Inc.	3,128,830	0.46
Homewood Corporation	1,898,180	0.28
Sunbury Realty, LLC	1,761,770	0.26
EPEC, LLC	1,541,910	0.23
Pulte Homes of Ohio, LLC	1,513,550	0.22
Nature's Haven Partners	1,481,870	0.22
Total	20,977,660	3.09
All Other Taxpayers	658,672,130	96.91
Total Assessed Valuation	\$679,649,790	100.00%

Source: Delaware County Auditor

Big Walnut Local School District
Principal Taxpayers - Public Utility Personal Property
Current Year and Nine Years Ago

2024		
Taxpayer	Assessed Valuation	Percentage of Total School District Assessed Valuation (2024 Collection Year)
American Electric Power	\$92,487,890	67.98%
Ohio Power Company	30,730,220	22.59
Columbia Gas of Ohio	7,211,180	5.30
Consolidated Electric Cooperative	3,757,200	2.76
Columbia Gas Transmission Corporation	559,450	0.41
Total	134,745,940	99.04
All Other Taxpayers	1,306,250	0.96
Total Assessed Valuation	<u>\$136,052,190</u>	<u>100.00%</u>

2015		
Taxpayer	Total Assessed Valuation	Percentage of Total School District Assessed Valuation (2015 Collection Year)
Ohio Power Company	\$12,129,160	42.39%
American Electric Power	9,406,020	32.89
Columbia Gas of Ohio	4,374,080	15.30
Consolidated Electric Cooperative	2,306,170	8.06
Dayton Power and Light Company	126,240	0.44
Total	28,341,670	99.08
All Other Taxpayers	263,190	0.92
Total Assessed Valuation	<u>\$28,604,860</u>	<u>100.00%</u>

Source: Delaware County Auditor

Big Walnut Local School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Financed Purchases</u>	<u>Leases (2)</u>	<u>Total Debt</u>	<u>Per Capita (1)</u>	<u>Percentage of Personal Income (1)</u>
2024	\$132,110,413	\$329,299	\$0	\$132,439,712	\$5,747	10.99%
2023	136,027,856	126,594	11,176	136,165,626	5,909	12.31
2022	139,876,353	343,033	31,573	140,250,959	6,086	14.02
2021	144,206,468	358,952	50,502	144,615,922	6,275	14.55
2020	149,743,471	0	489,875	150,233,346	8,273	19.78
2019	152,807,207	0	559,631	153,366,838	8,445	21.98
2018	46,947,430	0	467,257	47,414,687	2,611	7.07
2017	38,338,923	0	375,312	38,714,235	2,132	6.12
2016	39,417,202	0	130,964	39,548,166	2,178	6.21
2015	40,296,791	0	166,471	40,463,262	2,228	6.69

Source: School District Records

(1) See Schedule on S-26 for population and personal income.

(2) Beginning in 2021, amounts reflect GASB Statement No. 87 Leases.
Prior to 2021, amounts reflect capital leases.

Big Walnut Local School District
Ratio of General Bonded Debt to Estimated Actual Value
and Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population (1)	Estimated Actual Value	General Bonded Debt	General Bonded Debt to Estimated Actual Value	General Bonded Debt Per Capita
2024	23,045	\$4,584,096,932	\$132,110,413	2.88%	\$5,733
2023	23,045	3,341,664,946	136,027,856	4.07	5,903
2022	23,045	3,184,499,928	139,876,353	4.39	6,070
2021	23,045	3,051,738,726	144,206,468	4.73	6,258
2020	18,160	2,679,716,612	149,743,471	5.59	8,246
2019	18,160	2,565,503,235	152,807,207	5.96	8,414
2018	18,160	2,464,668,073	46,947,430	1.90	2,585
2017	18,160	2,223,904,383	38,338,923	1.72	2,111
2016	18,160	2,113,978,993	39,417,202	1.86	2,171
2015	18,160	1,974,362,065	40,296,791	2.04	2,219

Source: School District Records

(1) United States Census Bureau - 2010 U.S. Census Data

Note: Resources have not been externally restricted for the repayment of debt.

Big Walnut Local School District
Computation of Direct and Overlapping Debt
June 30, 2024

Political Subdivision	Debt Outstanding	Percentage Applicable to School District (1)	Amount Applicable to School District
Big Walnut Local School District	\$132,439,712	100.00%	\$132,439,712
Delaware County	34,767,266	12.61	4,384,152
Genoa Township	<u>3,595,000</u>	17.26	<u>620,497</u>
Total	<u><u>\$170,801,978</u></u>		<u><u>\$137,444,361</u></u>

Source: Delaware County Auditor

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the political subdivision. The valuations used were for the 2024 collection year.

Big Walnut Local School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total Assessed Valuation	\$1,686,374,450	\$1,251,284,550	\$1,195,851,740
Less:			
Public Utility Tangible Personal Property	<u>0</u>	<u>0</u>	<u>0</u>
Total Assessed Valuation used to calculate Legal Debt Margin	1,686,374,450	1,251,284,550	1,195,851,740
Overall Debt Limitation - 9 Percent of Assessed Valuation	<u>151,773,701</u>	<u>112,615,610</u>	<u>107,626,657</u>
Gross Indebtedness	120,481,328	124,300,054	128,059,988
Less Fund Balance in Debt Service Fund	<u>9,165,419</u>	<u>8,786,804</u>	<u>5,897,932</u>
Net Debt Within 9 Percent Limitation	<u>111,315,909</u>	<u>115,513,250</u>	<u>122,162,056</u>
Legal Debt Margin Within 9 Percent Limitation	<u><u>\$40,457,792</u></u>	<u><u>(\$2,897,640)</u></u>	<u><u>(\$14,535,399)</u></u>
Legal Debt Margin as a Percentage of the Overall Debt Limitation	26.66%	-2.57%	-13.51%
Unvoted Debt Limitation - .10 Percent of Assessed Valuation	\$1,686,374	\$1,251,285	\$1,195,852
Gross Indebtedness	0	0	0
Less Debt Outside Limitation	<u>0</u>	<u>0</u>	<u>0</u>
Net Debt Within .10 Percent Limitation	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin Within .10 Percent Limitation	<u><u>\$1,686,374</u></u>	<u><u>\$1,251,285</u></u>	<u><u>\$1,195,852</u></u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%

Source: School District Records

Note: Ohio Bond Law sets a limit of 9 percent for overall debt and 1/10 of 1 percent for unvoted debt.

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$1,148,771,790	\$1,017,959,850	\$977,280,280	\$941,437,990	\$857,974,570	\$810,279,900	\$708,254,650
<u>0</u>	<u>0</u>	<u>(131,757,830)</u>	<u>(130,844,650)</u>	<u>(132,179,380)</u>	<u>(116,869,400)</u>	<u>(28,604,860)</u>
1,148,771,790	1,017,959,850	845,522,450	810,593,340	725,795,190	693,410,500	679,649,790
<u>103,389,461</u>	<u>91,616,387</u>	<u>76,097,021</u>	<u>72,953,401</u>	<u>65,321,567</u>	<u>62,406,945</u>	<u>61,168,481</u>
132,309,988	137,506,463	140,122,255	42,928,405	34,762,341	36,073,331	37,971,178
<u>5,938,556</u>	<u>8,106,717</u>	<u>11,085,859</u>	<u>3,165,460</u>	<u>2,359,846</u>	<u>2,017,297</u>	<u>1,951,601</u>
<u>126,371,432</u>	<u>129,399,746</u>	<u>129,036,396</u>	<u>39,762,945</u>	<u>32,402,495</u>	<u>34,056,034</u>	<u>36,019,577</u>
<u>(\$22,981,971)</u>	<u>(\$37,783,359)</u>	<u>(\$52,939,375)</u>	<u>\$33,190,456</u>	<u>\$32,919,072</u>	<u>\$28,350,911</u>	<u>\$25,148,904</u>
-22.23%	-41.24%	-69.57%	45.50%	50.40%	45.43%	41.11%
\$1,148,772	\$1,017,960	\$845,522	\$810,593	\$725,795	\$693,411	\$679,650
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,148,772</u>	<u>\$1,017,960</u>	<u>\$845,522</u>	<u>\$810,593</u>	<u>\$725,795</u>	<u>\$693,411</u>	<u>\$679,650</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Big Walnut Local School District
Demographic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (2)	Personal Income Per Capita (1)	Delaware County Unemployment Rate (3)
2024	23,045	\$1,205,115,230	\$52,294	2.80%
2023	23,045	1,105,722,145	47,981	3.00
2022	23,045	1,000,544,765	43,417	3.30
2021	23,045	993,838,670	43,126	4.60
2020	18,160	759,360,400	41,815	7.50
2019	18,160	697,743,520	38,422	3.30
2018	18,160	670,503,520	36,922	4.00
2017	18,160	632,222,240	34,814	3.90
2016	18,160	636,707,760	35,061	3.70
2015	18,160	604,419,280	33,283	3.60

Source: (1) United States Census Bureau from 2020 U.S. Census Data

(2) Computation of per capita personal income multiplied by population

(3) Ohio Department of Job and Family Services/Ohio Labor Market

Big Walnut Local School District
Principal Employers
Current Year and Nine Years Ago

Employer (1)	2024			2015		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
JP Morgan Chase	10,000	1	10.49%	10,000	1	10.64%
Ohio Health Heart & Vascular	3,000	2	3.15			
Vertiv Holdings Company	1,800	3	1.89			
Pcm/Sarcom Inc	1,001	4	1.05			
Excel, Inc	700	5	0.73			
Sensience	658	6	0.69			
Franchise Group, Inc	623	7	0.65			
Hitachi Astemo Ohio Manufacturing, Inc	600	8	0.63			
Mcgraw Hill	600	9	0.63	600	9	0.64
Cigna	550	10	0.58			
Kroger Company				2,059	2	2.20
Olentangy Local School District				2,025	3	2.16
Delaware County				1,178	4	1.26
Grady Memorial Hospital				1,000	5	1.07
Meijer, Inc.				764	6	0.81
Delaware City School District				700	7	0.75
American Showa, Inc.				600	8	0.64
Ohio Wesleyan University				569	10	0.61
Total	<u>19,532</u>		<u>20.49%</u>	<u>19,495</u>		<u>20.78%</u>
Total Employment Within Delaware County	<u>95,337</u>			<u>93,795</u>		

Source: Delaware County Office of Economic Development

(1) Specific information for the School District is not available; therefore, the information is for Delaware County.

Big Walnut Local School District
School District Employees by Function/Program
Last Ten Fiscal Years

Program	2024	2023	2022	2021
Instruction				
Regular				
Elementary/Intermediate School Classroom Teachers	125.0	126.0	116.0	119.0
Middle School Classroom Teachers	31.0	33.0	29.5	28.0
High School Classroom Teachers	52.0	49.0	48.0	46.0
Special				
Elementary/Intermediate School Classroom Teachers	27.0	26.0	27.0	18.0
Middle School Classroom Teachers	11.0	9.0	8.0	9.0
High School Classroom Teachers	14.0	12.0	9.0	11.0
Vocational				
High School Classroom Teachers	4.0	3.0	2.0	2.0
Support Services				
Pupils				
Guidance Counselors	12.0	12.0	8.0	6.0
Librarians	1.0	1.0	2.0	1.0
Principal Assistants	0.0	2.0	0.0	1.0
Athletic Coordinator	1.0	1.0	1.0	1.0
Social Workers	0.0	0.0	0.0	0.0
Instructional Staff				
Technology	2.0	2.0	2.0	2.0
Teaching Assistants	68.0	51.0	50.0	47.0
Library Assistants	0.0	0.0	0.0	0.0
Administration				
Elementary School	7.0	7.0	6.0	6.0
Middle School	2.0	2.0	2.0	2.0
High School	4.0	3.0	5.0	4.0
Administration Office	8.0	8.0	9.0	9.0
Administrator Assistance	3.0	3.0	3.0	3.0
Secretaries	16.0	21.0	20.0	19.0
Fiscal				
Fiscal Office	2.0	2.0	2.0	2.0
EMIS Coordinator	1.0	1.0	1.0	1.0
Operation and Maintenance of Plant				
Custodians	24.0	25.0	24.0	24.0
Maintenance	7.0	6.0	5.0	4.0
Pupil Transportation				
Bus Drivers	36.0	34.0	38.0	38.0
Bus Aides	2.0	3.0	2.0	2.0
Bus Mechanics	2.0	3.0	3.0	2.0
Secretary	0.0	0.0	0.0	1.0
Non-Instructional Services				
Elementary School Cooks	11.0	16.0	16.0	16.0
Middle School Cooks	3.0	4.0	4.0	4.0
High School Cooks	6.0	7.0	7.0	7.0

Source: School District Records

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee.

n/a - not available

2020	2019	2018	2017	2016	2015
118.0	121.0	114.0	113.0	102.0	88.0
27.0	25.0	20.0	27.0	21.0	22.0
46.0	46.0	53.0	45.0	43.0	41.0
16.0	16.0	21.0	18.0	15.0	19.0
8.0	8.0	7.0	3.0	6.0	4.0
10.0	9.0	10.0	4.0	9.0	9.0
2.0	2.0	3.0	3.0	1.0	3.0
5.0	5.0	5.0	5.0	5.0	5.0
1.0	1.0	1.0	1.0	1.0	1.0
4.0	6.0	7.0	7.0	6.0	5.0
1.0	1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0	1.0
2.0	2.0	3.0	2.0	2.0	1.0
49.0	53.0	51.0	46.0	38.0	34.0
0.0	0.0	1.0	1.0	1.0	1.0
6.0	6.0	6.0	6.0	6.0	5.0
2.0	2.0	2.0	2.0	2.0	2.0
4.0	4.0	4.0	4.0	3.0	3.0
10.0	10.0	10.0	9.0	8.0	8.0
3.0	3.0	3.0	3.0	3.0	3.0
20.0	22.0	22.0	22.0	19.0	17.0
2.0	2.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0	1.0
21.0	21.0	21.0	22.0	20.0	20.0
4.0	4.0	4.0	4.0	4.0	4.0
37.0	36.0	34.0	33.0	31.0	29.0
2.0	2.0	2.0	2.0	2.0	1.0
2.0	3.0	3.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0	1.0
15.0	15.0	15.0	15.0	15.0	17.0
4.0	4.0	4.0	4.0	4.0	4.0
8.0	9.0	9.0	9.0	9.0	7.0

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Big Walnut Local School District
Per Pupil Cost
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Fiscal Year	Expenses	Enrollment	Cost Per Pupil	Teaching Staff	Pupil/ Teacher Ratio
2024	\$64,793,421	4,228	\$15,325	264	16.02
2023	62,485,287	4,188	14,920	258	16.23
2022	57,293,774	4,158	13,779	239.5	17.36
2021	58,949,336	4,010	14,701	233	17.21
2020	59,465,851	3,942	15,085	227	17.37
2019	50,094,769	3,809	13,152	227	16.78
2018	29,818,811	3,668	8,129	228	16.09
2017	45,758,604	3,605	12,693	213	16.92
2016	39,016,664	3,450	11,309	197	17.51
2015	35,998,817	3,273	10,999	186	17.60

Source: School District Records

Big Walnut Local School District
School Building Statistics
Last Ten Fiscal Years

	*** 2024	*** 2023	*** 2022
Big Walnut Elementary			
Constructed in 1969, additions in 2006			
Total Square Footage	37,289	37,289	37,289
Enrollment Grades K-4	388	393	368
Student Capacity	405*/298**	405*/298**	405*/298**
Regular Instruction Classrooms	24	24	22
Regular Instruction Teachers	22.5	23.5	21.5
Special Instruction Classrooms	2	2	3
Special Instruction Teachers	2	2	2.5
Early Learning Center at Harrison Street Elementary			
Constructed in 1926, additions in 1957 & 1991, converted to pre-school only building 2021			
Total Square Footage	37,954	37,954	37,954
Enrollment Pre-K for 2021-2024, Grades K-5 for 2014-2020	158	147	163
Student Capacity	265*/303**	265*/303**	265*/303**
Regular Instruction Classrooms	0	0	0
Regular Instruction Teachers	0	0	0
Special Instruction Classrooms	6	6	6
Special Instruction Teachers	7	6	5.5
Hulen Souders Elementary			
Constructed in 1991, additions in 2006			
Total Square Footage	42,754	42,754	42,754
Enrollment Grades K-4	371	372	370
Student Capacity	407*/342**	407*/342**	407*/342**
Regular Instruction Classrooms	23	23	20
Regular Instruction Teachers	22.5	22.5	19.5
Special Instruction Classrooms	4	4	3
Special Instruction Teachers	4	4	3
General Rosecrans Elementary			
Constructed in 2010			
Total Square Footage	62,594	62,594	62,594
Enrollment Grades K-4	356	346	333
Student Capacity	500*/530**	500*/530**	500*/530**
Regular Instruction Classrooms	22	22	19
Regular Instruction Teachers	21.5	21.5	19.0
Special Instruction Classrooms	4	4	4
Special Instruction Teachers	4	4	4
Prairie Run Elementary			
Constructed in 2021			
Total Square Footage	56,745	56,745	56,745
Enrollment Grades K-4	440	469	493
Student Capacity	500	500	500
Regular Instruction Classrooms	27	27	27
Regular Instruction Teachers	26.5	26.5	26.5
Special Instruction Classrooms	3	3	4
Special Instruction Teachers	3	3	4

*** 2021	*** 2020	*** 2019	*** 2018	*** 2017	*** 2016	2015
37,289	37,289	37,289	37,289	37,289	37,289	36,700
340	435	407	394	369	337	320
405*/298**	405*/298**	405*/298**	405*/298**	405*/298**	405*/298**	575
19	23	23	21	22	19	18
18.5	23	23	21	22	19	18
2	2	2	4	2	3	2
2	2	2	4	2	3	2
37,954	37,954	37,954	37,954	37,954	37,954	36,200
121	284	299	303	305	307	247
265*/303**	265*/303**	265*/303**	265*/303**	265*/303**	265*/303**	475
4	17	16	17	15	15	13
4	17	16	17	15	15	13
1	2	2	3	2	1	3
1	2	2	3	2	1	3
42,754	42,754	42,754	42,754	42,754	42,754	42,493
360	391	366	367	360	336	290
407*/342**	407*/342**	407*/342**	407*/342**	407*/342**	407*/342**	725
22	23	22	21	20	19	17
22	23	22	21	20	19	17
3	2	2	3	2	2	4
3	2	2	3	2	2	4
62,594	62,594	62,594	62,594	62,594	62,594	59,620
354	530	524	468	452	443	420
500*/530**	500*/530**	500*/530**	500*/530**	500*/530**	500*/530**	500
22	26	28	27	26	24	18
21.5	26	28	27	26	24	18
4	4	4	4	5	4	5
4	4	4	4	5	4	5
56,745	n/a	n/a	n/a	n/a	n/a	n/a
450	n/a	n/a	n/a	n/a	n/a	n/a
500	n/a	n/a	n/a	n/a	n/a	n/a
24	n/a	n/a	n/a	n/a	n/a	n/a
24	n/a	n/a	n/a	n/a	n/a	n/a
3	n/a	n/a	n/a	n/a	n/a	n/a
3	n/a	n/a	n/a	n/a	n/a	n/a

Big Walnut Local School District
School Building Statistics
Last Ten Fiscal Years
(continued)

	*** 2024	*** 2023	*** 2022
Big Walnut Intermediate School			
Constructed in 2011			
converted from middle to intermediate school in 2023			
Total Square Footage	106,769	106,769	106,769
Enrollment Grades 5-6 for 2023-2024,			
Grades 7-8 for 2014-2022	636	617	658
Student Capacity	700*/750**	700*/750**	700*/750**
Regular Instruction Classrooms	32	32	30
Regular Instruction Teachers	32	32	29.5
Special Instruction Classrooms	7	7	8
Special Instruction Teachers	7	7	8
Big Walnut Intermediate School (old)****			
Total Square Footage	73,393	73,393	73,393
Enrollment Grades 5-6 for 2022-2014	0	0	605
Student Capacity	650*/532**	650*/532**	650*/532**
Regular Instruction Classrooms	0	0	30
Regular Instruction Teachers	0	0	29.5
Special Instruction Classrooms	0	0	8
Special Instruction Teachers	0	0	8
Big Walnut Middle School			
Constructed in 1991, additions in 2006, closed in 2022 for			
construction, converted from high to middle school in 2023			
Total Square Footage	183,175	183,175	106,769
Enrollment Grades 7-8 for 2023-2024,			
Grades 9-12 for 2014-2021	621	638	0
Student Capacity	1,100*/1,109**	1,100*/1,109**	1,100*/1,109**
Regular Instruction Classrooms	33	33	0
Regular Instruction Teachers	31	33	0
Special Instruction Classrooms	9	9	0
Special Instruction Teachers	11	9	0
Big Walnut High School			
Constructed in 2022			
Total Square Footage	302,310	302,310	302,310
Enrollment Grades 9-12	1,258	1,206	1,168
Student Capacity	1,851	1,851	1,851
Regular/Vocational Instruction Classrooms	52	52	77
Regular/Vocational Instruction Teachers	56.0	52	50
Special Instruction Classrooms	12	12	8
Special Instruction Teachers	14	12	9

Source: School District Records

n/a - not applicable

*Based on current classroom usage and programs

**Based on 2016 OSFC allowances

***Building square footage and student capacity numbers were updated from the information provided in the 2016 Facility Assessment Report prepared by Architectural Vision Group, LTD in accordance with OSFC Guidelines.

