



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

ADAMS COUNTY / OHIO VALLEY LOCAL SCHOOL DISTRICT
ADAMS COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2025

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Columbus, Ohio 43215
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Board of Education
Adams County/Ohio Valley Local School District
141 Lloyd Road
West Union, Ohio 45693

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

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

KEITH FABER
Ohio Auditor of State

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

April 01, 2026

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Adams County/ Ohio Valley Local School District
Adams County
For the Year Ended June 30, 2025
Table of Contents

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Notes to the Basic Financial Statements.....	19
Required Supplementary Information:	
Schedule of the District's Proportionate Share of the Net Pension Liability – School Employees Retirement System of Ohio.....	59
Schedule of the District's Contributions for Net Pension Liability – School Employees Retirement System of Ohio.....	60
Schedule of the District's Proportionate Share of the Net Pension Liability – State Teachers Retirement System of Ohio	61
Schedule of the District's Contributions for Net Pension Liability – State Teachers Retirement System of Ohio	62
Schedule of the District's Proportionate Share of the Net OPEB Liability – School Employees Retirement System of Ohio.....	63

Adams County/ Ohio Valley Local School District
Adams County
For the Year Ended June 30, 2025
Table of Contents
(continued)

<u>TITLE</u>	<u>PAGE</u>
Schedule of the District's Contributions for Net OPEB Liability – School Employees Retirement System of Ohio.....	64
Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability – State Teachers Retirement System of Ohio	65
Schedule of the District's Contributions for Net OPEB (Asset)/Liability – State Teachers Retirement System of Ohio	66
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – (Non-GAAP Budgetary Basis) – General Fund	67
Notes to the Required Supplementary Information	68
Schedule of Expenditures of Federal Awards.....	78
Notes to the Schedule of Expenditures of Federal Awards.....	79
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	80
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	82
Schedule of Findings 2 CFR § 200.515	85
Corrective Action Plan 2 CFR § 200.511(c).....	87



INDEPENDENT AUDITOR'S REPORT

Adams County / Ohio Valley Local School District
Adams County
141 Lloyd Rd
West Union, Ohio 45693

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 Adams County / Ohio Valley Local School District, Adams County, Ohio (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements 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 Adams County / Ohio Valley Local School District, Adams County, Ohio as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
December 30, 2025

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Adams County/Ohio Valley School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

As management of the Adams County/Ohio Valley School District, we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the additional information that we have provided in the basic financial statements and the notes to the financial statements to enhance their understanding of the District's performance.

This discussion and analysis of Adams County/Ohio Valley School District's financial performance is intended to serve as an introduction to the District's basic financial statements, and provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The Adams County/Ohio Valley School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government issued June 1999.

Financial Highlights

- The assets and deferred outflows of resources of the Adams County/Ohio Valley School District exceeded its liabilities and deferred inflows of resources at June 30, 2025 by \$32,832,725. Net investment in capital assets and net position restricted for specific purposes totaled \$54,469,751, leaving a balance in unrestricted net position of (\$21,637,026).
- Net position of governmental activities increased by \$4,090,227 which represents a 14% increase from 2024.
- General revenues accounted for \$42,017,786 or 58% of all revenues. Program specific revenues in the form of charges for services and sales and operating grants and contributions accounted for \$30,327,132 or 42% of total revenues of \$72,344,918.
- The District had \$68,254,691 in expenses related to governmental activities; only \$30,327,132 of these expenses were offset by program specific charges for services and sales, operating grants, contributions and interest, and capital grants and contributions.

Using the Basic Financial Statements

This report consists of a series of financial statements and the notes to the basic financial statements. These statements are organized so the reader can understand Adams County/Ohio Valley School District as a whole, an entire operating entity.

The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole, and present a longer term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term, as well as what remains for future spending. The fund financial statements also look at the District's major funds, with all other nonmajor funds presented in total in one column. The major funds for the Adams County/Ohio Valley School District are the General and Debt Service Funds.

Adams County/Ohio Valley School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Reporting the District as a Whole

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

These two statements report the District’s net position and changes in net position. The change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. However, the District’s goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the District’s property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

Governmental Activities – Most of the District’s programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Reporting the District’s Most Significant Funds

Fund Financial Statements

The analysis of the District’s major funds begins on the balance sheet. Fund financial reports provide detailed information about the District’s major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District’s major funds.