****Future use of the old intermediate school is undetermined at this time.

*** 2021	*** 2020	*** 2019	*** 2018	*** 2017	*** 2016	2015
106,769	106,769	106,769	106,769	106,769	106,769	110,000
615	591	568	562	563	522	487
700*/750**	700*/750**	700*/750**	700*/750**	700*/750**	700*/750**	650
28	27	25	20	27	21	22
28	27	25	20	27	21	22
9	8	8	7	3	6	4
9	8	8	7	3	6	4
73,393	73,393	73,393	73,393	73,393	73,393	69,680
613	617	587	566	557	536	527
650*/532**	650*/532**	650*/532**	650*/532**	650*/532**	650*/532**	660
29	29	32	28	30	25	22
29	29	32	28	30	25	22
5	6	6	7	7	5	5
5	6	6	7	7	5	5
106,769	106,769	106,769	106,769	106,769	106,769	110,000
1,157	1,094	1,058	1,008	999	969	982
1,100*/1,109**	1,100*/1,109**	1,100*/1,109**	1,100*/1,109**	1,100*/1,109**	1,100*/1,109**	1,100
48	48	48	56	48	44	44
48	48	48	56	48	44	44
11	0	9	10	4	9	9
11	10	9	10	4	9	9
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a

Big Walnut Local School District
Full-Time Equivalent Teachers by Education
Last Ten Fiscal Years

Degree	2024	2023	2022	2021	2020
Bachelor's Degree	55	50	47	35	32
Bachelor + 15	11	17	12	15	19
Bachelor + 30	19	22.0	20.5	27	25
Master's Degree	76	76	68	62	64
Master's + 15	42	36	36	36	38
Master's + 30	27	31	31	34	28
Master's + 45	34	26	25	24	21
Total	264	258	239.5	233	227

Source: School District Records

n/a - not applicable

2019	2018	2017	2016	2015
30	29	28	24	21
20	21	26	22	20
30	33	28	28	26
66	71	60	62	58
34	34	35	29	34
27	24	36	32	27
20	16	n/a	n/a	n/a
227	228	213	197	186

Big Walnut Local School District
Teacher's Salaries
Last Ten Fiscal Years

Fiscal Year	Minimum Salary (1)	Maximum Salary (2)	Average Salary Comparable Districts (3)	Statewide Average Salary (3)
2024	\$42,947	\$103,073	\$74,511	\$68,224
2023	42,105	101,052	70,958	66,399
2022	41,279	99,070	70,408	69,081
2021	40,870	98,088	68,768	67,654
2020	39,680	95,232	67,894	65,754
2019	38,524	92,458	66,131	63,916
2018	37,769	90,646	66,262	62,353
2017	37,028	87,386	64,508	58,849
2016	36,302	85,673	59,691	57,154
2015	35,643	84,117	58,450	56,748

Source: School District Records

- (1) Starting teacher with no experience.
- (2) Teacher with Master's Degree and more than 30 years of experience.
- (3) Provided by the Ohio Department of Education and Workforce.

Big Walnut Local School District
Enrollment Statistics
Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Intermediate School	Middle School	High School	Total	Out of District*
2024	1,713	636	621	1,258	4,228	116
2023	1,727	617	638	1,206	4,188	93
2022	1,727	605	658	1,168	4,158	103
2021	1,625	613	615	1,157	4,010	101
2020	1,640	617	591	1,094	3,942	86
2019	1,596	587	568	1,058	3,809	85
2018	1,532	566	562	1,008	3,668	n/a
2017	1,486	557	563	999	3,605	n/a
2016	1,423	536	522	969	3,450	n/a
2015	1,277	527	487	982	3,273	n/a

Source: School District Records

n/a - not applicable

* The School District began reporting Out of District in 2019 which consists of students enrolled but not necessarily serviced all year by the School District. These are students school districts are required to track and report to the State but are not provided educational services at the time of the headcount enrollment snapshot by building. These students can be transient and could be served in our buildings at any time during a school year. These students include students who are placed in other locations for special services, open enrollment to other school districts, etc.

Big Walnut Local School District
 Percentage of Students Who Receive Free and Reduced Lunches
 Last Ten Fiscal Years

District Buildings	2024	2023	2022	2021	2020
Big Walnut Elementary	16.45%	10.70%	10.10%	15.90%	12.30%
Early Learning Center *	22.50	15.70	13.90	11.60	14.00
Hulen Souders Elementary	32.50	26.30	23.50	23.80	20.40
General Rosecrans Elementary	18.00	10.10	9.90	12.50	11.10
Prairie Run Elementary	24.60	17.50	15.80	16.70	n/a
Big Walnut Intermediate School	22.60	13.60	11.70	17.90	16.80
Big Walnut Middle School	18.20	13.80	14.60	18.90	14.10
Big Walnut High School	20.30	13.20	11.90	15.10	12.30

Source: School District Records

n/a - not applicable

* Harrison Street Elementary was converted to the Early Learning Center Preschool upon the opening of Prairie Run Elementary in August 2020.

2019	2018	2017	2016	2015
11.40%	9.80%	13.90%	16.40%	17.00%
17.70	23.10	26.70	26.30	26.00
22.80	22.60	19.80	22.60	24.20
8.60	8.80	9.80	10.60	16.50
n/a	n/a	n/a	n/a	n/a
14.40	13.30	16.90	18.20	17.60
14.10	15.40	15.10	13.70	16.50
11.70	10.60	12.20	14.20	15.70

Big Walnut Local School District
Attendance and Graduation Rates
Last Ten Fiscal Years

Fiscal Year	Attendance Rate	State Average	Graduation Rate	State Average
2024	94.00%	91.30%	96.70%	89.10%
2023	94.00	94.00	96.40	87.30
2022	94.00	93.50	96.40	89.00
2021	95.70	95.40	95.00	87.20
2020	96.10	96.40	94.90	85.90
2019	95.40	96.60	98.40	85.30
2018	95.30	94.30	96.80	84.10
2017	95.30	93.90	95.00	83.40
2016	95.30	94.10	94.30	83.00
2015	95.40	94.30	97.30	82.20

Source: Ohio Department of Education and Workforce, Local Report Cards

n/a - not available

OHIO AUDITOR OF STATE KEITH FABER



BIG WALNUT LOCAL SCHOOL DISTRICT

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/24/2025

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

FINANCIAL STATEMENTS

**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

For the Fiscal Year Ended June 30, 2025

December 18, 2025

Board of Education
Big Walnut Local School District
Delaware County
Sunbury, Ohio 43074

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Big Walnut Local School District (the District), Delaware County for the fiscal year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the basic financial statements. As described in Note 3, the District implemented the following changes in accounting principles or new standards for fiscal year 2025 reporting: Government Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. As described in Note 3, the implementation of GASB Statement No. 101 resulted in a restatement of beginning net position. The implementation of GASB Statement No. 102 did not have an effect on the District's financial statements or beginning net position/fund balances.

We noted no transactions entered into by the District during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were depreciation expense, net pension liability, net OPEB liability/asset, and deferred outflows/inflows of resources.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures were neutral, consistent, and clear.

DIFFICULTIES IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements identified during the course of the audit.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated October 6, 2025.

MANAGEMENT CONSULTATION WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER FINDINGS OR ISSUES

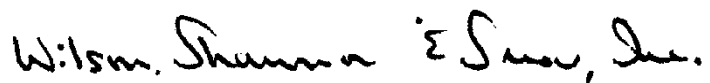
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, along with compliance requirements with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the Management's Discussion and Analysis and schedules of net pension and other postemployment benefit liabilities/assets and pension and other postemployment benefit contributions that are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

RESTRICTION ON USE

This information is intended solely for the use of the Board of Education and Management of the Big Walnut Local School District and is not intended to be and should not be used by anyone other than these specified parties.



WILSON, SHANNON & SNOW, INC

INDEPENDENT AUDITOR'S REPORT

Big Walnut Local School District
Delaware County
110 Tippet Court
Sunbury, Ohio 43074

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 Big Walnut Local School District, Delaware County, Ohio (the School District), as of and for the fiscal 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 Big Walnut Local School District, Delaware County, Ohio as of June 30, 2025, and the respective changes in financial position and the budgetary comparison for the General Fund for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the basic financial statements, during fiscal year 2025, the School District adopted new accounting guidance in the 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/assets 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 combining and individual nonmajor fund financial statements and schedules and are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Big Walnut Local School District
Delaware County
Independent Auditor's Report

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025, 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.

Wilson, Shannon & Son, Inc.

Newark, Ohio
December 18, 2025

DRAFT

BIG WALNUT LOCAL SCHOOL DISTRICT

DELAWARE COUNTY

SINGLE AUDIT

JULY 1, 2024 – JUNE 30, 2025

DRAFT



**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
Fresh Fruit and Vegetable Program	10.582	N/A	\$ 29,635
National School Lunch Program	10.555	N/A	110,434
Non-Cash Assistance (Food Distribution) Subtotal			<u>140,069</u>
Cash Assistance:			
School Breakfast Program	10.553	N/A	80,992
National School Lunch Program	10.555	N/A	555,401
Special Milk Program for Children	10.556	N/A	2,956
Cash Assistance Subtotal			<u>639,349</u>
Total Child Nutrition Cluster:			<u>779,418</u>
Total U.S. Department of Agriculture			<u>779,418</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010	N/A	273,804
Special Education Cluster:			
Special Education Grants to States	84.027A	N/A	1,137,575
Special Education Preschool Grants	84.173	N/A	27,325
Total Special Education Cluster			<u>1,164,900</u>
Supportive Effective Instruction State Grant	84.367	N/A	74,591
English Language Acquisition State Grants	84.365	N/A	6,501
Student Support and Academic Enrichment Program	84.424	N/A	11,725
COVID-19 Elementary and Secondary School Relief Fund - ESSER II State Activity Supplement	84.425D	N/A	52,445
COVID-19 Elementary and Secondary School Relief Fund - ARP ESSER	84.425U	N/A	47,230
Total Elementary and Secondary School Emergency Relief Fund			<u>99,675</u>
Total U.S. Department of Education			<u>1,631,196</u>
Total Expenditures of Federal Awards			<u>\$ 2,410,614</u>

The accompanying notes are an integral part of this schedule.

**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE C – INDIRECT COST RATE

The School District has elected not to use the 10-percent (or 15-percent, as applicable) de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

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

Big Walnut Local School District
Delaware County
110 Tippet Court
Sunbury, Ohio 43074

To the Board of Education:

We have audited, in accordance with 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Big Walnut Local School District, Delaware County, (the School District) as of and for the fiscal 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 December 18, 2025. We noted the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

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

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

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

Big Walnut Local School District
Delaware County
Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Required By *Government Auditing Standards*

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.

Wilson, Shuman & Sawyer, Inc.

Newark, Ohio
December 18, 2025

DRAFT

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

Big Walnut Local School District
Delaware County
110 Tippet Court
Sunbury, Ohio 43074

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Big Walnut Local School District's, Delaware County, (the School District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the School District's major federal program for the fiscal year ended June 30, 2025. The 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, Big Walnut 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 fiscal 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 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 program.

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.

Big Walnut Local School District
Delaware County
Independent Auditor's Report on Compliance With Requirements
Applicable to the Major Federal Program and On Internal Control
Over Compliance And the Schedule of Expenditures of
Federal Awards Required by Uniform Guidance
Page 3

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Big Walnut Local School District, Delaware County, (the School District) as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our report thereon dated December 18, 2025, which contained unmodified opinions on those financial statements, wherein we noted the School District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. 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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Wilson, Shuman & Son, Inc.

Newark, Ohio
December 18, 2025

**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.



TREASURER'S OFFICE

110 Tippet Court
Sunbury, Ohio 43074
740.965.3010
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
FISCAL YEAR ENDED JUNE 20, 2025

Finding Number	Finding Summary	Status	Additional Information
2024-001	Significant Deficiency – Improving controls within the payroll disbursement cycle	Corrective Action Taken and Finding is Fully Corrected	Communication was directed to Mr. Darren Jenkins on 03/14/2025. No response or payment from Mr. Darren Jenkins has been received. Claim with insurance company was initiated on 05/20/25.

FINANCIAL PROJECTION OF OPERATIONAL REVENUES AND EXPENDITURES

**BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

The following is the financial projection prepared by the Treasurer in compliance with Revised Code Section 5705.391. (See discussion in APPENDIX A under “FINANCES OF THE SCHOOL DISTRICT – Financial Projection.”) The following Notes may include information beyond what is required by Revised Code Section 5705.391 and rules promulgated by the Department. Readers of this Official Statement are cautioned that actual circumstances may differ from the assumptions required to be used in preparation of this projection. As a result, the actual future financial situation of the School District may be materially different from that stated in this projection, and investors are cautioned not to place undue reliance on such forward-looking statements.

BIG WALNUT LOCAL SCHOOL DISTRICT
FINANCIAL PROJECTION OF OPERATIONAL REVENUES AND EXPENDITURES

Forecast Line and Description	Actual			Current Year Budget	Forecasted		
	2023	2024	2025	2026	2027	2028	2029
01.010 : General Property Tax (Real Estate)	24,022,638	28,784,931	33,623,933	35,012,716	36,045,362	36,375,162	36,770,808
01.020 : Tangible Personal Property Tax	4,492,050	4,517,899	4,482,997	4,553,412	4,338,442	4,338,927	4,354,642
01.030 : Income Tax	12,175,411	11,062,620	12,513,778	14,144,284	14,847,684	15,586,254	16,361,752
01.035 : Unrestricted Grants-in-Aid	6,495,325	6,481,864	6,694,484	7,310,160	8,689,398	8,704,431	8,719,847
01.040 : Restricted Grants-in-Aid	602,688	847,491	865,857	712,598	554,292	554,292	554,292
01.050 : State Reimbursement for Property Tax Credits	3,229,244	3,775,949	4,405,636	4,558,510	7,099,323	4,722,298	4,776,449
01.060 : All Other Operating Revenue	2,741,326	3,913,529	4,327,222	4,076,942	3,858,341	3,557,642	3,304,703
01.070 : Total Revenue	53,758,682	59,384,283	66,913,907	70,368,622	75,432,841	73,839,005	74,842,493
02.050 : Advances-In	0	0	3,750	0	0	0	0
02.060 : All Other Financing Sources	130,607	110,459	77,255	189,698	77,255	77,255	77,255
02.070 : Total Other Financing Sources	130,607	110,459	81,005	189,698	77,255	77,255	77,255
02.080 : Total Revenue and Other Financing Sources	53,889,289	59,494,742	66,994,912	70,588,320	75,510,096	73,916,260	74,919,748
03.010 : Personal Services - Employee Salaries & Wages	27,230,536	29,311,946	31,434,402	34,567,628	38,004,536	41,763,447	45,000,991
03.020 : Employees' Retirement and Insurance Benefits	10,872,537	11,584,127	12,434,714	12,642,730	13,586,107	15,465,576	17,017,051
03.030 : Purchased Services	6,916,076	6,711,235	8,716,249	12,186,205	12,455,200	12,835,539	13,223,912
03.040 : Supplies and Materials	1,297,155	1,538,110	2,012,432	2,746,429	2,820,635	2,896,863	2,975,169
03.050 : Capital Outlay	167,017	822,784	1,267,534	1,331,409	1,622,176	1,672,128	1,723,704
04.300 : Other Objects	698,119	859,358	873,718	944,809	975,255	1,006,784	1,039,438
04.500 : Total Expenditures	47,181,440	50,827,560	56,739,049	64,419,210	69,463,910	75,640,388	80,980,265
05.010 : Operational Transfers-Out	0	0	18,272,421	300,000	300,000	300,000	300,000
05.020 : Advances-Out	0	0	3,750	0	0	0	0
05.040 : Total Other Financing Uses	0	0	18,276,171	300,000	300,000	300,000	300,000
05.050 : Total Expenditures and Other Financing Uses	47,181,440	50,827,560	75,015,220	64,719,210	69,763,185	75,940,338	81,280,265
06.010 : Excess Of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	6,707,849	8,667,182	(8,020,308)	5,839,111	5,746,185	(2,024,077)	(6,360,517)
07.010 : Beginning Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	18,858,472	25,566,321	34,233,503	26,213,195	32,052,306	37,798,491	35,774,414
07.020 : Ending Cash Balance June 30 - Excluding Proposed Renewal/Replacement and New Levies	25,566,321	34,233,503	26,213,195	32,052,306	37,798,491	35,774,414	29,413,897
08.010 : Estimated Encumbrances June 30	602,766	953,642	713,986	713,986	713,986	713,986	713,986
10.010 : Fund Balance June 30 For Certification of Appropriations	24,963,555	33,279,861	25,499,209	31,338,320	37,084,505	35,060,428	28,699,911
12.010 : Fund Balance June 30 For Certificates of Contracts Salary Schedules, and Other Obligations	24,963,555	33,279,861	25,499,209	31,338,320	37,084,505	35,060,428	28,699,911
15.010 : Unreserved Fund Balance June 30	24,963,555	33,279,861	25,499,209	31,338,320	37,084,505	35,060,428	28,699,911

BIG WALNUT LOCAL SCHOOL DISTRICT- DELAWARE COUNTY
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES FOR THE FISCAL YEARS ENDED
JUNE 30, 2023, 2024, and 2025 ACTUAL
FORECASTED FISCAL YEARS ENDING
JUNE 30, 2026, THROUGH JUNE 30, 2030



Forecast Provided By
Big Walnut Local School District
Treasurer's Office
J. Scott Gooding II, Interim-Treasurer/CFO
February 9, 2026

Big Walnut Local School District

Delaware County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2023, 2024 and 2025 Actual;

Forecasted Fiscal Years Ending June 30, 2026 Through 2030

		Actual			Average Change	Forecasted				
		Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025		Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Revenues										
1.010	General Property Tax (Real Estate)	\$24,022,638	\$28,784,931	\$33,623,933	18.3%	35,012,716	36,045,362	36,375,162	36,770,808	37,166,347
1.020	Public Utility Personal Property Tax	\$4,492,050	\$4,517,899	\$4,482,997	-0.1%	4,553,412	4,338,442	4,338,927	4,354,642	4,370,359
1.030	Income Tax	\$12,175,411	\$11,062,620	\$12,513,778	2.0%	14,144,284	14,847,684	15,586,254	16,361,752	17,176,026
1.035	Unrestricted State Grants-in-Aid	\$6,495,325	\$6,481,864	\$6,694,484	1.5%	7,310,160	8,689,398	8,704,431	8,719,847	8,735,655
1.040	Restricted State Grants-in-Aid	\$602,688	\$847,491	\$865,857	21.4%	712,598	554,292	554,292	554,292	554,292
1.045	Restricted Federal Grants In Aid	\$0	\$0	\$0	0.0%	-	-	-	-	-
1.050	State Reimbursement for Property Tax Credits	\$3,229,244	\$3,775,949	\$4,405,636	16.8%	4,558,510	7,099,323	4,722,298	4,776,449	4,830,587
1.060	All Other Revenues	\$2,741,326	\$3,913,529	\$4,327,222	26.7%	4,076,942	3,858,341	3,557,642	3,304,703	3,092,387
1.070	<i>Total Revenues</i>	\$53,758,682	\$59,384,283	\$66,913,907	11.6%	\$70,368,622	\$75,432,841	\$73,839,005	\$74,842,493	\$75,925,653
Other Financing Sources										
2.010	Proceeds from Sale of Notes	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.020	State Emergency Loans and Advancements (Approved)	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.040	Operating Transfers-In	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
2.050	Advances-In	\$0	\$0	\$3,750	0.0%	\$0	\$0	\$0	\$0	\$0
2.060	All Other Financing Sources	\$130,607	\$110,459	\$77,255	-22.7%	189,698	77,255	77,255	77,255	77,255
2.070	<i>Total Other Financing Sources</i>	\$130,607	\$110,459	\$81,005	-21.0%	\$189,698	\$77,255	\$77,255	\$77,255	\$77,255
2.080	<i>Total Revenues and Other Financing Sources</i>	\$53,889,289	\$59,494,742	\$66,994,912	11.5%	\$70,558,320	\$75,510,096	\$73,916,260	\$74,919,748	\$76,002,908
Expenditures										
3.010	Personnel Services	\$27,230,536	\$29,311,946	\$31,434,402	7.4%	\$34,567,628	\$38,004,536	\$41,763,447	\$45,000,991	\$47,902,221
3.020	Employees' Retirement/Insurance Benefits	\$10,872,537	\$11,584,127	\$12,434,714	6.9%	\$12,642,730	\$13,586,107	\$15,465,576	\$17,017,051	\$18,482,766
3.030	Purchased Services	\$6,916,076	\$6,711,235	\$8,716,249	13.5%	\$12,186,205	\$12,455,200	\$12,835,539	\$13,223,912	\$13,620,493
3.040	Supplies and Materials	\$1,297,155	\$1,538,110	\$2,012,432	24.7%	\$2,746,429	\$2,820,635	\$2,896,863	\$2,975,169	\$3,055,608
3.050	Capital Outlay	\$167,017	\$822,784	\$1,267,534	223.3%	\$1,331,409	\$1,622,176	\$1,672,128	\$1,723,704	\$1,776,961
3.060	Intergovernmental	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
	Debt Service:				0.0%					
4.010	Principal-All (Historical Only)	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.020	Principal-Notes	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.030	Principal-State Loans	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.040	Principal-State Advancements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.050	Principal-HB 264 Loans	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.055	Principal-Other	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.060	Interest and Fiscal Charges	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
4.300	Other Objects	\$698,119	\$859,358	\$873,718	12.4%	\$944,809	\$975,255	\$1,006,784	\$1,039,438	\$1,073,260
4.500	<i>Total Expenditures</i>	\$47,181,440	\$50,827,560	\$56,739,049	9.7%	\$64,419,210	\$69,463,910	\$75,640,338	\$80,980,265	\$85,911,308
Other Financing Uses										
5.010	Operating Transfers-Out	\$0	\$0	\$18,272,421	0.0%	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
5.020	Advances-Out	\$0	\$0	\$3,750	0.0%	\$0	\$0	\$0	\$0	\$0
5.030	All Other Financing Uses	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
5.040	<i>Total Other Financing Uses</i>	\$0	\$0	\$18,276,171	0.0%	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
5.050	<i>Total Expenditures and Other Financing Uses</i>	\$47,181,440	\$50,827,560	\$75,015,220	27.7%	\$64,719,210	\$69,763,910	\$75,940,338	\$81,280,265	\$86,211,308
6.010	<i>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</i>	\$6,707,849	\$8,667,182	(\$8,020,308)	-81.7%	\$5,839,111	\$5,746,185	(\$2,024,077)	(\$6,360,517)	(\$10,208,400)
7.010	Cash Balance July 1 - Excluding Proposed Renewal/Replacement and New Levies	\$18,858,472	\$25,566,321	\$34,233,503	34.7%	\$26,213,195	\$32,052,306	\$37,798,491	\$35,774,414	\$29,413,897
7.020	<i>Cash Balance June 30</i>	\$25,566,321	\$34,233,503	\$26,213,195	5.2%	\$32,052,306	\$37,798,491	\$35,774,414	\$29,413,897	\$19,205,497
8.010	<i>Estimated Encumbrances June 30</i>	\$602,766	\$953,642	\$713,986	16.5%	\$713,986	\$713,986	\$713,986	\$713,986	\$713,986
Reservation of Fund Balance										
9.010	Textbooks and Instructional Materials	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.020	Capital Improvements	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.030	Budget Reserve	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.040	DPIA	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.045	Fiscal Stabilization	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.050	Debt Service	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.060	Property Tax Advances	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.070	Bus Purchases	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
9.080	<i>Subtotal</i>	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0