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

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Adams County/Ohio Valley School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The District as a Whole

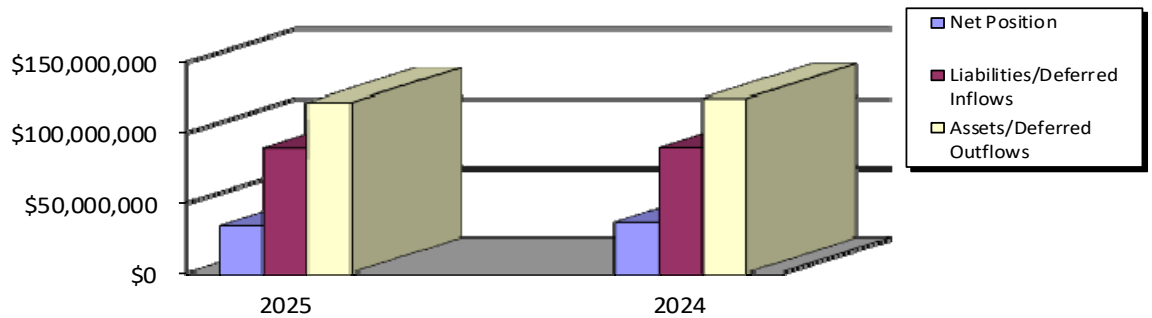
Recall that the Statement of Net Position provides the perspective of the District as a whole.

Table 1 provides a summary of the District's net position for fiscal years 2025 and 2024:

Table 1
Net Position

	Governmental Activities	
	2025	2024
Assets:		
Current and Other Assets	\$52,799,277	\$52,968,026
Net OPEB Asset	3,106,298	3,218,404
Capital Assets	54,165,931	54,991,058
Total Assets	110,071,506	111,177,488
Deferred Outflows of Resources:		
Deferred Charge on Refunding	299,889	333,209
Pension	8,581,249	9,829,485
OPEB	1,935,315	2,328,064
Total Deferred Outflows of Resources	10,816,453	12,490,758
Liabilities:		
Other Liabilities	6,172,392	7,288,070
Long-Term Liabilities	61,751,549	62,088,213
Total Liabilities	67,923,941	69,376,283
Deferred Inflows of Resources:		
OPEB	5,181,838	5,480,883
Property Taxes	9,736,095	10,275,032
Pension	5,213,360	3,251,457
Total Deferred Inflows of Resources	20,131,293	19,007,372
Net Position:		
Net Investment in Capital Assets	43,941,161	43,617,974
Restricted	10,528,590	10,728,426
Unrestricted	(21,637,026)	(19,061,809)
Total Net Position	\$32,832,725	\$35,284,591

Adams County/Ohio Valley School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2025, the District's assets and deferred outflows exceeded liabilities and deferred inflows by \$32,832,725.

Total assets decreased mainly due to a decrease in net OPEB Assets and capital assets. Long-term liabilities decreased mainly due to changes in the Pension and OPEB Liability.

Table 2 shows the highlights of the District's revenues and expenses. These two main components are subtracted to yield the change in net position. This table uses the full accrual method of accounting.

Revenue is further divided into two major components: Program Revenues and General Revenues. Program Revenues are defined as charges for services and sales, restricted operating grants and contributions and capital grants and contributions. General Revenues include taxes and unrestricted grants, such as State foundation support, gifts and donations, investment earnings and miscellaneous.

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Adams County/Ohio Valley School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues		
Charges for Services and Sales	\$11,417,202	\$12,669,867
Operating Grants and Contributions	18,909,930	18,412,225
General Revenues		
Property Taxes	13,026,286	12,381,786
Grants and Entitlements not Restricted to Specific Programs	26,749,995	27,939,701
Other	2,241,505	1,475,065
Total Revenues	<u>72,344,918</u>	<u>72,878,644</u>
Program Expenses		
Instruction	36,970,116	37,650,930
Support Services:		
Pupil and Instructional Staff	3,371,302	4,996,301
School Administrative, General		
Administration, Fiscal and Business	15,832,690	15,024,331
Operations and Maintenance	5,308,184	5,537,643
Pupil Transportation	2,666,247	3,500,575
Central	100,008	165,161
Operation of Non-Instructional Services	2,538,104	2,438,748
Extracurricular Activities	1,172,120	1,163,395
Interest and Fiscal Charges	295,920	312,107
Total Program Expenses	<u>68,254,691</u>	<u>70,789,191</u>
Change in Net Position	4,090,227	2,089,453
Net Position - Beginning of Year, Restated	<u>28,742,498</u>	<u>33,195,138</u>
Net Position - End of Year	<u>\$32,832,725</u>	<u>\$35,284,591</u>

Grants and entitlements not restricted to specific programs made up 37% of total revenues of the District for fiscal year 2025 while Property Taxes made up 18%.

Instruction comprises 54% of governmental program expenses. Support services expenses comprise of 40% of governmental expenses. All other expenses make up 6% of governmental expenses. The District had a decrease in total expenses from 2024 to 2025 due to instruction services.