Big Walnut Local School District

Delaware County

Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended June 30, 2023, 2024 and 2025 Actual;

Forecasted Fiscal Years Ending June 30, 2026 Through 2030

	Actual			Average Change	Forecasted				
	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025		Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
<i>Fund Balance June 30 for Certification of</i>									
10.010 <i>Appropriations</i>	\$24,963,555	\$33,279,861	\$25,499,209	5.0%	\$31,338,320	\$37,084,505	\$35,060,428	\$28,699,911	\$18,491,511
Revenue from Replacement/Renewal Levies									
11.010 Income Tax - Renewal	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
11.020 Property Tax - Renewal or Replacement	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
11.300 Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
12.010 <i>Fund Balance June 30 for Certification of Contracts, Salary Schedules and Other Obligations</i>									
	\$24,963,555	\$33,279,861	\$25,499,209	5.0%	\$31,338,320	\$37,084,505	\$35,060,428	\$28,699,911	\$18,491,511
Revenue from New Levies									
13.010 Income Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.020 Property Tax - New				0.0%	\$0	\$0	\$0	\$0	\$0
13.030 Cumulative Balance of New Levies	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	\$0	\$0
14.010 Revenue from Future State Advancements				0.0%	\$0	\$0	\$0	\$0	\$0
15.010 <i>Unreserved Fund Balance June 30</i>	\$24,963,555	\$33,279,861	\$25,499,209	5.0%	\$31,338,320	\$37,084,505	\$35,060,428	\$28,699,911	\$18,491,511

Big Walnut Local School District –Delaware County
Notes to the Five-Year Forecast
General Fund Only
February 9, 2026

Introduction to the Five-Year Forecast

A forecast is a snapshot of today. Based on historical trends, what we know and future assumptions. That snapshot, however, will be adjusted because the further into the future the forecast extends, the more likely it is that the projections will deviate from experience. Various events will ultimately impact the latter years of the forecast, such as state budgets (adopted every two years), tax levies (new/renewal/replacement), salary increases, enrollment variances, or businesses moving in or out of the district. As noted below the current state budget approved in HB96 changed the forecast based on what the state Ohio and the Ohio Department of Education and Workforce will require, however the Board of Education will continue to plan over a five-year period. Our district leadership believes that the five-year forecast is a crucial management tool. A five-year planning horizon enables district management teams to examine future years' projections and identify when challenges will arise. This helps district management to be proactive in meeting those challenges.

In a financial forecast, the numbers only tell a small part of the story. For the numbers to be meaningful, the reader must review and consider the Assumptions of the Financial Forecast before drawing conclusions or using the data as a basis for other calculations. The assumptions are fundamental to understanding the rationale of the numbers, particularly when a significant increase or decrease is reflected.

Since the preparation of a meaningful five-year forecast is as much an art as it is a science and entails many intricacies, it is recommended that you contact the Treasurer/Chief Fiscal Officer of the school district with any questions you may have. The Treasurer/CFO submits the forecast, but the Board of Education is recognized as the official owner of the forecast.

Here are three essential purposes or objectives of the forecast:

- (1) To engage the local board of education and the community in long-range planning and discussions of financial issues facing the school district.
- (2) To serve as a basis for determining the school district's ability to sign the certificate required by O.R.C. §5705.412, commonly known as the "412 certificate".
- (3) To provide a method for the Ohio Department of Education and Workforce, and the Auditor of State to identify school districts with potential financial problems.

Ohio HB96 was passed in June 2025 which amended O.R.C. 5705.391 and O.A.C. 3301-92.04 requiring a Board of Education (BOE) to file their current years budgeted revenue and expenses, and three additional years. This is essentially a four (4) year forecast. Beginning in fiscal year 2026 (July 1 to June 30) the financial forecast must be filed by October 15, and the end of February. The filing deadlines will change in fiscal year 2027 to August 31, and end of February each fiscal year thereafter. While the legislative requirement is to file a four-year forecast, as noted above, we believe it is a prudent business practice to continue to develop a five-year forecast for planning purposes. The five-year forecast includes three years of actual and five years of projected general fund revenues and expenditures. The first year of the financial forecast is considered the current year budget and is used as the base for future years projections. Our forecast is updated to reflect the most current economic data available for the February 2026 filing.

Executive Summary

Overview

- The Big Walnut Local School District's Five-Year Forecast provides a comprehensive projection of revenues, expenditures, and fund balances for FY2026 through FY2030. While Ohio law now requires only a three-year forecast under HB96, the district continues to prepare a five-year forecast as a proactive management tool. This approach helps identify fiscal challenges early, guide long-term planning, and ensure financial stability in a growing district.

Key Revenue Highlights

- **Property Taxes:** Local property taxes remain the district's largest revenue source, strengthened by substantial increases from the 2023 countywide reappraisal. However, legislative uncertainty around levy structures and property tax reform poses future risks.
- **Income Tax:** District income tax collections rebounded strongly in FY25, with future growth projected from both wage growth and new housing developments. Annual increases are assumed at 10% in FY26 and 5% thereafter.
- **State Funding:** State support accounts for 17.93% of district revenues. HB96 extends the Fair School Funding Plan (FSFP) through FY27, fully phasing in by that year. Beyond FY27, state support is uncertain as two new biennium budgets (FY28–29 and FY30–31) must be negotiated.
- **Other Revenues:** Casino revenues, Tax Increment Financing (TIF) payments, Medicaid reimbursements, and investment earnings provide modest but steady contributions.

Expenditure Drivers

- **Personnel Costs:** Wages and benefits remain the district's largest expense. New labor agreements through FY28 include annual increases between 4–5%. Staffing growth is anticipated to align with enrollment, with planned net new hires each year.
- **Benefits:** Health insurance premiums will decrease by 20% in CY26 but are projected to rise sharply thereafter (up to 10% by CY28). STRS/SERS retirement contributions and Medicare expenses will continue to grow alongside wages.
- **Purchased Services:** Rising costs for utilities (15% increase in FY26 due to a new electric capacity charge), tuition, and ESC services represent ongoing budgetary pressures.
- **Supplies, Equipment, and Other:** Inflationary increases (2–3% annually) are projected for instructional materials, transportation, and technology replacements, alongside capital outlays for facility maintenance.
- **Transfers:** The district plans annual transfers to athletics (\$160,000) and severance benefits (\$140,000).

Fiscal Outlook

- **Surpluses/Deficits:** The district is projected to maintain balanced operations through FY27 but begin deficit spending in FY28.
- **Cash Balances:** Current reserves provide strong financial stability, but balances will gradually decline as expenditures outpace revenues. By FY30, the district will rely on reserves to sustain operations.
- **True Cash Days:** The district maintains cash levels well above the recommended 60-day reserve in the near term, but reserves will shrink without new revenue or expenditure adjustments.

Risks and Uncertainties

- **State Funding:** Two unknown state budgets (FY28–31) could significantly affect revenues, especially if the Fair School Funding Plan (FSFP) is altered or underfunded.
- **Property Tax Reform:** Legislative debates over levy structures and property tax relief could impact local revenues.
- **Enrollment Growth:** Continued residential development may outpace revenue growth, requiring staffing and service expansions.

- Healthcare Costs: Insurance premium volatility remains a major long-term expense risk.

Conclusion

- The Big Walnut Local School District is well-positioned in the near term, with stable revenues and strong reserves. However, beginning in FY28, expenditures are projected to exceed revenues, gradually reducing cash balances. Long-term sustainability will require ongoing monitoring of state funding, legislative changes, and local growth pressures. The district remains committed to balancing financial responsibility with its mission to provide high-quality education to a growing student population.

Forecast Risks and Uncertainty:

This financial forecast has risks and uncertainty due to economic changes, new property tax laws signed by Governor DeWine on December 19, 2025, and also due to state legislative changes that will occur in the spring of 2027 and 2029 due to deliberation of the following two (2) state biennium budgets for FY28-29 and FY30-31, all of which affect this forecast.

- 1) On December 19, 2025, Governor DeWine signed into law several pieces of legislation that are the most sweeping changes to Ohio property tax law since 1976 when HB920 was passed. The legislation approved are: HB129, HB186, HB309 and HB335. These laws become effective March 19, 2026, which is after the February, filing deadline for this forecast. Of particular concern is HB186 which implements new property tax caps retroactively for property reappraisal and triennial updates that occurred in tax year 2023, 2024 and 2025. Due to the complexity of these calculations, the Ohio Department of Taxation (ODT) has been charged with calculating the effects of this legislation and notifying Ohio's 88 county auditors as to the impact on property tax bills and subsequent tax settlements to local governments. The ODT has until April 20, 2026 to calculate any tax reductions that impact school districts.

A brief summary of the impact of each piece of legislation is noted below with specific anticipated impacts to this forecast noted in Estimated Real Estate Tax Line 1.01 section of these assumptions below:

- HB129 implements new requirements for and restores fixed sum levies. It will also include fixed sum levy millage in the 20-mill floor calculation beginning in the next reappraisal or triennial update cycle of any county that contains district territory, but no later than Tax Year 2028 collect in calendar 2029. For some districts this will result in a loss due to a change in the 20-mill floor. Our district is on the 20-mill floor.
- HB186 establishes Inflation Cap Credits, if applicable, following reappraisals and triennial updates for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF). HB186 also includes Temporary Tax Credits (claw back) provision that takes back tax revenue that has already been collected by school districts beginning with reappraisals and triennial updates that occurred before the effective date of the law retroactive back to tax year 2023, 2024 and 2025. These are funds that have already been realized and have been spent and/or included in future educational planning. While skyrocketing home values resulted in the need for property tax reform that limits tax growth for taxpayers, the retroactive claw back of taxes already paid is very detrimental to districts at the 20-mill floor. Our district is on the 20-mill floor.
- HB309 allows County Budget Commissions (CBC's) to reduce any voter-approved levy (except debt) to bring taxes levied within levels the CBC finds reasonable and prudent to avoid unnecessary collections. This law gives locally elected CBC officials the power to override voter-approved levies and local school board fiscal decisions. The impact of this new law is indeterminable and can be administered inconsistently in 88 counties across Ohio.

- HB335 limits revenue growth from inside millage due to valuation reappraisals or triennial updates to no more than the Gross Domestic Product Deflation Factor (GDP DF). Our district plans to project at or below anticipated GDP DF to avoid inflation cap credits on inside millage.

Because the new accelerated February, filing deadline for school district forecasts and the ODT's deadline of April 20, are misaligned, authoritative data concerning HB186's official impact on our district will not be received as of the filing of this forecast. We have estimated revenues and expenses based on the limited data available and understanding of this legislation. As authoritative data concerning HB186 is made available to the district changes may need to be made to the forecast that may or may not be significant.

Data and assumptions noted in this forecast are based on the best and most reliable data available to us as of the date of this forecast. The items below give a short description of the current issues and how they may affect our forecast in the long term:

- 2) Property tax collections are the largest single revenue source for the school system and a significant risk to the forecast. We project growth in appraised values every three (3) years that aligns with the new HB186 Gross Domestic Product Deflation Factor (GDP DF) and new construction growth. The effects of HB186 will be to limit property tax growth following reappraisals and updates. Total local revenues, predominately local taxes, equate to 82.12% of the district's resources. As noted above, HB186 indicates any adjustment for prior year appraisals and updates that exceeded GDP DF in reappraisals and triennial updates that occurred in tax years 2023, 2024 and 2025 will result in possible significant reductions (claw back) in the second half property tax collections that typically occur in August to September 2026. If the Ohio Department of Taxation (ODT) determines adjustments are required due to HB186, further reductions in Tax Year 2026 collected in calendar year 2027 taxes will also result. We have included any estimated adjustment for HB186 in Line 1.01 assumptions below, but only the ODT will have actual authoritative data when it is released after this forecast filing deadline.
- 3) Delaware County experienced a reappraisal in tax year 2023 for collection in 2024. We experienced value increases for Class I and II property by \$434 million for an overall increase of 38.96%. A update will occur in tax year 2026 for collection in 2027 We anticipate value increases for Class I (Residential/Agriculture) and Class II (Commercial/Industrial) property within the Gross Domestic Product Deflation Factor range of 7% to 9%. HB335 inside millage cap will become effective for any reappraisal and update beginning in tax year 2026, and HB129 will become effective for our district in the next reappraisal/update in tax year 2026. We have anticipated any 20-mill floor adjustment at that time in Line 1.01 assumptions below. We do not anticipate any impact of HB335 on our tax projections due to our estimates for future growth in reappraisal being in line with anticipated GDP DF.
- 4) Income tax collections are dependent upon the economy. As unemployment decreases the amount of funding increases for the district. We have seen an increase in the payments as employment has recovered from the decrease that was experienced with the pandemic. There is a risk that we could see decreases in the future but at this time, we are not anticipating any for future years of the forecast.
- 5) The state budget represented 17.88% of district revenues, which means it is a significant risk to the revenue. The future risk comes in FY28 and beyond if the state economy stalls due to a possible recession and Fair School Funding Plan is not funded in the next state biennium budget. In this forecast, there are two unknown future State Biennium Budgets covering FY28-29 and FY30-31. Future uncertainty in the state foundation funding formula and the state's economy makes this area an elevated risk to district funding long-range through FY30. We have projected our state funding in FY26 based on the January #1 settlement report and are using the Ohio Department of Education and Workforce (ODEW) funding simulator for

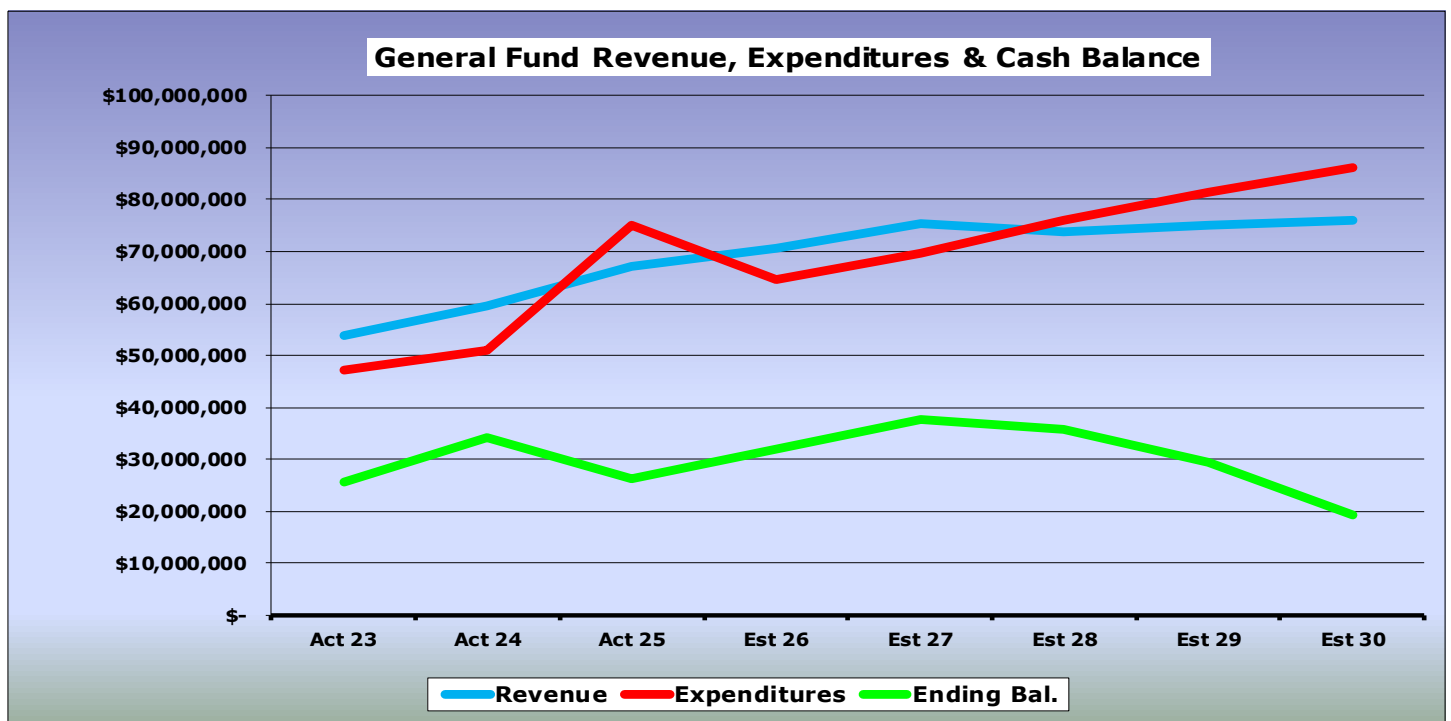
FY27 projections. This forecast reflects state revenue to align with the FY27 funding levels through FY30, which we feel is conservative and should be close to what the state approves for the next two biennium budgets. We will adjust the forecast in future years as we have data to make an informed decision.

- 6) HB96, the current state biennium budget also enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Current Homestead and 2.5% owner occupied credits are reimbursed to the district from the state of Ohio. These expanded “Piggyback Property Tax Exemptions” will NOT be reimbursed. Our county commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025.
- 7) The Ohio Department of Taxation on January 15, 2026 announced an updated state property tax reappraisal and triennial update schedule. Sixteen counties will have their reappraisal moved back by one year in accordance with the new schedule. Our county will be impacted by this change.

The major lines of reference for the forecast are noted below in the headings to make it easier to relate the assumptions made for the forecast item and refer to the forecast. It should be of assistance to the reader to review the assumptions noted below in understanding the overall financial forecast for our district. If you would like further information, please feel free to contact J. Scott Gooding II, Interim-Treasurer/CFO at 740-965-3010.

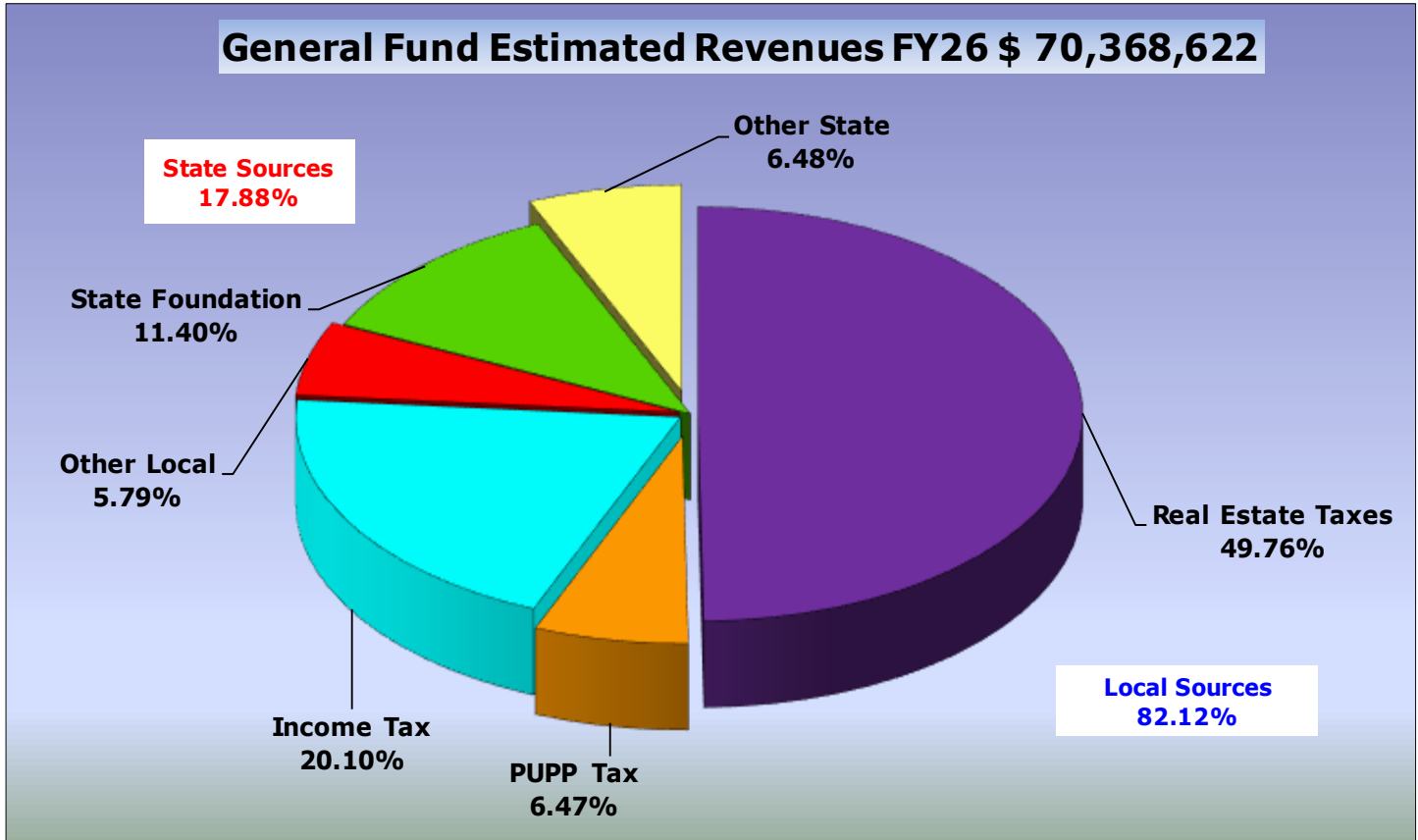
General Fund Revenue, Expenditure and Ending Cash Balance Actual FY23-25 and Estimated FY26-30

The graph captures in one snapshot the operating scenario facing the district over the next few years.