The Statement of Activities shows the cost of program services and the charges for services and sales, grants, contributions and interest offsetting those services. In Table 3, the total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Net costs are costs that must be covered by unrestricted State aid (State Foundation) or local taxes. The difference in these two columns would represent restricted grants, fees and donations.

Adams County/Ohio Valley School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction	\$36,970,116	\$37,650,930	(\$13,970,456)	(\$14,067,882)
Support Services:				
Pupil and Instructional Staff	3,371,302	4,996,301	(2,006,843)	(3,098,905)
School Administrative, General				
Administration, Fiscal and Business	15,832,690	15,024,331	(15,707,193)	(14,927,841)
Operations and Maintenance	5,308,184	5,537,643	(2,766,948)	(3,865,278)
Pupil Transportation	2,666,247	3,500,575	(2,334,877)	(2,655,881)
Central	100,008	165,161	(100,008)	(165,161)
Operation of Non-Instructional Services	2,538,104	2,438,748	(202,887)	(55,643)
Extracurricular Activities	1,172,120	1,163,395	(542,427)	(558,401)
Interest and Fiscal Charges	295,920	312,107	(295,920)	(312,107)
Total Expenses	<u>\$68,254,691</u>	<u>\$70,789,191</u>	<u>(\$37,927,559)</u>	<u>(\$39,707,099)</u>

The District's Funds

The District has two major governmental funds: the General Fund and the Debt Service Fund. Assets of these funds comprised \$47,046,786 (87%) of the total \$54,255,282 governmental funds' assets.

General Fund: Fund balance at June 30, 2025 was \$26,379,116, an increase in fund balance of \$1,268,110 from 2024. The primary reason for the increase in fund balance was due to the increase in intergovernmental and investment earnings revenue from 2024 to 2025.

Debt Service Fund: Fund balance at June 30, 2025 was \$5,367,269, a increase in fund balance of \$208,951 from 2024. The fund balance increased is mainly due to an increase in property and other taxes when compared to the prior year.

General Fund - Budget Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. During the course of fiscal year 2025, the District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures.

For the General Fund, final budget basis revenue was \$47,851,032 with original budget estimates of \$45,701,933; the difference was mainly due to underestimating tax revenue and intergovernmental revenue. The original budget estimates for expenditures for the District decreased when compared to the actual expenditures due to overestimates made by the District. The final budget estimated expenditures were \$57,381,589 while the actual expenditures for the District were \$48,972,020.

The District's ending unobligated cash balance of \$19,385,399 was \$9,473,389 above the final budgeted amount in the General Fund.

Adams County/Ohio Valley School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

The Adams County/Ohio Valley School District's investment in capital assets as of June 30, 2025 was \$54,165,931. This investment in capital assets includes land, land improvements, buildings and improvements, equipment, and vehicles. Table 4 shows fiscal year 2025 balances compared to fiscal year 2024:

Table 4
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities	
	2025	2024
Land	\$1,908,227	\$1,908,227
Construction in Progress	0	303,646
Land Improvements	1,215,558	1,255,248
Buildings and Improvements	46,117,155	46,725,762
Furniture, Fixtures, and Equipment	2,331,707	2,461,127
Vehicles	2,593,284	2,337,048
Totals	<u>\$54,165,931</u>	<u>\$54,991,058</u>

Capital Assets decreased as a result of additions being less than depreciation expense and disposals. For more information on capital assets, refer to Note 6 of the basic financial statements.

Debt

At June 30, 2025, the District had \$10,524,659 in outstanding debt, \$1,151,798 due within one year. Table 5 summarizes the District's outstanding debt:

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2025	2024
2019 Farm Purchase	\$195,000	\$292,500
2021 Refunding of 2013 School Improvement Bonds	3,456,000	4,300,000
HB264 Bonds, Series 2014	867,905	1,069,067
2015 Refunding of 2007 School Improvement Bonds	5,655,000	5,655,000
Premium on 2015 Refunding of School Improvement Bonds	350,754	389,726
Totals	<u>\$10,524,659</u>	<u>\$11,706,293</u>

For more information on outstanding debt, refer to Note 11 of the basic financial statements.

Adams County/Ohio Valley School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

For the Future

As the United State economy continues to approach a recession, state and federal grant continuation could be jeopardized. Furthermore, with upcoming State elections, the Foundations Funding Formula for Public Education could very likely change once again. Since we are funded approximately 76.1% General Fund operations by the State this could have a detrimental effect on our operational capabilities.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Treasurer, Adams County/Ohio Valley School District, 141 Lloyd Road, West Union, OH 45693.

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Adams County/Ohio Valley School District, Ohio
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$37,523,917
Restricted Cash and Investments	14,265
Receivables (Net):	
Taxes	13,590,366
Accounts	92,964
Interest	106,437
Intergovernmental	1,025,846
Prepaid	445,482
Nondepreciable Capital Assets	1,908,227
Depreciable Capital Assets, Net	52,257,704
Net OPEB Asset	3,106,298
Total Assets	110,071,506
Deferred Outflows of Resources:	
Deferred Charge on Refunding	299,889
Pension	8,581,249
OPEB	1,935,315
Total Deferred Outflows of Resources	10,816,453
Liabilities:	
Accounts Payable	237,334
Accrued Wages and Benefits	5,233,485
Accrued Interest Payable	24,573
Claims Payable	677,000
Long-Term Liabilities:	
Due Within One Year	2,709,892
Due In More Than One Year:	
Net Pension Liability	40,927,892
Net OPEB Liability	1,903,413
Other Amounts	16,210,352
Total Liabilities	67,923,941
Deferred Inflows of Resources:	
Property Taxes	9,736,095
OPEB	5,181,838
Pension	5,213,360
Total Deferred Inflows of Resources	20,131,293
Net Position:	
Net Investment in Capital Assets	43,941,161
Restricted for:	
Local Grants	79,115
Debt Service	5,421,377
Classroom Facilities Maintenance	1,124,724
Federal Grants	396,707
Net OPEB Asset	3,106,298
Other Purposes	400,369
Unrestricted	(21,637,026)
Total Net Position	\$32,832,725

See accompanying notes to the basic financial statements.

Adams County/Ohio Valley School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$20,076,431	\$9,527,114	\$3,996,642	(\$6,552,675)
Special	13,661,328	459,566	7,046,048	(6,155,714)
Vocational	2,596,593	646,591	1,318,299	(631,703)
Adult/Continuing	451,698	0	0	(451,698)
Other	184,066	5,400	0	(178,666)
Support Services:				
Pupil	2,517,531	558	1,298,076	(1,218,897)
Instructional Staff	853,771	0	65,825	(787,946)
General Administration	70,281	0	0	(70,281)
School Administration	4,420,058	0	119,214	(4,300,844)
Fiscal	11,278,379	0	2,236	(11,276,143)
Business	63,972	0	4,047	(59,925)
Operations and Maintenance	5,308,184	3,560	2,537,676	(2,766,948)
Pupil Transportation	2,666,247	9,302	322,068	(2,334,877)
Central	100,008	0	0	(100,008)
Operation of Non-Instructional Services	2,538,104	135,418	2,199,799	(202,887)
Extracurricular Activities	1,172,120	629,693	0	(542,427)
Interest and Fiscal Charges	295,920	0	0	(295,920)
Totals	<u>\$68,254,691</u>	<u>\$11,417,202</u>	<u>\$18,909,930</u>	<u>(37,927,559)</u>

General Revenues:

Property Taxes Levied for:

General Purposes	10,667,682
Special Revenue Purposes	184,645
Debt Service Purposes	1,163,903
Capital Projects Purposes	1,010,056
Grants and Entitlements, Not Restricted	26,749,995
Unrestricted Contributions	33,478
Investment Earnings	1,593,113
Other Revenues	<u>614,914</u>

Total General Revenues 42,017,786

Change in Net Position 4,090,227

Net Position-Beginning of Year, As Previously 35,284,591

Change in Accounting Principle (6,542,093)

Net Position - Beginning of Year, Restated Net 28,742,498

Position - End of Year \$32,832,725

See accompanying notes to the basic financial statements.

Adams County/Ohio Valley School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2025

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Equity in Pooled Cash and Investments	\$27,807,010	\$5,090,407	\$4,626,500	\$37,523,917
Restricted Cash and Investments	14,265	0	0	14,265
Receivables (Net):				
Taxes	11,285,141	1,150,556	1,154,669	13,590,366
Accounts	92,964	0	0	92,964
Interest	106,437	0	0	106,437
Intergovernmental	0	0	1,025,846	1,025,846
Interfund	1,456,005	0	0	1,456,005
Prepaid	44,001	0	401,481	445,482
Total Assets	<u>40,805,823</u>	<u>6,240,963</u>	<u>7,208,496</u>	<u>54,255,282</u>
Liabilities:				
Accounts Payable	195,320	0	42,014	237,334
Accrued Wages and Benefits	4,559,362	0	674,123	5,233,485
Compensated Absences	97,227	0	0	97,227
Interfund Payable	0	0	1,456,005	1,456,005
Claims Payable	677,000	0	0	677,000
Total Liabilities	<u>5,528,909</u>	<u>0</u>	<u>2,172,142</u>	<u>7,701,051</u>
Deferred Inflows of Resources:				
Property Taxes	8,834,910	873,694	873,406	10,582,010
Grants and Other Taxes	0	0	200,945	200,945
Investment Earnings	62,888	0	0	62,888
Total Deferred Inflows of Resources	<u>8,897,798</u>	<u>873,694</u>	<u>1,074,351</u>	<u>10,845,843</u>
Fund Balances:				
Nonspendable	58,266	0	401,481	459,747
Restricted	0	5,367,269	1,608,759	6,976,028
Committed	532,486	0	2,164,268	2,696,754
Assigned	1,845,588	0	0	1,845,588
Unassigned	23,942,776	0	(212,505)	23,730,271
Total Fund Balances	<u>26,379,116</u>	<u>5,367,269</u>	<u>3,962,003</u>	<u>35,708,388</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$40,805,823</u>	<u>\$6,240,963</u>	<u>\$7,208,496</u>	<u>\$54,255,282</u>