Revenue Assumptions

All Revenue Sources General Fund FY26



Property Valuation Assumptions

Property Values are established annually by the Delaware County Auditor based on the type of property either residential/agriculture or commercial/industrial, which the values are defined even further based on new construction, demolitions, BOR/BTA activity, and complete reappraisal or updated values. HB186 allows new construction growth in property taxes irrespective of GDP DF. Delaware County experienced a sexennial reappraisal for the 2023 tax year to be collected in FY24. Residential/agricultural values increased 36.01% or \$372.6 million due to the reappraisal, led by an improving housing market.

Data captured from the different townships and villages is used to estimate new construction for each collection year for the forecast. For tax year 2023, new construction in residential/agricultural property was up 41.6% or \$48.9 million in assessed value from tax year 2022, and commercial/industrial values increased by \$3.9 million. Overall values increased \$434.7 million or 38.96%, which includes new construction for all classes of property. This is important in that new construction is taxed at the full voted rate and not subject to effective millage rates, for the first year of collection, which will increase the estimate for taxes being collected. For 2024 values for collection in 2025, we are assuming new construction of 200 homes. For 2026 through 2029, we are estimating an increase from new construction of \$20 million.

A triennial update will occur in 2026 for collection in FY27, for which we are estimating an 8.0% increase in residential and a 2.0% increase for commercial/industrial property. We anticipate overall residential/agricultural and commercial/industrial values to increase \$156.8 million or 9.84%.

Public Utility Personal Property (PUPP) values change annually as the values are not included in the reappraisal or update years, which make them very difficult to forecast. The AEP Vassell Substation continues to be a very important section of the Public Utility Personal Property (PUPP) tax valuation for the district. Since the substation was first added to the values in 2016 the district has seen increases and decreases over the years in PUPP tax values. The district has been told to expect decreases in PUPP throughout the remainder of the forecast due to depreciation of the power plant equipment of approximately 3% to 3.5% each year. Due to new planned housing developments, we believe there will be additions to public utility infrastructure that will compensate for current depreciation. The district received a \$13.37 million decrease in values for Tax Year 2025 collect in 2026, we do not expect that type of decrease in future years, therefore, we expect our values to continue to grow by \$500,000 annually in CY26 through CY30 due to current growth in public utility infrastructure.

ESTIMATED ASSESSED VALUE (AV) BY COLLECTION YEARS

<u>Classification</u>	<u>Estimated TAX YEAR2025 COLLECT 2026</u>	<u>Estimated TAX YEAR2026 COLLECT 2027</u>	<u>Estimated TAX YEAR2027 COLLECT 2028</u>	<u>Actual TAX YEAR2028 COLLECT 2029</u>	<u>Estimated TAX YEAR2029 COLLECT 2030</u>
Res./Ag.	1,588,961,250	1,736,578,150	1,757,078,150	1,777,578,150	1,798,078,150
Comm./Ind.	126,031,060	143,000,201	143,675,201	144,350,201	145,025,201
Public Utility (PUPP)	<u>135,606,820</u>	<u>136,106,820</u>	<u>136,606,820</u>	<u>137,106,820</u>	<u>137,606,820</u>
Total Assessed Value	<u>1,850,599,130</u>	<u>2,015,685,171</u>	<u>2,037,360,171</u>	<u>2,059,035,171</u>	<u>2,080,710,171</u>

Tax Rate Assumptions

The county auditor sets property tax rates for each levy that voters approve to fund the school district. Ohio law requires these tax rates to be adjusted over time so that rising property values do not automatically increase the amount of money the district collects beyond what voters originally approved. These adjustments are called “reduction factors.”. The reduction factors are applied separately to Residential/Agriculture (Class I) and Commercial/Industrial (Class II) resulting in different effective millage rates. While voters approved a total rate of 28.5 mills for the district’s general fund levies, the current effective rate is 20.00 mills for Class I and Class II property. Ohio law has a provision that the reduction factors cannot lower the total millage rate for each class less than 20 mills, which includes both voted and non-voted millage rates; this is called the “20-Mill Floor”. Our district is on the floor for Class I and Class II.

HB129 is a new law that restores fixed sum levies AND now includes them in the 20-mill floor calculation, which will be in effect following the Tax Year 2026 triennial update. Our district is expected to be impacted by including fixed sum (formerly emergency) levies in our 20-mill floor calculation starting for collection in calendar year 2026. This is expected to result in a loss of \$4.87 million in calendar year 2026, which will continue as a loss throughout the forecast.

Estimated Real Estate Tax Collection Assumptions & New Tax Laws

HB96 enacted a new provision called “Piggyback Property Tax Exemptions”. This provision allows county commissioners in each county in Ohio to double the current Homestead Exemption and owner occupied 2.5% tax credit. Our county commissioners did not vote to approve further Piggyback Property Tax Exemptions for tax year 2025. County auditors have until December 2026 to implement this tax credit for tax year 2026. We will adjust the forecast in the future accordingly.

HB186 is a new law that establishes an Inflation Cap Credit for school district property taxes, preventing increases beyond the Gross Domestic Product Deflation Factor (GDP DF) in reappraisal and triennial updates.

HB186 also includes Temporary Tax Credits (claw back) provision that retroactively takes back property tax revenue that has already been collected by school districts for impacted districts starting in their reappraisal or triennial updates in tax years 2023, 2024 and 2025. These funds have already been realized and have been spent and/or included in future educational planning. The Ohio Department of Taxation is charged as the authoritative source with calculating the adjustments due to HB186, but has until April 20, 2026 to do so, which is after the filing deadline for this forecast.

Big Walnut is at the 20-mill floor and is anticipating a negative claw back impact to our forecast due to HB186. We are anticipating adjustments noted on the table below for Line 1.01. This is based on our best estimate of HB186, but there is no authoritative updated information from the Ohio Department of Taxation at this time on the actual claw back amount. For planning purposes, we believe this is the worst-case scenario but again there is NO authoritative data on this. When authoritative data is released by the Ohio Department of Taxation, we will adjust the forecast accordingly.

HB335 is a new law that limits revenue growth from inside millage due to valuation reappraisals or triennial updates to the Gross Domestic Product Deflation Factor (GDP DF) for future real estate tax revenue growth. We have not forecasted any increases for future reappraisals/triennial updates above anticipated GDP DF, thus no adverse impact to the forecasted property tax revenue is anticipated from this new law.

As noted in the Forecast Risks and Uncertainty section above, there is no authoritative data for school districts that has been released by the Ohio Department of Taxation (ODT) on HB186. The ODT is the authority noted in HB186 to calculate all of the temporary tax credits and inflation cap credits to be used in tax year 2025 to collect in calendar year 2026. We will continue to monitor guidance as it is released and will update our forecast accordingly.

We have been conservative with any future value increases for reappraisal or updates due to implementation uncertainty over the new legislative changes as noted in the Forecast Risks and Uncertainty above.

Real Estate Value Assumptions – Line # 1.010

Property tax levies are estimated to be collected at 98.65% of the annual amount. This allows a 1.35% delinquency factor. In general, 52.93% of the Residential/Agriculture and Commercial/Industrial property taxes are expected to be collected in the February tax settlement and 47.07% in the August tax settlement.

ESTIMATED REAL ESTATE TAX - Line #1.010

<u>Source</u>	FY 26	FY 27	FY 28	FY 29	FY 30
Est. Property Taxes	\$35,012,716	\$41,723,358	\$40,160,492	\$40,556,138	\$40,951,677
HB96 Piggyback Exemption	\$0	\$0	\$0	\$0	\$0
HB186 Tax Adjustments	<u>\$0</u>	<u>(\$5,677,996)</u>	<u>(\$3,785,330)</u>	<u>(\$3,785,330)</u>	<u>(\$3,785,330)</u>
Est. Property Taxes Line #1.010	<u>\$35,012,716</u>	<u>\$36,045,362</u>	<u>\$36,375,162</u>	<u>\$36,770,808</u>	<u>\$37,166,347</u>

Estimated Public Utility Personal Property (PUPP) Taxes – Line #1.020

The amounts below are public utility personal property (PUPP) tax payments from public utilities. Collections are typically 50.83% in March and 49.17% in August, along with the real estate settlements from the county auditor.

ESTIMATED PUBLIC UTILITY PERSONAL TAX – Line #1.020

<u>Source</u>	FY 26	FY 27	FY 28	FY 29	FY 30
Est. PUPP Taxes Line 1.020	\$4,553,412	\$4,338,442	\$4,338,927	\$4,354,642	\$4,370,359

New Tax Levies – Line #13.20

No new tax levy is being included at this time; however, the projected revenues are not anticipated to keep up with the expenditures over the entirety of the forecast as our community continues to grow and support staff positions are planned to be added. With recent updates we may be able to continue stretching our finances a little longer due to rebounding revenues and medical insurance premium reductions, but planning for additional revenue will need to continue to be something the district is mindful of and monitors.

School District Income Tax – Line #1.03

The district passed an income tax (SDIT) of 0.75% effective in 1995, which was approved as a continuing tax in 2003.

The amount of growth in income tax is difficult to estimate as most of the information from the Ohio Department of Taxation is confidential. The district has received growth of 13.03% for FY26 which includes an estimated 10% growth in the April payment. We will assume an annual growth rate of 5% in FY27 through FY30 as we feel that the increases in withholding taxes will outperform the estimates and tax return amounts. In addition, we are estimating growth from new families based on the following assumption 90 families per year in FY25-FY29 with an annual family income of approximately \$113,000 which includes an increase over the amount that is estimated from U.S. Census Bureau, 2013-2017 American Community Survey as compiled by Ohio Municipal Advisory Council OMAC data. We will continue to monitor and adjust the amounts as more information is known to the district.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 30</u>	<u>FY 31</u>
SDIT Collection	\$12,513,778	\$14,144,284	\$14,847,684	\$16,361,752	\$17,176,026
Adjustments	<u>\$1,630,505</u>	<u>\$703,400</u>	<u>\$738,570</u>	<u>\$814,274</u>	<u>\$341,994</u>
Total to Line #1.030	<u>\$14,144,284</u>	<u>\$14,847,684</u>	<u>\$15,586,254</u>	<u>\$17,176,026</u>	<u>\$17,518,020</u>

State Foundation Revenue Estimates – Lines #1.035, 1.040 and 1.045

Current State Funding Model per HB96 through June 30, 2027

A) Unrestricted State Foundation Revenue – Line #1.035

HB96, the current state budget, continued the Fair School Funding Plan for FY26 and FY27, which funds students where they are educated rather than where they live. We have projected FY26 funding based on the January #1 foundation settlement and funding factors.

Our district is currently a guarantee district in FY26 and is expected to continue to be on the guarantee in FY26-FY30 on the new Fair School Funding Plan (FSFP).

HB96 included a base funding supplement for all districts. The funding supplement per pupil of \$27 in FY26 and \$40 in FY27.

A detailed overview of how foundation funding is calculated including all of the HB96 changes on the Ohio Department of Education and Workforce is not available at this time. The detailed analysis is now available, please visit the Ohio Department of Education and Workforce at: <https://education.ohio.gov/Topics/Finance-and-Funding/Overview-of-School-Funding>.

The Enrollment Growth Supplement is paid to eligible districts based on the current FY26 enrolled ADM multiplied by \$225 per student, and in FY27 based on FY27 enrolled ADM multiplied by \$250. To be eligible enrolled ADM growth between FY22 and FY25 must equal or exceed 5% growth, and FY27 enrolled ADM growth between FY23 and FY26 must equal or exceed 3%. Our district does not qualify for this payment in FY26 but is projected to receive this in FY27 in the amount of \$988,901.28.

The Performance Supplement was included in HB96. The eligibility for the supplement payment uses data from the state report card for the 2024-2025 school year for FY26 and 2025-2026 school year for FY27; the payment will be a separate payment of \$13 per pupil in FY26 and FY27. We are estimated to receive \$206,065 in FY26.

Future State Budget Projections beyond FY27

Our funding status for FY28-FY29 will depend on unknown two (2) new state budgets. There is no guarantee that the current Fair School Funding Plan will be continued in future biennial budget processes; therefore, our state funding estimates are reasonable, and we will adjust the forecast when we have authoritative data to work with. For this reason, funding is held constant in the forecast for FY28 through FY29.

Casino Revenue

On November 3, 2009, Ohio voters passed the Ohio casino ballot issue. This issue allowed four (4) casinos to open in Cleveland, Toledo, Columbus, and Cincinnati. Thirty-three percent (33%) of the gross casino revenue will be collected as a tax. School districts will receive 34% of the 33% of Gross Casino Revenue that will be paid into a student fund at the state level. These funds will be distributed to school districts on the 31st of January and August each year, beginning for the first time on January 31, 2013.

In FY25, the funding totaled \$114.30 million or \$65.70 per pupil. The fall payment for Casino revenues increased from the previous year by 3% for FY26. We expect the Casino revenues to have resumed their historical growth rate and are assuming a 1.5% annual growth rate for the remainder of the forecast.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Basic Aid-Unrestricted	\$6,400,824	\$7,661,668	\$7,661,668	\$7,661,668	\$7,661,668
Additional Aid Items	<u>\$622,444</u>	<u>\$726,171</u>	<u>\$726,171</u>	<u>\$726,171</u>	<u>\$726,171</u>
Basic Aid-Unrestricted Subtotal	\$7,023,268	\$8,387,839	\$8,387,839	\$8,387,839	\$8,387,839
Ohio Casino Commission ODT	<u>\$286,892</u>	<u>\$301,558</u>	<u>\$316,591</u>	<u>\$332,008</u>	<u>\$347,815</u>
Total Line # 1.035	<u>\$7,310,160</u>	<u>\$8,689,398</u>	<u>\$8,704,431</u>	<u>\$8,719,847</u>	<u>\$8,735,655</u>

B) Restricted State Revenues – Line # 1.040

HB96 has continued Disadvantaged Pupil Impact Aid, Career Technical, Gifted, English Learners (ESL), and Student Wellness funding. The district has elected to also post Catastrophic (Threshold) Aid for special education as restricted revenues. We were notified in January 2026 that the state of Ohio overspent their Science of Reading Appropriation and will be reducing funding to recover funds previously paid. We were also notified that Threshold reimbursements in FY26, and future years, are likely to be reduced by 30% from FY25 levels due to fixed state appropriations.

We have estimated revenues for these new restricted funding lines using the most current funding factors available. For fiscal years 2026 and 2027, HB96 modifies how DPIA is calculated by factoring in both directly certified and economically disadvantaged students. The new DPIA formula modified the weight given to these student groups over the biennium which has resulted in calculated DPIA state funding in FY26 being \$86.6 million less than in FY25.

<u>Source</u>	FY 26	FY 27	FY 28	FY 29	FY 30
DPIA	\$19,592	\$20,976	\$20,976	\$20,976	\$20,976
Career Tech - Restricted	\$0	\$0	\$0	\$0	\$0
Gifted	\$76,712	\$55,054	\$55,054	\$55,054	\$55,054
English Learner	\$13,390	\$14,641	\$14,641	\$14,641	\$14,641
Student Wellness	\$164,803	\$153,232	\$153,232	\$153,232	\$153,232
Catastrophic Aid	\$310,390	\$310,390	\$310,390	\$310,390	\$310,390
Other Restrict	<u>\$127,711</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Line #1.040	<u>\$712,598</u>	<u>\$554,292</u>	<u>\$554,292</u>	<u>\$554,292</u>	<u>\$554,292</u>

Restricted Federal Grants in Aid – line #1.045

There are no federal restricted grants projected during this forecast.

Summary of State Foundation Revenues

<u>SUMMARY</u>	FY 26	FY 27	FY 28	FY 29	FY 30
Unrestricted Line # 1.035	\$7,310,160	\$8,689,398	\$8,704,431	\$8,719,847	\$8,735,655
Restricted Line # 1.040	\$712,598	\$554,292	\$554,292	\$554,292	\$554,292
Restricted Fed. Grants Line #1.045	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total State Foundation Revenue	<u>\$8,022,758</u>	<u>\$9,243,689</u>	<u>\$9,258,722</u>	<u>\$9,274,139</u>	<u>\$9,289,946</u>

State Share of Local Property Tax – Line #1.050

Rollback and Homestead Reimbursement

Rollback funds are reimbursements paid to the district from the State of Ohio for tax credits given to owner-occupied residences. Credits equal 12.5% of the gross property taxes charged to residential taxpayers on levies passed before September 29, 2013. HB59 eliminated the 10% and 2.5% rollback on new levies approved after September 29, 2013. And Homestead Exemptions are credits paid to the district from the state of Ohio for qualified elderly and disabled.

Partial HB186 Guarantee

New HB186 authorizes payments to school districts and JVSDs that are located in a county that underwent a reappraisal or triennial update in tax years 2023 and 2024 and that, due to the act's temporary credit, would otherwise receive less property tax revenue in tax year 2025 than in tax year 2024. The revenue guarantee applies to tax year 2025, in the case of 2023 reappraisal or update counties, and to tax years 2025 and 2026, in the case of 2024 reappraisal and update counties. Under the act, the Tax Commissioner will calculate the difference between a district's real property tax revenue in tax year 2024 and its revenue in 2025 and, if applicable, 2026. We do anticipate a hold harmless payment for HB186, but since the ODT has not released authoritative data on HB186 calculations, we cannot be certain of this. We will adjust the forecast as data from the ODT becomes available.

Summary of State Share of Local Property Tax Reimbursement – Line #1.050

<u>Source</u>	FY 26	FY 27	FY 28	FY 29	FY 30
Rollback and Homestead	\$4,558,510	\$4,677,007	\$4,722,298	\$4,776,449	\$4,830,587
HB186 Partial Reimbursement	<u>\$0</u>	<u>\$2,422,316</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Property Tax Allocations #1.050	<u>\$4,558,510</u>	<u>\$7,099,323</u>	<u>\$4,722,298</u>	<u>\$4,776,449</u>	<u>\$4,830,587</u>

Other Local Revenues – Line #1.060

All other local revenue encompasses any type of revenue that does not fit into the above lines. The main source of revenue in this area is tuition for court placed students, preschool tuition, full-day kindergarten tuition, general rental fees, interest earnings and Medicaid reimbursements.

Interest income is based on the district's cash balances and increased interest rates due to the Federal Reserve raising rates to curb inflation. While interest income in FY26 should remain steady due to laddered investment strategies, the possible rate cuts will have an impact on earnings in the future years. We will continue to monitor the investments for the district. We will continue to monitor the investments for the district.

We anticipate TIF receipts to continue throughout the forecast period with a modest growth rate, which is indicative of past trends. The TIF payments are from the Sunbury Mills Plaza development.

Medicaid payments have increased in previous years, we are anticipating that these costs and all other revenues are expected to continue at historic trends.

<u>Source</u>	FY 26	FY 27	FY 28	FY 29	FY 30
TIF and PILOTS	\$232,876	\$235,205	\$237,557	\$239,932	\$242,332
Tuition	\$910,192	\$919,294	\$928,487	\$937,772	\$947,149
Excess Cost	\$83,527	\$83,527	\$83,527	\$83,527	\$83,527
Interest	\$2,350,325	\$2,115,292	\$1,797,998	\$1,528,299	\$1,299,054
Class Fees	\$0	\$0	\$0	\$0	\$0
Other Miscellaneous Receipts	\$500,023	\$505,023	\$510,073	\$515,174	\$520,326
Total Line # 1.060	<u>\$4,076,942</u>	<u>\$3,858,341</u>	<u>\$3,557,642</u>	<u>\$3,304,703</u>	<u>\$3,092,387</u>

Transfers In / Return of Advances – Line #2.040 & Line #2.050

These are non-operating revenues which are the repayment of short-term loans to other funds over the previous fiscal year and reimbursements for expenses received for the previous fiscal year in the current fiscal year. There are no advances or transfers planned during the forecast.