See accompanying notes to the basic financial statements.

Adams County/Ohio Valley School District, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
June 30, 2025

Total Governmental Fund Balance		\$35,708,388
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets used in the operation of Governmental Funds		54,165,931
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	845,915	
Interest	62,888	
Intergovernmental	200,945	
		1,109,748
In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		
		(24,573)
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.		
Compensated Absences		(8,298,358)
Deferred outflows of resources associated with long-term liabilities are not reported in the funds.		
		299,889
Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	8,581,249	
Deferred inflows of resources related to pensions	(5,213,360)	
Deferred outflows of resources related to OPEB	1,935,315	
Deferred inflows of resources related to OPEB	(5,181,838)	
		121,366
Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.		
Net OPEB Asset	3,106,298	
Net Pension Liability	(40,927,892)	
Net OPEB Liability	(1,903,413)	
Other Amounts	(10,524,659)	
		(50,249,666)
Net Position of Governmental Activities		<u>\$32,832,725</u>

See accompanying notes to the basic financial statements.

Adams County/Ohio Valley School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property and Other Taxes	\$10,748,024	\$1,173,473	\$1,206,400	\$13,127,897
Tuition and Fees	1,264,875	0	0	1,264,875
Investment Earnings	1,565,338	0	0	1,565,338
Intergovernmental	35,769,377	270,449	9,796,697	45,836,523
Extracurricular Activities	118,866	0	563,286	682,152
Charges for Services	9,334,360	0	136,041	9,470,401
Other Revenues	301,770	0	45,415	347,185
Total Revenues	59,102,610	1,443,922	11,747,839	72,294,371
Expenditures:				
Current:				
Instruction:				
Regular	17,469,347	0	453,186	17,922,533
Special	10,235,909	0	3,900,962	14,136,871
Vocational	2,699,603	0	9,917	2,709,520
Adult/Continuing	451,698	0	0	451,698
Other	184,066	0	0	184,066
Support Services:				
Pupil	2,349,801	0	423,287	2,773,088
Instructional Staff	894,765	0	68,186	962,951
General Administration	71,293	0	0	71,293
School Administration	4,665,437	0	118,478	4,783,915
Fiscal	11,279,594	42,872	43,948	11,366,414
Business	59,268	0	4,168	63,436
Operations and Maintenance	3,587,871	0	3,461,829	7,049,700
Pupil Transportation	2,801,258	0	492,722	3,293,980
Central	111,983	0	0	111,983
Operation of Non-Instructional Services	58,854	0	2,497,263	2,556,117
Extracurricular Activities	660,293	0	521,466	1,181,759
Capital Outlay	0	0	100,119	100,119
Debt Service:				
Principal Retirement	0	1,045,162	97,500	1,142,662
Interest and Fiscal Charges	0	302,897	0	302,897
Total Expenditures	57,581,040	1,390,931	12,193,031	71,165,002
Excess of Revenues Over (Under) Expenditures	1,521,570	52,991	(445,192)	1,129,369
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	0	0	363,440	363,440
Transfers In	0	155,960	97,500	253,460
Transfers (Out)	(253,460)	0	0	(253,460)
Total Other Financing Sources (Uses)	(253,460)	155,960	460,940	363,440
Net Change in Fund Balance	1,268,110	208,951	15,748	1,492,809
Fund Balance - Beginning of Year	25,111,006	5,158,318	3,946,255	34,215,579
Fund Balance - End of Year	\$26,379,116	\$5,367,269	\$3,962,003	\$35,708,388

See accompanying notes to the basic financial statements.

Adams County/Ohio Valley School District, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Net Change in Fund Balance - Total Governmental Funds	\$1,492,809
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital assets used in governmental activities	2,577,081	
Depreciation Expense	(3,194,810)	
		(617,729)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.

(207,398)

Governmental funds report district pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expenses.

District pension contributions	4,291,434	
Cost of benefits earned net of employee contributions - Pensions	(2,636,170)	
District OPEB contributions	133,159	
Cost of benefits earned net of employee contributions - OPEB	861,148	
		2,649,571

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

Delinquent Property Taxes	(101,611)	
Interest	27,775	
Intergovernmental	(31,659)	
		(105,495)

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

1,142,662

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.