All Other Financial Sources – Line #2.060

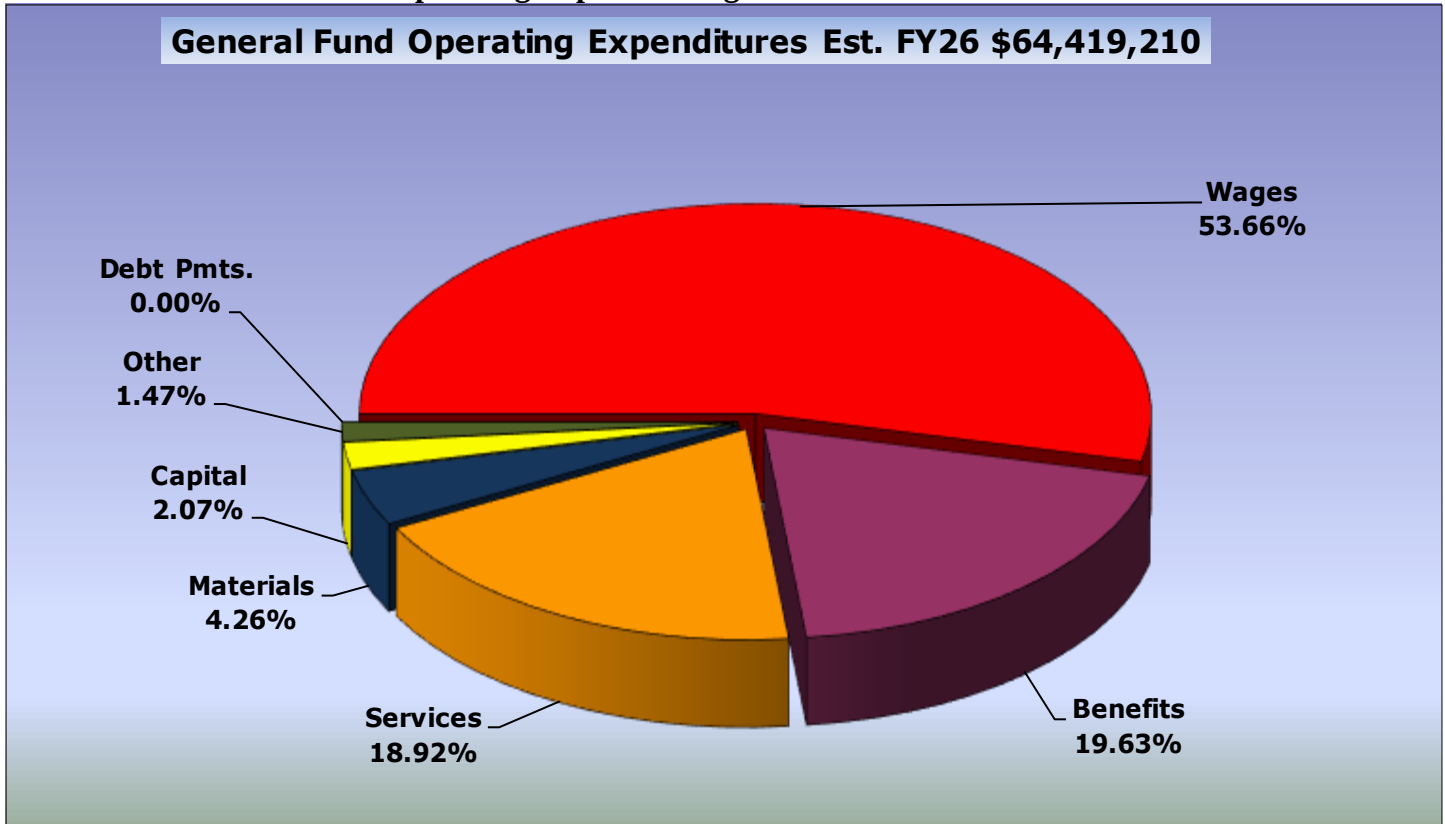
This funding source is typically a refund of prior year expenditures and one-time payments that are very unpredictable. We have received small amounts for refunds in previous years and do not expect any other large payments within the forecast, however, we did receive a payment of \$112,443 for E-Rate reimbursements in FY26 that we do not expect to receive in future years.

<u>Source</u>	FY 26	FY 27	FY 28	FY 29	FY 30
All Other Sources	<u>\$189,698</u>	<u>\$77,255</u>	<u>\$77,255</u>	<u>\$77,255</u>	<u>\$77,255</u>

Expenditures Assumptions

The district's leadership team is always looking at ways to improve the education of the students whether with changes in curriculum or new technology needs. As the administration of the district constantly reviews expenditures, the education of our students is the forefront of decision making.

All Operating Expense Categories - General Fund FY26



Wages – Line #3.010

The district evaluates staffing needs with the help of enrollment projections that are based on the study conducted for the district by Future Think. Even though the district continues to see enrollment growth minimal staffing increases have been made in recent years due to budget pressures. District leadership is currently reviewing staffing needs for both instructional and support roles as we attempt to accommodate anticipated enrollment growth and a focus on supporting the whole child, which was identified by the board as part of our District's strategic planning.

Our staffing increases are being accounted for in the estimated net new hires in our forecast of 18.00 in FY26, 18.50 in FY27, 19.00 in FY28, 15.00 in FY29 and 11.00 in FY30. Previously, the planned positions were mainly for staffing we believed were necessary to meet the demands of the new buildings, state, or federal requirements for busing and students with special needs. Step increases for all current employees are estimated to be 2.5%. The District and BWEA agreed to a new three-year contract in April 2025 with 5.0% (FY26), 4.0% (FY27) and 4.0% (FY28) increases. BWPSS agreed to a new three-year contract in April 2025 with 5.0% (FY26), 5.0% (FY27) and 4.25% (FY28) increases. OAPSE 524 has agreed to a three-year contract for FY26 through FY28 for 5.0%, 4.5%, and 4.25% base increases. For forecasting purposes, the district is projecting 2.5% increase (aligned to the current consumer price index published by the [U.S. Bureau of Labor Statistics](#)) for base wages in FY29 through FY30. The district is forecasting an increase of 3% growth in Substitutes and

Extra-Curricular wages in FY26 through FY30. The district will be paying the severance payments through transfers to the 035 Termination Benefit fund.

Summary of Personal Services – Line #3.010

<u>Source</u>	FY 26	FY 27	FY 28	FY 29	FY 30
Base Wages	\$28,986,431	\$32,514,732	\$35,912,384	\$39,519,207	\$42,629,502
Wage adjustments	\$1,449,322	\$1,347,508	\$1,454,676	\$987,980	\$1,065,738
Steps & Training	\$724,661	\$812,868	\$897,810	\$987,980	\$1,065,738
Growth/Replacement staff	\$1,059,819	\$950,787	\$976,259	\$865,088	\$382,458
Other & ESSER Adjustments	\$454,700	\$454,700	\$454,700	\$454,700	\$454,700
Salary In Lieu of Insurance	\$744,366	\$744,366	\$856,021	\$941,623	\$1,035,785
Substitutes & Supplemental	\$1,308,530	\$1,347,786	\$1,388,219	\$1,429,866	\$1,472,762
Severance	\$0	\$0	\$0	\$0	\$0
Staff Reductions (Retire/Resignation)	<u>(\$160,201)</u>	<u>(\$168,211)</u>	<u>(\$176,622)</u>	<u>(\$185,453)</u>	<u>(\$204,462)</u>
Total Wages Line 3.010	<u>\$34,567,628</u>	<u>\$38,004,536</u>	<u>\$41,763,447</u>	<u>\$45,000,991</u>	<u>\$47,902,221</u>

Fringe Benefits Estimates – Line #3.020

A) STRS/SERS will increase as Wages Increase

As required by law the BOE pays 14% of all employee wages to STRS or SERS. The district is using a blended rate of 15.9% for those that received pick-up on pick-up of the retirement and the additional amount is for the SERS Surcharge which is an additional employer charge based on the salaries of lower-paid members, which is used for SERS insurance upon retirement.

B) Insurance

As the graph below notes, health care is a significant cost for the district and has been a real challenge as we have seen rising costs over the last several years. The district has been working on ways in which to reduce the insurance costs, with some changes the district has been able to receive 20% decrease in medical insurances in CY26 with a maximum increase in CY20 of 20%. With these changes the blended fiscal year decrease will be 5.32% in FY26, increase of 0% increase in FY27 and projected increases in FY28 of 15% and 10% in FY29 and FY30. These increases are a blend of the districts history of claims increases and the industry standards of annual premium increases.

The Further Consolidated Appropriations Act of 2020, included a full repeal of three taxes originally imposed by the Affordable Care Act (ACA): the 40% Excise Tax on employer-sponsored coverage (a.k.a. “Cadillac Tax”), the Health Insurance Industry Fee (a.k.a. the Health Insurer Tax), and the Medical Device Tax.

C) Workers Compensation & Unemployment Compensation

The district moved to Retro Group Rating in FY21 for Worker’s Compensation payments, which is anticipated to lower payments in future years due to higher premium refund amounts. The district is not projecting any unemployment claims throughout the forecast.

D) Medicare

Medicare will continue to increase at the rate of increases in wages and as new employees are hired. Contributions are 1.45% for all new employees to the district on or after April 1, 1986. These amounts are growing at the general growth rate of wages.

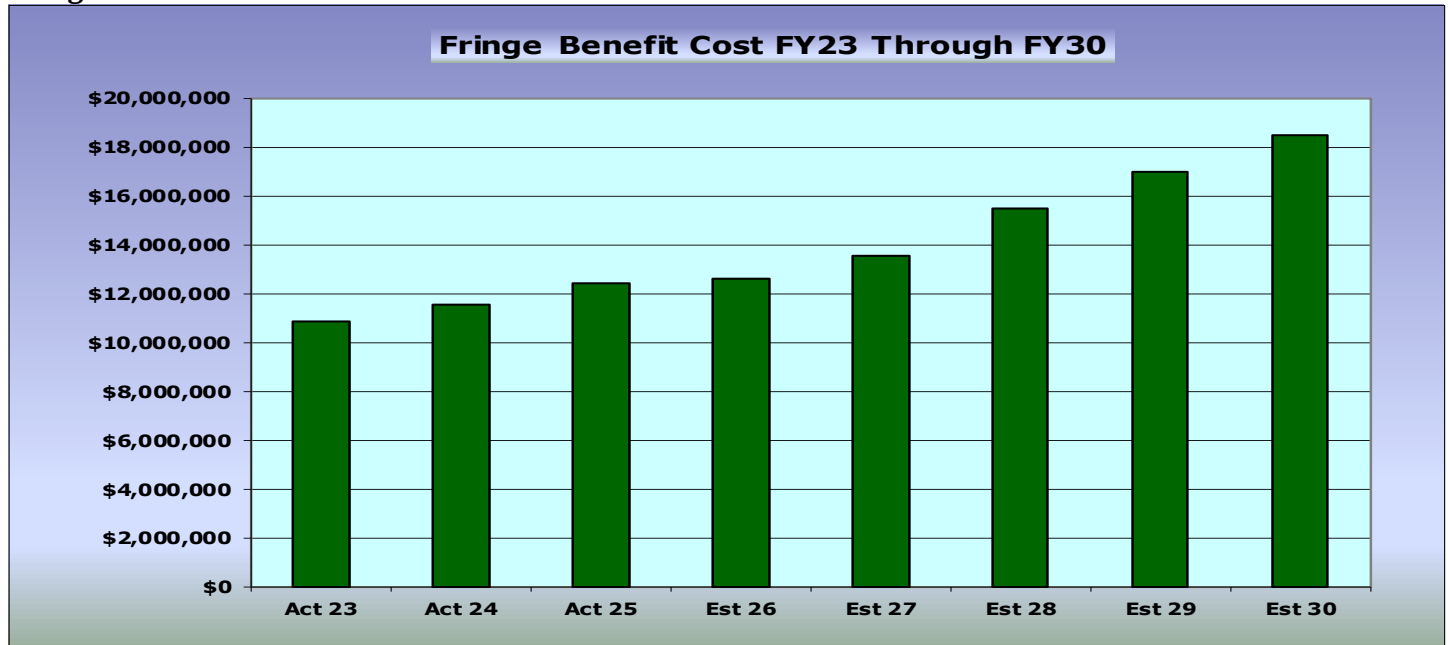
E) Tuition and Other Benefits

With the implementation of the high deductible health plan, the district agreed to make contributions into health savings accounts for employees on the plan which are included with tuition reimbursements on this line.

Summary of Fringe Benefits – Line #3.020

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
STRS/SERS	\$5,224,880	\$5,859,812	\$6,435,751	\$6,946,344	\$7,399,244
Insurance's	\$6,776,322	\$6,964,141	\$8,200,675	\$9,183,855	\$10,144,960
Workers Comp/Unemployment	\$119,891	\$129,089	\$141,580	\$152,338	\$161,979
Medicare	\$464,273	\$551,066	\$605,570	\$652,514	\$694,582
Tuition and Other Benefits	\$57,363	\$82,000	\$82,000	\$82,000	\$82,000
Total Line 3.020	<u>\$12,642,730</u>	<u>\$13,586,107</u>	<u>\$15,465,576</u>	<u>\$17,017,051</u>	<u>\$18,482,766</u>

Fringe Benefits Costs Actual FY23-FY25 and Estimated FY26-30



Purchased Services – Line #3.030

An overall average inflation of 2% is being estimated for all categories except utilities that are being projected with a 15% inflationary factor for FY26.

College Credit Plus, excess fees, and other tuition costs will continue to draw funds away from the district, which will continue in this area and has been adjusted based on historical trends.

In FY26, we are planning for additional ESC costs for 0.4 of occupational therapy, 0.4 of speech, and 1.0 of tutoring services. As always, the district will continue to evaluate the needs for additional services with the growth of the district and actual enrollment and make appropriate changes annually. An overall 2% annual increase in the costs of these services is estimated for inflation.

Utilities that are being projected with a 15% inflationary factor for FY26. In FY26 there will be a new electric Capacity Charge that will be assessed on all electric bills to help expand Ohio's electric generating ability. This charge will begin June 2025 and end June 2026. It is anticipated it will increase electric costs by 20% annually for just that twelve (12) month period. We are increasing utilities by 15% in FY26 for the additional capacity charge and then returning the annual increase to 3% in FY27.

Maintenance and repair costs will increase with the changes and additions of the new buildings and have a base increase of 2% each year. We will continue to monitor inflationary costs in this area to see if increased costs should be planned.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Insurance, Leases, Meeting Expenses, & OI	\$1,516,539	\$1,546,869	\$1,577,807	\$1,609,363	\$1,641,550
Professional Services, Legal Fees & ESC	\$6,745,734	\$7,060,649	\$7,318,862	\$7,582,239	\$7,850,884
Tuition, OE, SF14, CCP & Excess Costs	\$1,158,136	\$1,181,299	\$1,204,925	\$1,229,023	\$1,253,604
Phone and Internet Services	\$84,160	\$85,843	\$87,560	\$89,311	\$91,097
Utilities	\$1,547,292	\$1,423,509	\$1,466,214	\$1,510,200	\$1,555,506
Building Repairs & Services	\$1,134,344	\$1,157,031	\$1,180,172	\$1,203,775	\$1,227,851
Total Line 3.030	<u>\$12,186,205</u>	<u>\$12,455,200</u>	<u>\$12,835,539</u>	<u>\$13,223,912</u>	<u>\$13,620,493</u>

Supplies and Materials – Line #3.040

The district is increasing supplies and textbooks by 2.5% increase in FY26 through FY30. Maintenance and transportation supplies are being increased with a 3% annual increase in FY26 through FY30.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Supplies, Textbooks, and other	\$1,637,247	\$1,678,178	\$1,720,133	\$1,763,136	\$1,807,214
Maintenance & Transportation Supplies	\$1,109,181	\$1,142,457	\$1,176,731	\$1,212,033	\$1,248,394
Total Line 3.040	<u>\$2,746,429</u>	<u>\$2,820,635</u>	<u>\$2,896,863</u>	<u>\$2,975,169</u>	<u>\$3,055,608</u>

Equipment – Line # 3.050

The district is reviewing the capital outlay needs of the district in order to budget for repairs and replacements of our assets such as roofing, asphalt, HVAC, and other equipment. Along with capital outlays, the district is planning for Technology replacements of staff Chromebooks each year to come out of the general fund. The district will purchase Chromebooks each year of the forecast with a 2.5% increase for inflation. The district is planning on purchasing vans and other vehicles each year of the forecast.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Capital Outlay	\$152,576	\$156,390	\$160,300	\$164,308	\$168,415
Technology	\$818,833	\$839,304	\$860,286	\$881,794	\$903,838
School Buses & Vehicles	\$360,000	\$626,482	\$651,541	\$677,603	\$704,707
Total Line 3.050	<u>\$1,331,409</u>	<u>\$1,622,176</u>	<u>\$1,672,128</u>	<u>\$1,723,704</u>	<u>\$1,776,961</u>

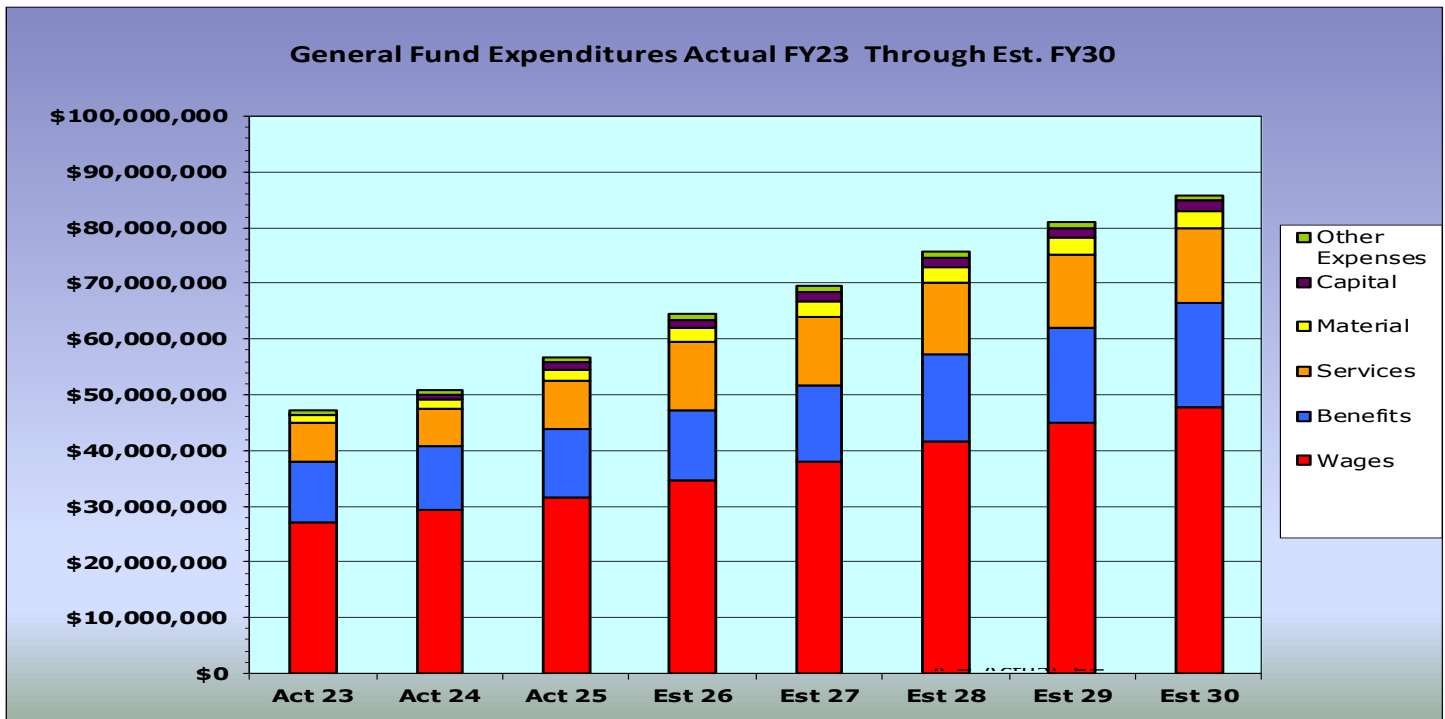
Expenses – Line #4.300

The category of Other Expenses consists primarily of Auditor & Treasurer fees, school district income tax (SDIT) collection fees and our annual audit and other miscellaneous expenses. The district uses an average increase of 2.13% for the annual increase in our other expenses.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Auditor & Treasurer Fees	\$524,205	\$539,931	\$556,129	\$572,813	\$589,997
County ESC	\$28,000	\$28,560	\$29,131	\$29,714	\$30,308
SDIT Fees	\$212,164	\$222,715	\$233,794	\$245,426	\$257,640
Other expenses	\$180,440	\$184,049	\$187,730	\$191,484	\$195,314
Total Line 4.300	<u>\$944,809</u>	<u>\$975,255</u>	<u>\$1,006,784</u>	<u>\$1,039,438</u>	<u>\$1,073,260</u>

Operating Expenditures Actual FY23 through FY25 and Estimated FY26-FY30

The graph below shows a quick overview of actual and estimated expenses by proportion to the total for the General Fund expenditures.



Transfers Out/Advances Out – Line #5.010

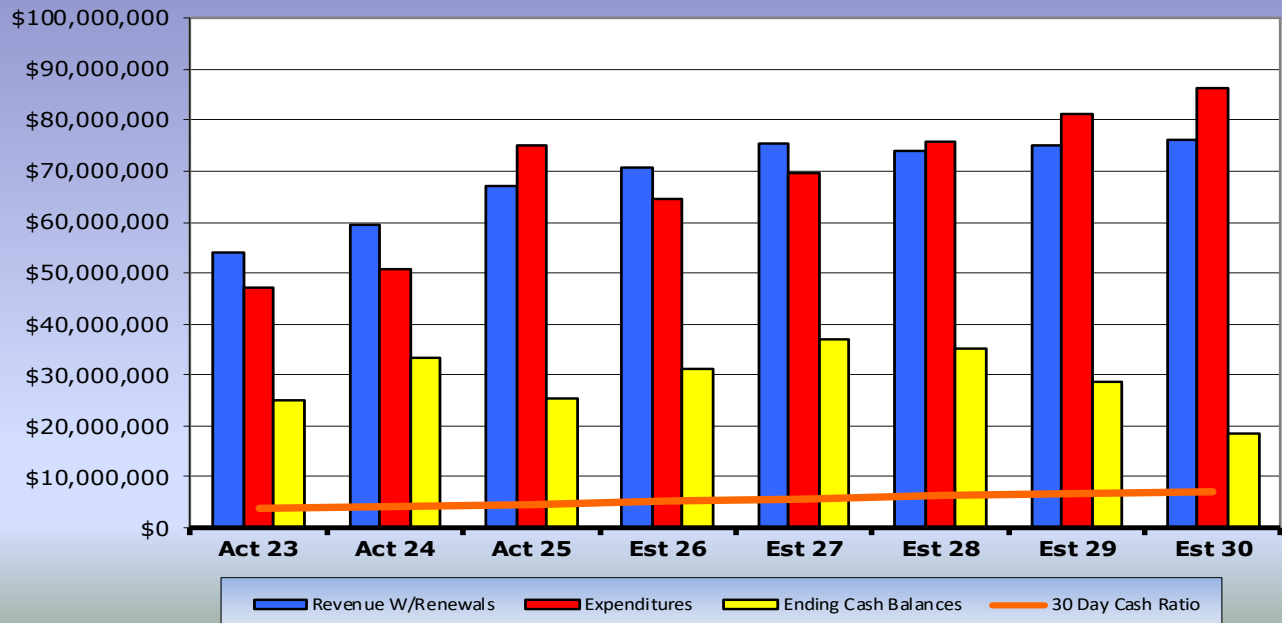
This account group includes funds for transfer and end of year short term loans from the General Fund to other funds until they have received reimbursements and can repay the General Fund. The district is planning on transferring funds annually to the 300 Athletics Fund of \$160,000 and to the 035 Severance Fund of \$140,000.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Operating Transfers Out Line #5.010	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Advances Out Line #5.020	\$0	\$0	\$0	\$0	\$0
Total	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>

Revenue vs Expenditures with Deficit Spending

The graph below shows that the district will begin to deficit spend in FY28 and each following year of the forecast.