1,325

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

Compensated Absences	(271,170)	
Amortization of Bond Premium	38,972	
Amortization of Deferred Charge on Refunding	(33,320)	
		(265,518)

Change in Net Position of Governmental Activities	\$4,090,227
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See accompanying notes to the basic financial statements.

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 1 - Description of the School District and Reporting Entity

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

The Adams County Ohio Valley School District serves an area of approximately 489 square miles, with 99 percent of its territory located in Adams County and the remaining one percent in Highland County. Political subdivisions included in the District are the Villages of West Union, Peebles, Winchester, Sinking Spring, Cherry Fork, and Seaman, the thirteen townships of Adams County and the southern half of Brush Creek Township in Highland County. The District is staffed by 175 non-certified employees and 271 certified employees as well as 36 administrative employees who provide services to 3,343 students and other community members. The District operates seven instructional buildings, one administrative building, one bus garage and a supply warehouse.

Reporting Entity

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

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

The following activities are included within the reporting entity:

Non-Public Schools - The Adams County Christian School is operated within the District boundaries. Current State legislation provides funding to these non-public schools. Students are funded at the school they attend. This activity is reflected in a special revenue fund and as part of governmental activities for financial reporting purposes.

The District participates in three jointly governed organizations and one insurance purchasing pool. These organizations are:

Jointly Governed Organization:

Hamilton Clermont Cooperative (HCC)
Hopewell Special Education Regional Resource Center
Southwestern Ohio Educational Purchasing Council

Information about these organizations is presented in Note 13 to the basic financial statements.

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 2 - Summary of Significant Accounting Policies

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

Measurement Focus

Government-wide Financial Statements

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

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net position. Fiduciary Funds are not included in entity-wide statements.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the 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 contributions 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 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 District.

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

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid-management by segregating transactions related to certain District function or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds of the District are reported as governmental funds.

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Governmental Funds

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

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

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

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

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

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

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows relating to a deferred charge on refunding, OPEB, and pension are reported on the governmental-wide statement of new position. For more pension and OPEB related information, see Notes 8 and 9.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, grants and other taxes, pension, OPEB, and investment earnings. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance year 2026 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and other taxes and investment earnings have been recorded as deferred inflows on the governmental fund financial statements. Deferred inflows related to pension and OPEB plans are reported in the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

To improve cash management, all cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through District records. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Non-negotiable certificates of deposit are reported at cost. For investments in money market mutual funds, the fair value is determined by the fund's current share price.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2025 amounted to \$1,565,338 and \$0 in other governmental funds.

Prepaid Items

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

Inventory

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

Capital Assets

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements.

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	50 years
Buildings and Improvements	25 - 50 years
Furniture, Fixtures and Equipment	10 - 15 years
Vehicles	20 years

Interfund Activity

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.

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

As a general rule the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Accrued Liabilities and Long-Term Obligations

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

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

Pensions/Other Postemployment Benefits (OPEB)

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

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 the other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent unclaimed monies.

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact (unclaimed monies).

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

Assigned – resources that are intended to be used for specific purposes as approved through the District's formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

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

Bond Premiums

In the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an addition of the face amount of the bonds payable.

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

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.

Net Position

Net position represents the difference between assets and deferred inflows of resources, and liabilities and deferred outflows of resources. Net investment in capital assets consists of capital assets, net of

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District 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 music and athletic programs and student activities, and federal and State grants restricted to expenditures for specified purposes.

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

The government-wide Statement of Net Position reports \$10,528,590 of restricted net position, none of which are restricted by enabling legislation.

Note 3 - Deposits and Investments

Monies held by the District are classified by State statute into three categories. Active monies are public monies determined to be necessary to meet current demands upon the District treasury. Active monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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).
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.

Protection of the 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.

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 purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2025, \$10,724,091 of the District's bank balance of \$20,691,169 was exposed to custodial credit risk because it was uninsured and collateralized.

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

Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

State.

Investments

As of June 30, 2025, the District had the following investments, which are in an internal investment pool:

	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Commercial Paper	\$1,212,014	Level 2	0.34
Federal Home Loan Bank	2,974,651	Level 2	1.75
Federal Farm Credit Bank	1,790,981	Level 2	3.24
Federal National Mortgage Assoc	300,622	Level 2	4.16
US Treasury Notes	4,381,210	Level 2	3.08
Negotiable CDs	5,692,009	Level 2	1.93
Municipal Bonds	763,589	N/A	1.42
Money Market Funds	1,352,479	N/A	0.00
Total Fair Value	<u>\$18,467,555</u>		
Portfolio Weighted Average Maturity			2.07

The 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 table identifies the District's recurring fair value measurements as of June 30, 2025. All investments of the District are valued using quoted market prices.

Interest Rate Risk

The District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk

The District's investments in Federal Home Loan Bank and Federal Farm Credit Bank was rated AAA by Standard and Poor's and Aaa by Moody's Investors Service. Investments in Commercial Paper were rated A-1+ by Standard & Poor's and P-1 by Moody's Investors Service. Municipal Bonds, Negotiable CDs and Money Market Funds were not rated.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Money Market Funds are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agent but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one issuer. Of the District's total investments, 16% in Federal Home Loan Bank, 10% in Federal Farm Credit Bank, 7% is invested in Money Market Funds 31% in Negotiable CDs, 6% in Commercial Paper, 24% in US Treasury Notes, 2% in Federal National Mortgage Association and 4% in Municipal Bonds.

Note 4 - Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on real property at 35 percent of true value.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The District receives property taxes from Adams County and Highland County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2026 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes that became measurable as of June 30, 2025. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations.

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

	2025 First Half Collections		2024 Second Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$445,231,990	82.61%	\$501,613,200	80.83%
Public Utility	93,695,310	17.39%	119,000,540	19.17%
Total Assessed Value	<u>\$538,927,300</u>	<u>100.00%</u>	<u>\$620,613,740</u>	<u>100.00%</u>

Note 5 – Receivables

Receivables at June 30, 2025, consisted of property taxes, accounts, interest, intergovernmental grants and interfund. All receivables are considered collectible in full and will be received within one year with the exception of the property taxes. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Intergovernmental Receivables at June 30, 2025 were as follows:

Other Governmental Funds:	
Public Preschool	\$98,515
IDEA-B	237,395
Title IV-A	13,548
Title I	449,784
IDEA Preschool	4,152
Improving Teacher Quality	71,577
Miscellaneous Federal Grants	52,716
Miscellaneous State Grants	13,818
Carl Perkins	21,443
WUHS Title I Non-Competitive Supplemental	62,898
Total Other Governmental Funds	<u>1,025,846</u>

Note 6 - Capital Assets

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

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Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,908,227	\$0	\$0	\$1,908,227
Construction in Progress	303,646	0	303,646	0
Total Capital Assets, not being depreciated	2,211,873	0	303,646	1,908,227
<i>Capital Assets, being depreciated:</i>				
Land Improvements	9,881,445	189,962	0	10,071,407
Buildings and Improvements	97,652,124	1,769,302	300,000	99,121,426
Furniture, Fixtures and Equipment	17,493,766	228,094	0	17,721,860
Vehicles	7,687,639	693,370	224,214	8,156,795
<i>Total Capital Assets, being depreciated:</i>	132,714,974	2,880,728	524,214	135,071,488
Totals at Historical Cost	134,926,847	2,880,728	827,860	136,979,715
Less Accumulated Depreciation:				
Land Improvements	8,626,197	229,652	0	8,855,849
Buildings and Improvements	50,926,362	2,377,909	300,000	53,004,271
Furniture's, Fixtures and Equipment	15,032,639	357,514	0	15,390,153
Vehicles	5,350,591	229,736	16,816	5,563,511
Total Accumulated Depreciation	79,935,789	3,194,811	316,816	82,813,784
Governmental Activities Capital Assets, Net	<u>\$54,991,058</u>	<u>(\$314,083)</u>	<u>\$511,044</u>	<u>\$54,165,931</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$2,887,158
Special	571
Vocational	20,779
Support Services:	
Pupil	734
School Administration	6,295
Business	536
Operations and Maintenance	20,258
Pupil Transportation	244,040
Operation of Non-Instructional Services	12,306
Extracurricular Activities	2,134
Total Depreciation Expense	<u>\$3,194,811</u>

Note 7 - Risk Management

The 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. As of July 1, 2017, the District obtained coverage through the School Insurance Consultants of Mason, Ohio, serving as the agent. General liability coverage, educator's legal liability coverage, and auto liability and physical damage coverage are provided by Liberty Mutual.

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Property Coverage	(\$1,000 deductible)	\$250,000,000
Auto Liability/Physical Damage	(\$1,000 deductible)	1,000,000
General Liability	(\$0 deductible)	
Aggregate		\$2,000,000
Per Occurrence		1,000,000
Educator's Legal Liability	(\$2,500 deductible)	
Aggregate		\$1,000,000
Per Occurrence		1,000,000
Umbrella Coverage	(\$0 deductible)	
Aggregate		\$5,000,000
Per Occurrence		5,000,000

Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There has been reductions in Auto Liability/Physical Damage from 300,000 to 250,000 and Boiler and Machinery from 50,000 to 0 coverage for FY25.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Beginning in fiscal year 2018, the District began to self-insure its medical health-insurance costs. The District contracts with Anthem for the service. Expenses for claims are recorded on the current basis based on an actuarially determined charge per employee. The District accounts for the activities of this program in the Self Insurance fund in accordance with GASB Statement No. 10.