General Fund Revenues Vs. Expenditures FY23 through FY30



Deficit spending affects the amount of carryover that the district has to plan for the future. When reviewing the needs of the district we review the amount of spending and what would be needed to remove any deficit spending in order to have positive cash balances on the forecast. The chart below shows the amount of deficit spending that is included on Line 6.010 of the forecast and the millage for each year that would be needed in order to erase the deficit spending.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Excess Revenue over/(under) Expenditures	\$5,746,185	(\$2,024,077)	(\$6,360,517)	(\$10,208,400)	(\$14,401,031)
Millage equivalent for deficit spending	0.00	1.09	3.16	5.01	6.99

Encumbrances –Line #8.010

These are outstanding purchase orders that have not been approved for payment as the goods were not received in the fiscal year in which they were ordered.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Estimated Encumbrances	<u>\$713,986</u>	<u>\$713,986</u>	<u>\$713,986</u>	<u>\$713,986</u>	<u>\$713,986</u>

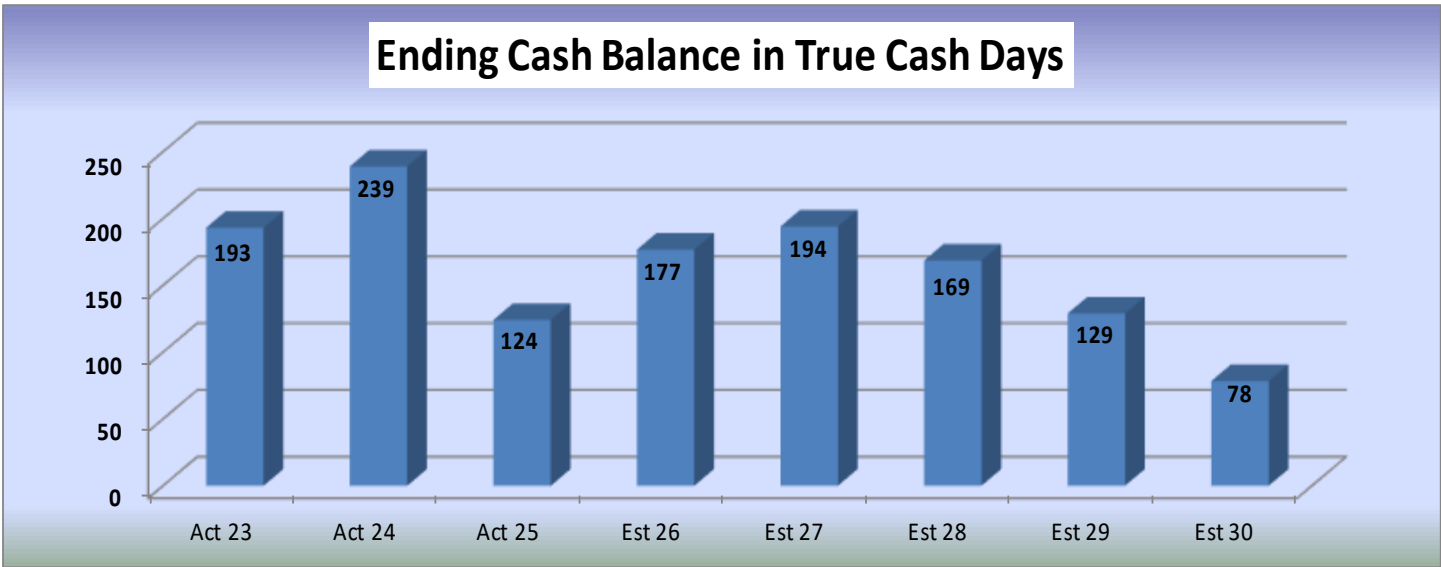
Ending Unencumbered Cash Balance – Line#15.010

This amount must not go below \$-0- or the district General Fund will violate all Ohio Budgetary Laws. Any multi-year contract which is knowingly signed which results in a negative unencumbered cash balance is a violation of 5705.412, ORC punishable by personal liability of \$10,000. While we have been able to shrink the variance between revenues and expenditures, we are anticipating with current trends to begin utilizing our cash balance or “rainy day fund” for operating needs in future years.

<u>Source</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>	<u>FY 29</u>	<u>FY 30</u>
Ending Cash Balance	<u>\$31,338,320</u>	<u>\$37,084,505</u>	<u>\$35,060,428</u>	<u>\$28,699,911</u>	<u>\$18,491,511</u>

True Cash Days Ending Balance

Another way to look at ending cash is to state it in ‘True Cash Days’. In other words, how many days could the district operate at year end if no additional revenues were received. This is the Current Years Ending Cash Balance divided by (Current Years Expenditures/365 days) = number of days the district could operate without additional resources or a severe resource interruption. The government finance officers association recommends no less than two (2) months or 60 days cash is on hand at year end but could be more depending on each district’s complexity and risk factors for revenue collection. This is calculated including transfers as this is a predictable funding source for other funds such as permanent improvement and athletics.



CONCLUSION

Big Walnut Local School District receives 17.88% of its funding for the district from state dollars which is very beneficial to the overall operations for the education of our students.

District administrations appreciate the supportive Big Walnut community and are actively planning for the future needs of our students while keeping an eye on the financial stability of the district. The administration is mindful that there are many risks and uncertainties that will need to be considered in future planning.

As you read through the notes and review the forecast, remember that the forecast is based on the information that is known at the time that it is prepared.

APPENDIX E

AUDITED FINANCIAL STATEMENTS

**COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY, OHIO**

For the Fiscal Years Ended December 31, 2022 and December 31, 2023

**COMMUNITY LIBRARY OF BIG WALNUT LSD
DELAWARE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022





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

Board of Trustees
Community Library of Big Walnut Local School District
44 Burrel Dr.
Sunbury, OH 43074

We have reviewed the *Independent Auditor's Report* of the Community Library of Big Walnut Local School District, Delaware County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

August 26, 2024

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**COMMUNITY LIBRARY OF BIG WALNUT LSD
DELAWARE COUNTY
DECEMBER 31, 2023 AND 2022**

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INDEPENDENT AUDITOR'S REPORT

Community Library of Big Walnut LSD
Delaware County
44 Burrer Drive
Sunbury, Ohio 43074

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Library of Big Walnut Local School District, Delaware County, Ohio (the Library), as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Library'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 cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Library as of December 31, 2023 and 2022, and the respective changes in cash basis financial position and the budgetary comparison for the General Fund and OH DOE – Libraries Accelerated Learning Fund for the years then ended in accordance with the cash basis of accounting described in Note 2.

Basis for Opinion

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 Library, 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 opinion.

Emphasis of Matter – Accounting Basis

We draw attention to Note 2 of the financial statements for 2023 and 2022, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible 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 Library'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 opinion. 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 the financial audit standards in the Comptroller General of the United States' *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.

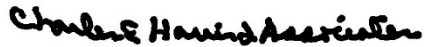
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- 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 Library'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 Library'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2024, on our consideration of the Library'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 Library'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 Library's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Charles E. Harris".

Charles E. Harris & Associates, Inc.
June 20, 2024

The Community Library of Big Walnut Local School District

Delaware County

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Unaudited

This discussion and analysis of the financial performance of Community Library of the Big Walnut Local School District (the Library) provides an overall review of the Library's financial activities for the year ended December 31, 2023, within the limitations of the Library's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2023 are as follows:

- Record increases in circulation, program attendance, and visits to the Library.
- Ability to serve the community during a power outage by installing a generator.
- Secured local funding through a 1 mill, 5-year replacement levy.

2023 was another positive year for the Community Library. The Library used statistics as one of the most basic indicators of our performance. The library saw growth in three major areas: circulation, program attendance, and visits. What is more, the growth in all three areas broke previous historical records. This growth in library use demonstrates that first, the community is growing which is resulting in increased demand for library services. Second, collections and programs are being utilized by the community. The library is a vibrant destination for Big Walnut residents.

In 2023, circulation increased. The strongest area of print book growth was in the young adult collection. The Library has been trying for years to engage the teen population, and the efforts of the youth services staff are producing results. Media circulation, which had been trailing in previous years, saw an increase. This growth is in large part due to digital audiobooks. Like digital audiobooks, e-book circulation continues to explode. The library has tried to raise awareness of its online collections through various promotional materials. The new catalog also increases the visibility of online offerings by displaying them in the search results.

Attendance at library programs was incredible over the last year. Like material circulation, young adult program attendance saw outstanding growth. It grew more than any other area. Programs such as an art show, coding classes, and writing workshops have helped build strong teen participation. Offering multiple sessions of popular juvenile programs in the summer helped bolster juvenile attendance. Likewise, baby time was reintroduced bringing in additional patronage. The library also added some new adult programs, including homesteading workshops and American Sign Language classes. All of these additions helped push attendance up in 2023.

In 2023, the Library had a record number of daily visitors. A growing number of patrons are using the library for other purposes than just books and materials, such as notary services or as a meeting space. This demonstrates that the library serves as a community center in the Big Walnut area.

The Library undertook several facility projects to make the site more inviting. Communications staff updated signs throughout the building to make it easier to navigate. They also replaced meeting room signs with digital displays that update in real-time, which give patrons up-to-date information throughout the day. Facility staff addressed maintenance issues identified in the Library's 2022 facility assessment. Likewise, the Library installed a generator to provide electricity during power outages. Food trucks were onsite

The Community Library of Big Walnut Local School District

Delaware County

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Unaudited

Highlights (Continued)

throughout the year, giving patrons a convenience option for food while visiting the Library. These projects work together to make the Library a safe and welcoming place to visit.

In addition to our accomplishments throughout the year, the Library successfully secured funding for the next five years. Despite the unstable economy and significantly higher home values, voters approved a 1 mill replacement levy to begin in 2025. The additional funding generated from the levy will provide the resources the Library needs to continue expanding our programs, services, and space as the community grows.

Financially, our net position increased \$441,194 over last year. At year-end, the total net position was \$4,157,793, with \$2,644,838 assigned to Capital Projects. The increase in net position is attributed to conservative spending, increased receipts from local levy revenues, and the strategic investment of cash.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Library as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Library as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid. As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

The Community Library of Big Walnut Local School District

Delaware County

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Unaudited

#

Reporting the Library as a Whole

The statement of net position and the statement of activities reflect how the Library did financially during 2023, within the limitations of cash basis accounting. The statement of net position presents the cash balances of the governmental type activities of the Library at year-end. The statement of activities compares cash disbursements with program receipts for each governmental type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other non-financial factors such as the condition of the Library's capital assets and infrastructure (a 28 year old library site and structure); and the Library's debt obligations (of which there are none); and the near term security provided by the passage of the Library operating levy, securing a local revenue stream for the Library.

Table 1 provides a summary of the Library's net position for 2023 compared to 2022 on a cash basis:

Table 1
Statement of Net Position - Cash Basis

	2023	2022
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 4,157,793	\$ 3,716,599
Total Assets	<u>\$ 4,157,793</u>	<u>\$ 3,716,599</u>
 Net Position		
Unrestricted	4,157,793	3,716,599
Total Net Position	<u>\$ 4,157,793</u>	<u>\$ 3,716,599</u>

The local revenue stream, began in 2010, provided tax revenue, including rollback/homestead amounts in 2023 of \$967,838. Public Library Funds in 2023 amounted to \$712,932. Careful planning and prudent spending of library funds enable the execution of the Library's vision of becoming the primary information and community center for Big Walnut area residents.

The Community Library of Big Walnut Local School District

Delaware County

Management's Discussion and Analysis

For the Year Ended December 31, 2023

Unaudited

Reporting the Library's Most Significant Funds

The Library presents the following Major Funds:

- General Fund: Used to cover annual operation budget including personnel, operations and library materials. The General Fund is always a major fund.
- Major Capital Project Fund: Used to account for capital projects with budgets exceeding \$50,000.
- Minor Capital Project Fund: Used to account for capital projects with budgets less than \$50,000.
- OH ODE – Libraries Accelerated Learning Fund: Used in association with expenses related to a grant awarded by ODE for educational programs for students.

General Fund Budgeting Highlights

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

General fund disbursements for 2023 were budgeted at \$3,001,429 with actual disbursements amounting to \$1,721,403. With budgeted receipts at \$1,736,936 and actual receipts at \$1,888,340, we were able to end the year with an unencumbered carryover balance of \$1,492,369 in the General Fund to begin 2024.

Current Issues

The Library continues to enjoy wide support from area residents. A challenge we face going into the future is maintaining adequate levels of service as the population of the greater Big Walnut area continues to grow. Demand for library services, resources, and space outpace the growth of revenue, which may create some difficulties in coming years. The library will remain prudent and careful with public money, and continue to monitor our revenue streams to ensure we can meet the needs of our community.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Community Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Chauncey Montgomery, Director/Fiscal Officer, at Community Library, 44 Burrer Drive, Sunbury, OH 43074, or by email at director@yourcl.org.

The Community Library of Big Walnut LSD

Statement of Net Position - Cash Basis

December 31, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 4,157,793</u>
<i>Total Assets</i>	<u><u>\$ 4,157,793</u></u>
Net Position	
Restricted for:	
Other Purposes	\$ 19,572
Unrestricted	<u>4,138,221</u>
<i>Total Net Position</i>	<u><u>\$ 4,157,793</u></u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Activities - Cash Basis
For the Year Ended December 31, 2023

		Program Cash Receipts		Net (Disbursements) Receipts and Changes in Net Position
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Current:				
Library Services:				
Public Services and Programs	\$ 602,471	\$ 46,410	\$ 54,427	\$ (501,634)
Collection Development and Processing	430,999	-	-	(430,999)
Support Services:				
Facilities Operation and Maintenance	299,604	-	-	(299,604)
Information Services	66,308	-	-	(66,308)
Business Administration	115,048	1,379	-	(113,669)
Capital Outlay	56,496	-	-	(56,496)
<i>Total Governmental Activities</i>	<u>\$ 1,570,926</u>	<u>\$ 47,789</u>	<u>\$ 54,427</u>	(1,468,710)
General Receipts:				
				871,288
				18,274
				811,202
				201,323
				7,817
<i>Total General Receipts</i>				<u>1,909,904</u>
Change in Net Position				441,194
<i>Net Position Beginning of Year</i>				<u>3,716,599</u>
<i>Net Position End of Year</i>				<u>\$4,157,793</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2023

	General	OH DOE Libraries Accelerated Learning Fund	Major Capital Project Fund	Minor Capital Project Fund	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 1,493,383	\$ 19,572	\$ 2,392,307	\$ 252,531	\$ 4,157,793
<i>Total Assets</i>	<u>\$ 1,493,383</u>	<u>\$ 19,572</u>	<u>\$ 2,392,307</u>	<u>\$ 252,531</u>	<u>\$ 4,157,793</u>
Fund Balances					
Restricted	\$ -	\$ 19,572	\$ -	\$ -	\$ 19,572
Assigned	1,014	-	2,392,307	252,531	2,645,852
Unassigned (Deficit)	1,492,369	-	-	-	1,492,369
<i>Total Fund Balances</i>	<u>\$ 1,493,383</u>	<u>\$ 19,572</u>	<u>\$ 2,392,307</u>	<u>\$ 252,531</u>	<u>\$ 4,157,793</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2023

	General	OH DOE Libraries Accelerated Learning Fund	Major Capital Project Fund	Minor Capital Project Fund	Other Governmental Funds	Total Governmental Funds
Receipts						
Property and Other Local Taxes	\$ 871,288	\$ -	\$ -	\$ -	\$ -	\$ 871,288
Public Library	712,932	-	-	-	-	712,932
Intergovernmental	96,550	54,427	-	-	1,320	152,297
Patron Fines and Fees	46,410	-	-	-	-	46,410
Contributions, Gifts and Donations	18,274	-	-	-	400	18,674
Earnings on Investments	77,506	-	110,511	13,306	-	201,323
Miscellaneous	9,196	-	-	-	-	9,196
Total Receipts	1,832,156	54,427	110,511	13,306	1,720	2,012,120
Disbursements						
Current:						
Library Services:						
Public Services and Programs	595,589	5,162	-	-	1,720	602,471
Collection Development and Processing	430,999	-	-	-	-	430,999
Support Services:						
Facilities Operation and Maintenance	174,269	-	91,805	33,530	-	299,604
Information Services	61,308	5,000	-	-	-	66,308
Business Administration	108,001	7,047	-	-	-	115,048
Capital Outlay	15,022	41,474	-	-	-	56,496
Total Disbursements	1,385,188	58,683	91,805	33,530	1,720	1,570,926
Excess of Receipts Over (Under) Disbursements	446,968	(4,256)	18,706	(20,224)	-	441,194
Other Financing Sources (Uses)						
Transfers In	-	-	248,493	6,696	-	255,189
Transfers Out	(255,189)	-	-	-	-	(255,189)
Advances In	56,184	80,012	-	-	-	136,196
Advances Out	(80,012)	(56,184)	-	-	-	(136,196)
Total Other Financing Sources (Uses)	(279,017)	23,828	248,493	6,696	-	-
Net Change in Fund Balances	167,951	19,572	267,199	(13,528)	-	441,194
Fund Balances Beginning of Year	1,325,432	-	2,125,108	266,059	-	3,716,599
Fund Balances End of Year	\$ 1,493,383	\$ 19,572	\$ 2,392,307	\$ 252,531	\$ -	\$4,157,793

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 939,578	\$ 939,577	\$ 871,288	\$ (68,289)
Public Library	693,526	691,006	712,932	21,926
Intergovernmental	-	-	96,550	96,550
Patron Fines and Fees	32,000	32,000	46,410	14,410
Contributions, Gifts and Donations	7,000	15,500	18,274	2,774
Earnings on Investments	2,000	57,853	77,506	19,653
Miscellaneous	1,000	1,000	9,196	8,196
Total Receipts	1,675,104	1,736,936	1,832,156	95,220
Disbursements				
Current:				
Library Services:				
Public Services and Programs	706,355	704,300	596,397	107,903
Collection Development and Processing	488,281	490,635	431,205	59,430
Support Services:				
Facilities Operation and Maintenance	206,751	208,345	174,269	34,076
Information Services	78,681	78,679	61,308	17,371
Business Administration	128,568	141,839	108,001	33,838
Capital Outlay	69,800	68,050	15,022	53,028
Total Disbursements	1,678,436	1,691,848	1,386,202	305,646
Excess of Receipts Over (Under) Disbursements	(3,332)	45,088	445,954	400,866
Other Financing Sources (Uses)				
Transfers Out	(267,709)	(255,189)	(255,189)	-
Advances In	-	-	56,184	56,184
Advances Out	-	-	(80,012)	(80,012)
Other Financing Uses	(1,054,391)	(1,054,392)	-	1,054,392
Total Other Financing Sources (Uses)	(1,322,100)	(1,309,581)	(279,017)	1,030,564
Net Change in Fund Balance	(1,325,432)	(1,264,493)	166,937	1,431,430
Unencumbered Fund Balance Beginning of Year	1,325,432	1,325,432	1,325,432	-
Unencumbered Fund Balance End of Year	\$ -	\$ 60,939	\$ 1,492,369	\$ 1,431,430

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
2003 OH ODE - Libraries Accelerated Learning
For the Year Ended December 31, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Intergovernmental	\$ 78,255	\$ 78,255	\$ 54,427	\$ (23,828)
<i>Total Receipts</i>	<u>78,255</u>	<u>78,255</u>	<u>54,427</u>	<u>(23,828)</u>
Disbursements				
Current:				
Library Services:				
Public Services and Programs	14,073	14,073	5,162	8,911
Support Services:				
Information Services	5,000	5,000	5,000	-
Business Administration	17,708	17,708	7,047	10,661
Capital Outlay	41,474	41,474	41,474	-
<i>Total Disbursements</i>	<u>78,255</u>	<u>78,255</u>	<u>58,683</u>	<u>19,572</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>-</u>	<u>-</u>	<u>(4,256)</u>	<u>(4,256)</u>
Other Financing Sources (Uses)				
Advances In	-	-	80,012	80,012
Advances Out	-	-	(56,184)	(56,184)
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>-</u>	<u>23,828</u>	<u>23,828</u>
<i>Net Change in Fund Balance</i>	<u>-</u>	<u>-</u>	<u>19,572</u>	<u>19,572</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,572</u>	<u>\$ 19,572</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 1 – Description of the Library and Reporting Entity

The Community Library of Big Walnut School (the Library) was organized as a school district public library in 1944 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Big Walnut Local School District Board of Education, as established by section 3375.15 of the Ohio Revised Code. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.41 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Clerk/Treasurer.

The Library is fiscally independent of the Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purposes of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*, the Library is considered to be a related organization of the Big Walnut Local School District.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Library participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

The Community Library Friends is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. Although the economic resources of the Community Library Friends almost entirely benefit the Library, the Library is not entitled nor does it have access to the economic resources of the Community Library Friends. While the resources received by the Library from the Friends serves to enhance programs, facilities and collection, these resources are not significant proportionally to the Library's annual budget. Therefore, this organization has been excluded from the reporting entity of the Library.

Community Library Foundation (the "Foundation") was founded in 1998 to receive and manage major donations made to benefit the Library. The seven-member Board of Directors is appointed by the Library's Board of Trustees to maintain secure investments, promote fundraising and determine appropriate use of funds. Appropriate use may include: services to the Big Walnut community, grant funding, scholarships, continuing education for the Library staff, and bringing traveling programs to the community. Its resources are not exclusively for the Library and the Library does not have access to those resources. Therefore, this organization has been excluded from the reporting entity of the Library.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 1 – Description of the Library and Reporting Entity

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

Note 2 – Summary of Significant Accounting Policies

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Library's accounting policies.

Basis of Presentation

The Library'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 Library as a whole. These statements include the financial activities of the library. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange transactions.

The statement of net position presents the cash and investment balances of the governmental type activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Library is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Library's general receipts.

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

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions of the Library are financed. The following are the Library's major governmental funds:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Major Capital Project Fund The Major Capital Project fund accounts for monies set aside by the Board of Library Trustees specifically for major capital projects (projects in excess of \$50,000) and technology improvements.

Minor Capital Project Fund The Minor Capital Project fund accounts for monies set aside by the Board of Library Trustees specifically for minor capital projects (projects of \$50,000 and less) such as repairs and maintenance on the facility and grounds.

Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. With the exception of investment purchases and sales, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds, (except custodial funds), are legally required to be appropriated. The appropriations resolution is the Trustee's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund and character or major category of the object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Treasurer. The amounts reported as the original budgeted amounts on the

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Budgetary Process (Continued)

budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts of estimated resources at the time final appropriations were enacted by the Trustees.

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

Cash and Cash Equivalents

To improve cash management, cash received by the Library is pooled and invested. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2023, the Library invested in a money market mutual fund and STAR Ohio. Investments held in STAR Ohio are deemed to be a cash equivalent and are reported as such. The Library's money market mutual fund investment is recorded at the amount reported by First Commonwealth Bank on December 31, 2023.

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 Library 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.

For 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents (Continued)

Interest earnings are allocated to Library funds according to State statutes. Interest receipts credited to the Library were \$201,323.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

The Library reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Library's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Library's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither another financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Leases and SBITAs

For 2023, GASB Statement No. 96, *Subscription-Based Technology Arrangements*, was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The Library is the lessee in a lease related to equipment under noncancelable leases. Lease receivables/payables are not reflected under the Library's cash basis of accounting. Lease disbursements are recognized when they are paid. During 2023, a lease for copiers that began in November 2022 was continued under the 60-month contract. The cost of the lease is \$179.52 per month.

The Library has entered into noncancelable Subscription-Based Information Technology Arrangements (SBITA) contracts (as defined by GASB 96) for several types of software including contracts related to financial systems, scheduling, and various other software. Subscription assets/liabilities are not reflected under the Library's cash basis of accounting. Subscription disbursements are recognized when they are paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for Capital Projects.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position resources are available.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Library 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 are 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 formal action (resolution) of Library Trustees. Those committed amounts cannot be used for any other purpose unless the Library Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution or by State Statute. State Statute authorizes the Library Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

The Library 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.

Internal Activity

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

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund and 2003 OH ODE-Libraries Accelerated Learning fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding encumbrances are treated as disbursements (budgetary basis) rather than as assigned or restricted fund balance (cash basis).

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 3 - Budgetary Basis of Accounting (Continued)

The encumbrances outstanding at year end (budgetary basis) amounted to \$1,014 for the General Fund for the year ended December 31, 2023.

Note 4 - Deposits and Investments

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

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

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

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

Protection of the Library'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 institution's 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 Library 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. 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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 4 - Deposits and Investments (Continued)

5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. 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; and
8. Written repurchase agreements in the securities described in (1) or (2) 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.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited.

Investments may only be made through specified dealers and institutions. 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 year end, the Library had \$135 in undeposited cash on hand which is included as part of "Cash" or "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Deposits

At December 31, 2023, all Library's bank balances of \$109,543 were insured by the Federal Deposit Insurance Corporation.

Investments

The fair value of these investments is not materially different from Net Asset Value. As of December 31, 2023, the Library had the following investments:

	Net Asset Value	Maturity
STAR Ohio	\$4,053,941	Average 46.4 days
Total Portfolio	\$4,053,941	

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 4 - Deposits and Investments (Continued)

Interest Rate Risk Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library's investment policy addresses interest rate risk by requiring that the Library's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk STAR Ohio carries a rating of AAAM by Standard and Poor's. The Library has no investment policy dealing with investment credit risk beyond the requirements in State statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, "Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, governing board, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee."

Note 5 - Grants in Aid and Property Taxes

Grants in Aid

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State's general revenue fund during the preceding month using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Library. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes are levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 5 - Grants in Aid and Property Taxes (Continued)

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 later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, are levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all Library operations for the year ended December 31, 2023, was \$1.00 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2023 property tax receipts were based are as follows:

Real Property	\$2,071,000
Public Utility Personal Property	<u>137,400</u>
Total	<u>\$2,208,400</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Library. The County Auditor periodically remits to the Library its portion of the taxes collected.

Note 6 - Interfund Balances and Transfers

Transfers

During 2023, the following transfers were made:

<u>Transfer to</u>	<u>Transfer from</u>	
	<u>Major Fund</u>	
	General	Total
Major Funds:		
Major Capital Project Fund	(\$248,493)	(\$248,493)
Minor Capital Project Fund	<u>(6,696)</u>	<u>(6,696)</u>
Total all Funds	<u>(\$255,189)</u>	<u>(\$255,189)</u>

The above mentioned Transfers From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

At December 31, 2023, the 2003 OH DOE – Ohio Accelerated Learning fund owed the General fund \$23,828.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 7 - Risk Management

The Library belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained unchanged effective November 1, 2021 and November 1, 2020. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022. (latest information available)

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Note 8 - Defined Benefit Pension Plan

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 8 - Defined Benefit Pension Plan (Continued)

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	State and Local Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	State and Local Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30 Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35 Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 8 - Defined Benefit Pension Plan (Continued)

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 8 - Defined Benefit Pension Plan (Continued)

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	<u>State and Local</u>	
	<u>Traditional</u>	<u>Combined</u>
2023 Statutory Maximum Contribution Rates		
Employer	14.0 %	14.0 %
Employee*	10.0 %	10.0 %
2023 Actual Contribution Rates		
Pension **	14.0 %	12.0 %
Post-employment Health Care Benefits**	0.0 %	2.0 %
Total Employer	14.0 %	14.0 %
Employee	10.0 %	10.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2023, the Library's contractually required contribution was \$97,038 for the traditional plan.

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 9 - Postemployment Benefits (Continued)

Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Members with a retirement date prior to January 1, 2022 who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 9 - Postemployment Benefits (Continued)

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits, but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for

The Community Library of Big Walnut LSD
Delaware County
Notes to the Basic Financial Statements
December 31, 2023

Note 9 - Postemployment Benefits (Continued)

2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$0 for 2023.

Note 10 - Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>OH DOE Libraries Accelerate Learning Fund</u>	<u>Major Capital Project Fund</u>	<u>Minor Capital Project Fund</u>	<u>Total</u>
Restricted for					
Programs	\$ -	\$ 19,572	\$ -	\$ -	\$ 19,572
<i>Total Restricted</i>	-	19,572	-	-	19,572
Assigned to					
Capital Improvements	-	-	2,392,307	252,531	2,644,838
Outstanding Encumbrances	1,014	-	-	-	1,014
<i>Total Assigned</i>	1,014	-	2,392,307	252,531	2,645,852
Unassigned (Deficit)	1,492,369	-	-	-	1,492,369
<i>Total Fund Balances</i>	<u>\$ 1,493,383</u>	<u>\$ 19,572</u>	<u>\$ 2,392,307</u>	<u>\$ 252,531</u>	<u>\$ 4,157,793</u>

In addition to the above fund balance constraints, the Library has a General Fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the Library established a budget stabilization by resolution to provide options to respond to unexpected issues and afford a buffer against shocks and other forms of risk such as revenue volatility, unexpected infrastructure failure, or disaster situations. Expenditures of a recurring nature are not addressed through the use of this arrangement. The Library Trustees authorized the funding of this arrangement as resources become available in the General Fund. The fund balance should not exceed 30 percent of the General Fund average revenues. The balance in the reserve at December 31, 2023, is \$400,000.

The Community Library of Big Walnut Local School District
Delaware County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

This discussion and analysis of Community Library of the Big Walnut Local School District's financial performance provides an overall review of the Library's financial activities for the year ended December 31, 2022, within the limitations of the Library's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

Highlights

Key highlights for 2022 are as follows:

We continue to see positive results in our three service areas as defined by our strategic plan. Those three areas are:

- Satisfy Curiosity – relating to resources that support interests and promote lifelong learning.
- Intergenerational Services and Programming – programs that foster community, understanding, and fun.
- Visit a Comfortable Place – providing welcoming spaces for people to interact or to sit quietly and read.

Following is a highlight of some of our accomplishments in each service area.

The first service area, Satisfy Curiosity, focuses on our resources. One area we worked on in 2022 was acquisitions. Our technical services staff have done an outstanding job of getting popular titles into our catalog before they are released so patrons can place holds sooner. This not only increases the likelihood that patrons will borrow the book from the Library, but it also helps us determine demand. If hold lists get too lengthy, we can purchase additional copies to meet their demand.

We also started our new Book Shelf Subscription service in 2022. This service automatically subscribes patrons to a hold list for print titles by popular authors. Patrons no longer have to monitor their favorite authors for new releases. It also allows us to ensure we are ordering enough titles when ordering. We currently have 40 patrons subscribed to this service and it continues to grow.

Another project we worked on in 2022 was improving the mobile app. As more individuals use their mobile devices to manage their lives, we wanted to make sure our COOL app was providing the functionality needed to easily manage accounts and access resources. We fixed some interface issues on the app to make it easier to navigate. We also made sure the Android and iOS versions provided a uniform experience. Before our development work, there was inconsistency in features between the two apps. We added a link to additional content on titles, which provides information such as summaries and series information. We added a link to our events calendar, making it easier for patrons to connect with our schedule of programs. We also enabled the ability to scan ISBNs to search the catalog, making it easier for patrons to find titles in our catalog.

Finally, we continued our efforts to promote the collection through our newsletters and displays. We maintained a consistent schedule of weeding the collection which helps us get rid of titles that are not circulating or damaged. Weeding also frees up much-needed space so patrons can find titles more easily.

Intergenerational Services and Programming is related to the programs offered by the Library. We want to make sure all patrons are offered a variety of topics at various times to promote personal development. We also intend to build a stronger community by bringing people together.

The Community Library of Big Walnut Local School District
Delaware County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Highlights (Continued)

One of the most significant projects in this area was transitioning to a new platform for managing our programs. The limitations of our older system created difficulty for staff and patrons. We needed a solution that was flexible, user-friendly, and provided features patrons expected, including easier navigation and registration on mobile devices. In 2022 we moved to Communico, which had most of the features we were looking for.

In addition to the new software, we continued to expand our program offerings based on feedback from patrons in last year's survey. We added some additional programs for homeschooled students, which have been received well. With an additional full-time staff in youth services, we could develop more programs for teens. We also added more programs for older elementary children. For adults, we added a new cookbook club. With virtual meetings becoming more normal, we were able to enhance book clubs and other programs by inviting speakers to present to groups via Zoom.

Providing programs for multiple age groups has been one of our interests for the past several years. To that end, we continued offering our seasonal family events such as our Halloween (this year was Alice in Wonderland) and Christmas programs. We also brought back family movie night which ended in 2020 due to health concerns. We also added a few new events, like the water balloon fight, maker place music, and the bike workshop. In total, we were able to offer at least one intergenerational event a month.

The last service area we focus on in our strategic plan, Visit a Comfortable Place, is related to creating inviting spaces for patrons to interact. Making the Library a safe, welcoming, and attractive space is a priority. We want the community to feel proud of their Library and the grounds.

We used the information provided in our recent facility assessment to help us in the maintenance of the building. The plan identified a handful of interior and exterior projects. We were able to start most of the interior projects in 2022 and hope to move on to the exterior projects in 2023 once the weather improves.

We also spent time discussing our options regarding the community's interest in an outdoor venue. We have a viable option to explore that would provide us with an outdoor space, but would not create any long-term challenges.

In 2022, we undertook some smaller initiatives to make the Library more inviting. For example, we invited some food trucks to the Library throughout the summer. We also added a feature to our website that allows patrons to book group study rooms online, making it easier and more convenient.

Finally, we moved to a new website in 2022. We often think of the Library as a building, but our web presence is just as important. Our communications staff spent months evaluating different platforms. We found a solution that allowed us to organize our information better and was easier for staff to maintain. The new website is also more mobile-friendly than our old site.

Overall, 2022 turned out to be a successful year for the Library. We continue to be a vibrant and growing institution in the Big Walnut community. Unfortunately, numbers and percentages are all we have to demonstrate our effectiveness. We hope that these statistics translate into a child learning to read, a student getting a deeper understanding of a subject, someone learning a new skill, a family picking up a new hobby, or a mind being opened to a new way of thinking. We trust they do.

The Community Library of Big Walnut Local School District
Delaware County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Highlights (Continued)

Financially, net position increased \$307,015 over last year. At year end, total net position was \$3,716,599, with \$2,391,167 assigned to Capital Projects. The increase in net position is attributed to conservative spending, increased receipts from PLF and local levy revenues, as well as strategic investment of cash.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Library as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Library as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid. As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Library as a Whole

The statement of net position and the statement of activities reflect how the Library did financially during 2022, within the limitations of cash basis accounting. The statement of net position presents the cash balances of the governmental type activities of the Library at year-end. The statement of activities compares cash disbursements with program receipts for each governmental type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

The Community Library of Big Walnut Local School District
Delaware County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Reporting the Library as a Whole (Continued)

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating. When evaluating the Library's financial condition, you should also consider other non-financial factors such as the condition of the Library's capital assets and infrastructure (a 27 year old library site and structure); and the Library's debt obligations (of which there are none); and the near term security provided by the passage of the Library operating levy, securing a local revenue stream for the Library.

Table 1 provides a summary of the Library's net position for 2022 compared to 2021 on a cash basis:

Table 1
Statement of Net Position - Cash Basis

	<u>2022</u>	<u>2021</u>
Assets		
Equity in Pooled Cash and Cash Equivalents	\$ 3,716,599	\$ 3,409,584
Total Assets	<u>\$ 3,716,599</u>	<u>\$ 3,409,584</u>
 Net Position		
Unrestricted	3,716,599	3,409,584
Total Net Position	<u>\$ 3,716,599</u>	<u>\$ 3,409,584</u>

The local revenue stream, began in 2010, provided tax revenue, including rollback/homestead amounts in 2022 of \$932,960. Public Library Funds in 2022 amounted to \$705,909. Careful planning and prudent spending of library funds enable the execution of the Library's vision of becoming the primary information and community center for Big Walnut area residents.

The Community Library of Big Walnut Local School District
Delaware County
Management's Discussion and Analysis
For the Year Ended December 31, 2022
Unaudited

Reporting the Library's Most Significant Funds

The Library presents the following Major Funds:

- General Fund: Used to cover annual operation budget including personnel, operations and Library materials. The General Fund is always a major fund.
- Major Capital Project Fund: Used to account for capital projects with budgets exceeding \$50,000.
- Minor Capital Project Fund: Used to account for capital projects with budgets less than \$50,000.

General Fund Budgeting Highlights

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

General fund disbursements for 2022 were budgeted at \$2,901,963 with actual disbursements amounting to \$1,660,396. With budgeted receipts at \$1,669,875 and actual receipts at \$1,713,221, we were able to end the year with an unencumbered carryover balance of \$1,325,432 in the General Fund to begin 2023.

Current Issues

The Library continues to enjoy wide support from area residents. A challenge we face going into the future is maintaining adequate levels of service as the population of the greater Big Walnut area continues to grow. Demand for Library services, resources, and space outpace the growth of revenue, which may create some difficulties in coming years. The Library will remain prudent and careful with public money, and continue to monitor our revenue streams to ensure we can meet the needs of our community.

Contacting the Library's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of Community Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Chauncey Montgomery, Director/Fiscal Officer, at Community Library, 44 Burrer Drive, Sunbury, OH 43074, or by email at director@yourcl.org.

The Community Library of Big Walnut LSD

Statement of Net Position - Cash Basis

December 31, 2022

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$3,716,599</u>
<i>Total Assets</i>	<u><u>\$3,716,599</u></u>
 Net Position	
Unrestricted	<u>3,716,599</u>
<i>Total Net Position</i>	<u><u>\$3,716,599</u></u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Activities - Cash Basis
For the Year Ended December 31, 2022

		<u>Program Cash Receipts</u>	<u>Net (Disbursements) Receipts and Changes in Net Position</u>
	<u>Cash Disbursements</u>	<u>Charges for Services and Sales</u>	<u>Governmental Activities</u>
Governmental Activities			
Current:			
Library Services	\$1,336,800	\$40,461	(\$1,296,339)
Support Services:			
Facilities Operation and Maintenance	87,612	-	(87,612)
Business Administration	-	1,208	1,208
Capital Outlay	7,717	-	(7,717)
<i>Total Governmental Activities</i>	<u>1,432,129</u>	<u>41,669</u>	<u>(1,390,460)</u>
General Receipts:			
Property Taxes Levied for General Purposes			838,877
Unrestricted Gifts and Contributions			11,498
Grants/Entitlements not Restricted to Specific Programs			799,992
Earnings on Investments			46,687
Miscellaneous			421
<i>Total General Receipts</i>			<u>1,697,475</u>
Change in Net Position			307,015
<i>Net Position Beginning of Year</i>			<u>3,409,584</u>
<i>Net Position End of Year</i>			<u>\$3,716,599</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Assets and Fund Balances- Cash Basis
Governmental Funds
December 31, 2022

	General	Major Capital Project Fund	Minor Capital Project Fund	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$ 1,325,432	\$ 2,125,108	\$ 266,059	\$ 3,716,599
<i>Total Assets</i>	<u>\$ 1,325,432</u>	<u>\$ 2,125,108</u>	<u>\$ 266,059</u>	<u>\$ 3,716,599</u>
Fund Balances				
Assigned	-	2,125,108	266,059	2,391,167
Unassigned (Deficit)	<u>1,325,432</u>	<u>-</u>	<u>-</u>	<u>1,325,432</u>
<i>Total Fund Balances</i>	<u>\$ 1,325,432</u>	<u>\$ 2,125,108</u>	<u>\$ 266,059</u>	<u>\$ 3,716,599</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
Governmental Funds
For the Year Ended December 31, 2022

	General	Major Capital Project Fund	Minor Capital Project Fund	Total Governmental Funds
Receipts				
Property and Other Local Taxes	\$ 838,877	\$ -	\$ -	\$ 838,877
Public Library	705,909	-	-	705,909
Intergovernmental	94,083	-	-	94,083
Patron Fines and Fees	40,461	-	-	40,461
Contributions, Gifts and Donations	11,498	-	-	11,498
Earnings on Investments	20,764	22,714	3,209	46,687
Miscellaneous	1,629	-	-	1,629
<i>Total Receipts</i>	<u>1,713,221</u>	<u>22,714</u>	<u>3,209</u>	<u>1,739,144</u>
Disbursements				
Current:				
Library Services	1,336,800	-	-	1,336,800
Support Services:				
Facilities Operation and Maintenance	-	82,998	4,614	87,612
Capital Outlay	7,717	-	-	7,717
<i>Total Disbursements</i>	<u>1,344,517</u>	<u>82,998</u>	<u>4,614</u>	<u>1,432,129</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>368,704</u>	<u>(60,284)</u>	<u>(1,405)</u>	<u>307,015</u>
Other Financing Sources (Uses)				
Transfers In	-	315,879	-	315,879
Transfers Out	(315,879)	-	-	(315,879)
<i>Total Other Financing Sources (Uses)</i>	<u>(315,879)</u>	<u>315,879</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Balances</i>	<u>52,825</u>	<u>255,595</u>	<u>(1,405)</u>	<u>307,015</u>
<i>Fund Balances Beginning of Year</i>	<u>1,272,607</u>	<u>1,869,513</u>	<u>267,464</u>	<u>3,409,584</u>
<i>Fund Balances End of Year</i>	<u>\$1,325,432</u>	<u>\$2,125,108</u>	<u>\$266,059</u>	<u>\$3,716,599</u>

See accompanying notes to the basic financial statements

The Community Library of Big Walnut LSD
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Receipts				
Property and Other Local Taxes	\$ 939,576	\$ 939,577	\$ 838,877	\$ (100,700)
Public Library	647,779	688,298	705,909	17,611
Intergovernmental	-	-	94,083	94,083
Patron Fines and Fees	32,000	32,000	40,461	8,461
Contributions, Gifts and Donations	7,000	7,000	11,498	4,498
Earnings on Investments	2,000	2,000	20,764	18,764
Miscellaneous	1,000	1,000	1,629	629
<i>Total Receipts</i>	<u>1,629,355</u>	<u>1,669,875</u>	<u>1,713,221</u>	<u>43,346</u>
Disbursements				
Current:				
Library Services:	1,484,293	1,484,294	1,336,800	147,494
Capital Outlay	55,000	55,000	7,717	47,283
<i>Total Disbursements</i>	<u>1,539,293</u>	<u>1,539,294</u>	<u>1,344,517</u>	<u>194,777</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>90,062</u>	<u>130,581</u>	<u>368,704</u>	<u>238,123</u>
Other Financing Sources (Uses)				
Transfers Out	(315,879)	(315,879)	(315,879)	-
Other Financing Uses	(1,046,790)	(1,046,790)	-	1,046,790
<i>Total Other Financing Sources (Uses)</i>	<u>(1,362,669)</u>	<u>(1,362,669)</u>	<u>(315,879)</u>	<u>1,046,790</u>
<i>Net Change in Fund Balance</i>	<u>(1,272,607)</u>	<u>(1,232,088)</u>	<u>52,825</u>	<u>1,284,913</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>1,272,607</u>	<u>1,272,607</u>	<u>1,272,607</u>	<u>-</u>
<i>Unencumbered Fund Balance End of Year</i>	<u>\$ -</u>	<u>\$ 40,519</u>	<u>\$ 1,325,432</u>	<u>\$ 1,284,913</u>

See accompanying notes to the basic financial statements

Community Library of Big Walnut Local School District

Delaware County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 1 – Description of the Library and Reporting Entity

The Community Library of Big Walnut School (the Library) was organized as a school district public library in 1944 under the laws of the State of Ohio. The Library has its own seven-member Board of Trustees appointed by the Big Walnut Local School District Board of Education, as established by section 3375.15 of the Ohio Revised Code. Appointments are for seven-year terms and members serve without compensation. Under Ohio statutes, the Library is a body politic and corporate capable of suing and being sued, contracting, acquiring, holding, possessing, and disposing of real property, and of exercising such other powers and privileges conferred upon it by law. The Library also determines and operates under its own budget. Control and management of the Library is governed by sections 3375.33 to 3375.41 of the Ohio Revised Code with the administration of the day-to-day operations of the Library being the responsibility of the Director and financial accountability being solely that of the Clerk/Treasurer.

The Library is fiscally independent of the Board of Education, although the Board of Education serves in a ministerial capacity as the taxing authority for the Library. The determination to request approval of a tax levy, the role and purposes of the levy, are discretionary decisions made solely by the Board of Library Trustees. Once those decisions are made, the Board of Education must put the levy on the ballot. There is no potential for the Library to provide a financial benefit to or impose a financial burden on the Board of Education.

Under the provisions of Statement No. 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*, the Library is considered to be a related organization of the Big Walnut Local School District.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Library participates in a public entity risk pool. Note 7 to the financial statements provide additional information for this entity.

The Community Library Friends is a not-for-profit organization with a self-appointing board. The Library is not financially accountable for the organization, nor does the Library approve the budget or the issuance of debt of the organization. Although the economic resources of the Community Library Friends almost entirely benefit the Library, the Library is not entitled nor does it have access to the economic resources of the Community Library Friends. While the resources received by the Library from the Friends serves to enhance programs, facilities and collection, these resources are not significant proportionally to the Library's annual budget. Therefore, this organization has been excluded from the reporting entity of the Library.

Community Library Foundation (the "Foundation") was founded in 1998 to receive and manage major donations made to benefit the Library. The seven-member Board of Directors is appointed by the Library's Board of Trustees to maintain secure investments, promote fund raising and determine appropriate use of funds. Appropriate use may include: services to the Big Walnut community, grant funding, scholarships, continuing education for the Library staff, and bringing traveling programs to the community. Its resources are not exclusively for the Library and the Library does not have access to those resources. Therefore, this organization has been excluded from the reporting entity of the Library.

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

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies

As discussed further in the “Basis of Accounting” section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Library’s accounting policies.

Basis of Presentation

The Library’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 Library as a whole. These statements include the financial activities of the library. Governmental activities generally are financed through taxes, intergovernmental receipts and other nonexchange transactions.

The statement of net position presents the cash and investment balances, of the governmental type activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library's governmental activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Library is responsible. Program receipts include charges paid by the recipient of the program’s goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants that are required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing on a cash basis or draws from the Library’s general receipts.

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

Fund Accounting

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

Governmental Funds Governmental funds are those through which most governmental functions of the Library are financed. The following are the Library’s major governmental funds:

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Library for any purpose provided it is expended or transferred according to the general laws of Ohio.

Major Capital Project Fund The Major Capital Project fund accounts for monies set aside by the Board of Library Trustees specifically for major capital projects (project in excess of \$50,000) and technology improvements.

Minor Capital Project Fund The Minor Capital Project fund accounts for monies set aside by the Board of Library Trustees specifically for minor capital projects (project of \$50,000 and less) such as repairs and maintenance on the facility and grounds.

Basis of Accounting

The Library's financial statements are prepared using the cash basis of accounting. With the exception of investment purchases and sales, receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued liabilities and the related expenses) are not recorded in these financial statements.

Budgetary Process

All funds, (except custodial funds), are legally required to be appropriated. The appropriations resolution is the Trustee's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Trustees. The legal level of control has been established at the fund and character or major category of the object code level for all funds. Budgetary modifications at the legal level of control may only be made by resolution of the Board of Library Trustees.

For control purposes, the Library estimates cash receipts for the year. These estimated receipts, together with the unencumbered carry-over balances from the prior year, set a limit on the amount the Trustees may appropriate. The estimated receipts may be revised during the year if projected increases or decreases in receipts are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts of estimated resources at the time final appropriations were enacted by the Trustees.

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

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

To improve cash management, cash received by the Library is pooled and invested. Individual fund integrity is maintained through the Library's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents."

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2022, the Library invested in nonnegotiable certificates of deposit and STAR Ohio. The certificates of deposit held at CF Bank matured in October. Investments are reported at cost, except for STAR Ohio.

STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The Library 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.

For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Interest earnings are allocated to Library funds according to State statutes. Interest receipts credited to the Library were \$46,687.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

Inventory and Prepaid Items

The Library reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Library's cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Library recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for other postemployment benefits (OPEB).

Long-Term Obligations

The Library's cash basis financial statements do not report liabilities for long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Leases

For 2022, GASB Statement No. 87, Leases was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

The Library is the lessee in a lease related to equipment under noncancelable leases. Lease receivables/payables are not reflected under the Library's cash basis of accounting. Lease disbursements are recognized when they are paid. During 2022, a lease for copiers began in November and will be in effect for 60 months. The cost of the lease is \$179.52 per month.

Net Position

Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The Library's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net position are available.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Library 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 are 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 formal action (resolution) of Library Trustees. Those committed amounts cannot be used for any other purpose unless the Library Trustees remove or change the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Library Trustees or a Library official delegated that authority by resolution, or by State Statute. State Statute authorizes the Library Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

The Library 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.

Internal Activity

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

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Internal Activity (Continued)

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the general fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are as follows:

- Outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis). There were no outstanding encumbrances at year end for any fund.

Note 4 – Deposits and Investments

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

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

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

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

Protection of the Library'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 institution's 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.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (Continued)

Interim monies held by the Library 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. 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;
4. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
5. Bonds and other obligations of the State of Ohio, and, with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
6. The State Treasurer's investment pool (STAR Ohio);
7. 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; and
8. Written repurchase agreements in the securities described in (1) or (2) 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.

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 Library and must be purchased with the expectation that it will be held to maturity.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (Continued)

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 Fiscal Officer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At year end, the Library had \$135 in undeposited cash on hand which is included as part of “Cash” or “Equity in Pooled Cash and Cash Equivalents” on the financial statements.

Deposits

At December 31, 2023, none of the Library’s bank deposits were exposed to custodial credit risk.

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

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

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

Investments

The fair value of these investments is not materially different from Net Asset Value. As of December 31, 2022, the Library had the following investments:

	Net Asset Value	Maturity
STAR Ohio	\$3,232,292	Average 31.9 days
Total Portfolio	<u>\$3,232,292</u>	

Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Library’s investment policy addresses interest rate risk by requiring that the Library’s investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments (Continued)

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Library has no investment policy dealing with investment custodial risk beyond the requirements in ORC 135.14(M)(2) which states, “Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, governing board, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.”

Note 5 – Grants in Aid and Property Taxes

Grants in Aid

The primary source of revenue for Ohio public libraries is the Public Library Fund (PLF). The State allocates PLF to each county based on the total tax revenue credited to the State’s general revenue fund during the preceding month using the statutory allocation method. Estimated entitlement figures were issued to County Auditors. The actual current year entitlements were computed in December of the current year. The difference between the estimate and actual will be adjusted evenly in the PLF distributions made from January-June of the subsequent year.

Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Library. Property tax revenue received during 2022 for real and public utility property taxes represents collections of 2021 taxes.

2022 real property taxes are levied after October 1, 2022, on the assessed value as of January 1, 2022, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2022 real property taxes are collected in and intended to finance 2023.

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 later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2022 public utility property taxes which became a lien December 31, 2021, are levied after October 1, 2022, and are collected in 2023 with real property taxes.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 5 – Grants in Aid and Property Taxes

Property Taxes – (Continued)

The full tax rate for all Library operations for the year ended December 31, 2022, was \$1.00 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2022 property tax receipts were based are as follows:

Real Property	\$1,115,603,050
Public Utility Personal Property	<u>135,665,850</u>
Total	<u>\$1,251,268,900</u>

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Library. The County Auditor periodically remits to the Library its portion of the taxes collected.

Note 6 – Interfund Balances and Transfers

Transfers

During 2022, the following transfers were made:

<u>Transfer to</u>	<u>Transfer from</u>	
	<u>Major Fund</u>	
	General	Total
Major Funds:		
Major Capital Project Fund	(\$315,879)	(\$315,879)

The above mentioned Transfer From/To were used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 7 – Risk Management

The Library belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 8 – Defined Benefit Pension Plan

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

Plan Description – Ohio Public Employees Retirement System (OPERS)

Library employees participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

Community Library of Big Walnut Local School District
Delaware County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 8 – Defined Benefit Pension Plan (Continued)

Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Public Safety	Public Safety	Public Safety
Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 52 with 25 years of service credit or Age 56 with 15 years of service credit
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Public Safety and Law Enforcement	Public Safety and Law Enforcement	Public Safety and Law Enforcement
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 8 – Defined Benefit Pension Plan (Continued)

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans. Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Effective January 1, 2022, the Combined Plan is no longer available for member selection.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

Community Library of Big Walnut Local School District
Delaware County

*Notes to the Basic Financial Statements
For the Year Ended December 31, 2022*

Note 8 – Defined Benefit Pension Plan (Continued)

	<u>State and Local</u>	<u>Public Safety</u>	<u>Law Enforcement</u>
2022 Statutory Maximum Contribution Rates			
Employer	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	**	***
2022 Actual Contribution Rates			
Employer:			
Pension ****	14.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits *****	0.0	0.0	0.0
Total Employer	<u>14.0 %</u>	<u>18.1 %</u>	<u>18.1 %</u>
Employee	<u>10.0 %</u>	<u>12.0 %</u>	<u>13.0 %</u>

- * Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.
- ** This rate is determined by OPERS' Board and has no maximum rate established by ORC.
- *** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.
- ***** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll.

For 2022, the Library's contractually required contribution was \$105,552 for the traditional plan.

Note 9 – Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 9 – Postemployment Benefits (continued)

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan.

Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree's years of service and age when they first enrolled in OPERS coverage.

OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension and combined plans must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 9 – Postemployment Benefits (continued)

The Ohio Revised Code permits, but does not require, OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan and the combined plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2022, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The Library's contractually required contribution was \$0 for the year 2022.

Community Library of Big Walnut Local School District
Delaware County

Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

Note 10 – Fund Balances

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

<u>Fund Balances</u>	<u>General</u>	<u>Major Capital Projects</u>	<u>Minor Capital Projects</u>	<u>Total</u>
Assigned to				
Capital Improvements	\$ -	\$ 2,125,108	\$ 266,059	\$ 2,391,167
<i>Total Assigned</i>	<u>-</u>	<u>2,125,108</u>	<u>266,059</u>	<u>2,391,167</u>
Unassigned (Deficit)	<u>1,325,432</u>	<u>-</u>	<u>-</u>	<u>1,325,432</u>
<i>Total Fund Balances</i>	<u><u>\$1,325,432</u></u>	<u><u>\$2,125,108</u></u>	<u><u>\$266,059</u></u>	<u><u>\$3,716,599</u></u>

In addition to the above fund balance constraints, the Library has a General Fund budget stabilization arrangement that does not meet the criteria to be classified as restricted or committed. Pursuant to Ohio Revised Code Section 5705.13, the Library established a budget stabilization by resolution to provide options to respond to unexpected issues and afford a buffer against shocks and other forms of risk such as revenue volatility, unexpected infrastructure failure, or disaster situations. Expenditures of a recurring nature are not addressed through the use of this arrangement. The Library Trustees authorized the funding of this arrangement as resources become available in the General Fund. The fund balance should not exceed 30 percent of the General Fund average revenues. The balance in the reserve at December 31, 2022, is \$400,000.

Note 11 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency ended in April 2023. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Library. The impact on the Library's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

The Library's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

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

Community Library of Big Walnut LSD
Delaware County
44 Burrer Drive
Sunbury, Ohio 43074

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Community Library of Big Walnut Local School District, Delaware County, Ohio, (the Library) as of and for the years ended December 31, 2023 and 2022 and the related notes to the financial statements, which collectively comprise the Library's basic financial statements and have issued our report thereon dated June 20, 2024, wherein we noted the Library uses a special purpose framework other than generally accepted accounting principles.

Internal Controls Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Library'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 determination of financial statement amounts. 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*.

However, we noted matters not requiring inclusion in this report that were reported to the Library's management in a separate letter dated June 20, 2024.

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 Library'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 Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 20, 2024

OHIO AUDITOR OF STATE KEITH FABER



COMMUNITY LIBRARY OF BIG WALNUT LOCAL SCHOOL DISTRICT

DELAWARE 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 9/5/2024

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

**FORM OF APPROVING LEGAL OPINION
OF BRICKER GRAYDON WYATT LLP**

Stifel, Nicolaus & Company, Incorporated
Columbus, Ohio

We have acted as bond counsel to the Big Walnut Local School District, Delaware County, Ohio (the “School District”) in connection with the issuance by the School District of its \$9,565,000* Refunding Bonds, Series 2026A, dated March 18, 2026* (the “Series 2026A Bonds”), and its \$19,000,000* Library Facilities Bonds, Series 2026B, dated March 18, 2026* (the “Series 2026B Bonds” and together with the Series 2026A Bonds, the “Bonds”). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to give the opinions below.

Regarding questions of fact material to the opinions below, we have relied on the certified proceedings and other certifications of representatives of the School District and certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The Bonds have been duly authorized and executed by the School District and are valid and binding general obligations of the School District.

2. All taxable property in the territory of the School District is subject to ad valorem taxation without limitation regarding rate or amount to pay the principal of and interest on the Bonds. The School District is required by law to provide for the annual levy and collection of taxes in an amount sufficient to pay the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the School District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes under Section 103 of the Code. Failure to comply with certain of such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds, the transfer thereof, and any profit made on their sale, exchange or other disposition, are exempt from the Ohio personal income tax, the Ohio commercial activity tax, the net income base of the Ohio corporate franchise tax, and municipal, school district, and joint economic development district income taxes in Ohio.

* Preliminary, subject to change.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated February 18, 2026* relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

The rights of owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur. We bring to your attention the fact that our legal opinions are an expression of our professional judgment and are not a guarantee of a result. Our engagement as bond counsel in connection with the original issuance and delivery of the Bonds is concluded upon delivery of this opinion letter.

BIG WALNUT LOCAL SCHOOL DISTRICT
Delaware County, Ohio

\$9,565,000*
Refunding Bonds, Series 2026A
(General Obligation – Unlimited Tax)
Voted November 4, 2008

\$19,000,000*
Library Facilities Bonds, Series 2026B
(General Obligation – Unlimited Tax)
Voted November 4, 2025

FORM OF CLOSING CERTIFICATE

To Stifel, Nicolaus & Company, Incorporated:

It is my understanding that, in considering whether to purchase the above-captioned obligations, you have relied on the Official Statement for such obligations dated February 18, 2026* (the “Official Statement”), which Official Statement was prepared and executed by and for the Big Walnut Local School District, Delaware County, Ohio (the “School District”) under the direction of the Board of Education of the School District.

In connection with your reliance as stated above, I hereby certify that:

1. I have reviewed the Official Statement and have made such investigation and inquiries as I deemed necessary in the circumstances;
2. The statements and information contained in the Official Statement are correct and complete in all material respects, and they do not omit any statement or information necessary in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading or incomplete in any material respect; and
3. To the best of my knowledge, since the date of the Official Statement, nothing has occurred which has caused, or which might reasonably be expected to cause, a material adverse change in the condition or prospects of the School District.

Date: March 18, 2026*

Interim Treasurer, Board of Education
Big Walnut Local School District
Delaware County, Ohio

* Preliminary, subject to change.

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Delaware County, Ohio

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\$19,000,000*
Library Facilities Bonds, Series 2026B
(General Obligation – Unlimited Tax)
Voted November 4, 2025

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Treasurer of the Big Walnut Local School District, Delaware County, Ohio (the “School District” or the “obligated person”) pursuant to the resolution of the Board of Education of the School District authorizing the issuance and sale of the above-captioned bonds (the “Bonds”). The School District covenants and agrees as follows:

Section 1. Definitions. The following capitalized terms shall have the following meanings:

“Annual Report” means any annual financial information report provided by the School District pursuant to Sections 3 and 4 of this Disclosure Certificate.

“EMMA” shall mean the Electronic Municipal Market Access system of the MSRB for use in the collection and dissemination of information pursuant to the Rule. The current website address for EMMA is <https://emma.msrb.org>.

“Filing Date” means the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning March 31, 2027.

“Financial Obligation” or “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the 12-month period beginning on July 1 that ends on June 30 of the following calendar year or such other 12-month period as the School District shall subsequently adopt as its fiscal year.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board (www.msrb.org).

* Preliminary, subject to change.

“Official Statement” shall mean the Official Statement prepared in connection with the sale of the Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12, and particularly Section (b)(5) therein, adopted by the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Auditor” means the Auditor of the State of Ohio.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the School District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

- (a) The School District shall provide to the MSRB, not later than the Filing Date, an Annual Report for the immediately preceding Fiscal Year, which Annual Report shall be consistent with the requirements of Section 4 of this Disclosure Certificate.
- (b) If the School District fails to provide an Annual Report to the MSRB by the date set forth in subsection (a) of this Section 3, the School District shall send in a timely manner to the MSRB notice of such failure, which shall include a statement as to the date by which the School District anticipates that the Annual Report will be provided to the MSRB.

Section 4. Contents of the Annual Report.

- (a) The Annual Report shall contain or incorporate by reference the following:
 - (1) Audited financial statements of the School District, as publicly released by the State Auditor (see Section 4(b) hereinbelow).
 - (2) Three-year financial projection of the School District, as mandated by Ohio Revised Code Section 5705.391, or such other projections as may be required by the State of Ohio in lieu of such three-year projection.
 - (3) Fiscal Year data for the table entitled “Actual and Projected Enrollment” and contained in APPENDIX A to the Official Statement under the caption “GENERAL INFORMATION – Enrollment.”
 - (4) Fiscal Year data for the table entitled “Largest Taxpayers” and contained in APPENDIX A to the Official Statement under the caption “SCHOOL DISTRICT PROPERTY TAX BASE – Largest Taxpayers.”
 - (5) Fiscal Year data for the table entitled “History of Voted Taxes” and contained in APPENDIX A to the Official Statement under the caption “SCHOOL DISTRICT PROPERTY TAX BASE – History of Voted Taxes.”
 - (6) Fiscal Year data for the table entitled “Property Tax Collections” and contained in APPENDIX A to the Official Statement under the caption “SCHOOL DISTRICT PROPERTY TAX BASE – Property Tax Rates and Collections.”

- (7) Fiscal Year data for the table entitled “Income Tax Distributions” and contained in APPENDIX A to the Official Statement under the caption “OTHER SOURCES OF SCHOOL DISTRICT FUNDING – School District Income Tax.”

All or any of the items listed above may be included by specific reference from other documents which have previously been provided to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. If the School District prepares an Annual Comprehensive Financial Report (“ACFR”) that includes each of the items listed above, the School District may designate the ACFR as its Annual Report for any Fiscal Year.

- (b) The audited financial statements of the School District to be included in the Annual Report shall be initially prepared in accordance with generally accepted accounting principles (provided, however, that if the School District shall subsequently change its accounting method, the audited financial statements shall indicate the accounting method then in use) and shall be accompanied by a report of the State Auditor, or, if applicable, the independent certified public accountants who audited the financial statements; provided, however, if such audited financial statements are not available to the School District at the time of providing the Annual Report to the MSRB as provided in Section 3 of this Disclosure Certificate, the School District will provide such audited financial statements to the MSRB as provided in Section 3 of this Disclosure Certificate as soon as they are available.

Section 5. Reporting of Significant Events. The School District shall provide to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Bonds:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (g) Modifications to rights of security holders, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the securities, if material;
- (k) Rating changes;
- (l) Bankruptcy, insolvency, receivership or similar event of the obligated person;

- (m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (p) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For the purposes of subsection (l), above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the School District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the School District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the School District.

Section 6. Means of Reporting Information. The School District shall provide information to the MSRB according to the MSRB's prescribed reporting requirements, as the same may be amended from time to time. The MSRB currently requires that all filings made pursuant to the Rule be submitted through the MSRB's EMMA system. As of the date hereof, submissions to EMMA must be by electronic submission in an electronic portable document format ("PDF") that shall have a word-search function permitting a user to search the document. The School District is authorized to transmit information to the MSRB by whatever means are mutually acceptable to the School District and the MSRB.

Section 7. Termination of Reporting Obligation. The School District's obligation under this Disclosure Certificate shall terminate upon the defeasance, redemption or payment in full of all of the Bonds.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the School District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the School District has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the School District from disseminating any other information (using the means of dissemination set forth in this Disclosure Certificate or any other means of communication) or including any other information in any Annual Report or providing notice of occurrence of events, in addition to that which is required by this Disclosure Certificate. If the School District chooses to include any information in an Annual Report or provide notice of occurrence of events which are not Listed Events in addition to that

which is specifically required by this Disclosure Certificate, the School District shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default; Remedies. Failure of the School District to perform any of its undertakings contained in this Disclosure Certificate shall not constitute an event of default with respect to the Bonds. The exclusive remedy for any such failure shall be enforcement of the School District's obligations to so perform by actions or proceedings taken in accordance with Ohio Revised Code Section 133.25(B)(4)(b) or Section 133.25(C)(1).

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the School District, the Participating Underwriter and the holders of the Bonds, and shall create no rights in any other person or entity.

Date: March 18, 2026*

BIG WALNUT LOCAL SCHOOL DISTRICT
DELAWARE COUNTY, OHIO

By: _____
Interim Treasurer, Board of Education

* Preliminary, subject to change.

**OFFICIAL STATEMENT
BIG WALNUT LOCAL SCHOOL DISTRICT
Delaware County, Ohio**

\$9,565,000*

**Refunding Bonds, Series 2026A
(General Obligation – Unlimited Tax)**
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\$19,000,000*

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