A summary of the changes in self-insurance health insurance claims liability is as follows:

	2025	2024
Claims Liability at Beginning of Year	\$671,000	\$654,000
Claims Incurred	10,282,301	8,696,220
Claims Paid	(10,276,301)	(8,679,220)
Claims Liability at the End of Year	<u>\$677,000</u>	<u>\$671,000</u>

Note 8 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

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

The remainder of this note includes the required pension disclosures. See Note 9 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description

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

Age and service requirements for retirement are as follows:

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

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

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

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

Funding Policy

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

The District's contractually required contribution to SERS was \$1,082,466 for fiscal year 2025. Of this amount \$126,105 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

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

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

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

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

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

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

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

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

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Funding Policy

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

The District's contractually required contribution to STRS was \$3,208,968 for fiscal year 2025. Of this amount \$534,828 is reported as accrued wages and benefits.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.18408350%	0.16376443%	
Prior Measurement Date	<u>0.18381560%</u>	<u>0.16548242%</u>	
Change in Proportionate Share	<u>0.00026790%</u>	<u>-0.00171799%</u>	
Proportionate Share of the Net Pension Liability	\$9,416,969	\$31,510,922	\$40,927,892
Pension Expense	\$819,008	\$1,817,162	\$2,636,170

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

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Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$359,532	\$1,984,364	\$2,343,896
Changes of assumptions	84,242	1,452,196	1,536,438
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	151,126	258,355	409,481
Contributions subsequent to the measurement date	1,082,466	3,208,968	4,291,434
Total Deferred Outflows of Resources	<u>\$1,677,366</u>	<u>\$6,903,883</u>	<u>\$8,581,249</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$17,256	\$17,256
Changes of assumptions	0	1,093,086	1,093,086
Net difference between projected and actual earnings on pension plan investments	589,026	2,709,298	3,298,324
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	43,793	760,901	804,694
Total Deferred Inflows of Resources	<u>\$632,819</u>	<u>\$4,580,541</u>	<u>\$5,213,360</u>

\$4,291,434 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	(\$389,065)	(\$1,776,862)	(\$2,165,927)
2027	625,936	2,652,164	3,278,100
2028	(101,585)	(1,039,898)	(1,141,483)
2029	(173,205)	(721,030)	(894,235)
Total	<u>(\$37,919)</u>	<u>(\$885,626)</u>	<u>(\$923,545)</u>

Actuarial Assumptions - SERS

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

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

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024, and compared with June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25% to 13.58% 2.0%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	3.25% to 13.58% 2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00% net of system expenses	7.00% net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

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

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

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

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Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

Discount Rate

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

Sensitivity of the 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%)
District's proportionate share of the net pension liability	\$14,406,659	\$9,416,969	\$5,215,919

Changes Between the Measurement Date and the Report Date

The pension information is measured as of June 30, 2024 (measurement date) and used for the fiscal year ending June 30, 2025 (reporting date). There were no changes between the measurement date and the reporting date.

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation compared to those used in the June 30, 2023, actuarial valuation are presented below:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Inflation	2.50%	2.50%
Salary increases	From 2.50% to 8.50% based on service	From 2.50% to 8.50% based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00% net of investments expense, including inflation
Discount Rate of Return	7.00 percent	7.00%
Payroll Increases	3.00 percent	3.00%
Cost-of-Living Adjustments (COLA)	0.0%, effective July 1, 2017	0.0%, effective July 1, 2017

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

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

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

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

* Final target weights reflected at October 1, 2022.

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the 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 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%)
District's proportionate share of the net pension liability	\$50,832,640	\$31,510,922	\$15,168,069

Changes Between the Measurement Date and the Report Date

At the April 2025 STRS Board meeting, they approved the following change:

1. Beginning July 1, 2025, approve a 1.5% cost-of-living increase be paid to eligible benefit recipients on their anniversary date in fiscal year 2026; and
2. Temporarily make thirty-two years of service credit the minimum requirement for unreduced benefits and adjust the years of service credit required for reduced retirement benefits to twenty-seven or more years of service credit at any age for the period effective June 1, 2025 through May 1, 2030, then temporarily make thirty-three years of service credit the minimum requirement for unreduced benefits and adjust the years of service credit required for reduced retirement benefits to twenty-eight or more years of service at any age from June 1, 2030 through May 1, 2032, with a return to a minimum of thirty-four years of service credit (twenty-nine years or more for reduced retirement benefits) effective June 1, 2032 going forward.

Any effect on the net pension liability is unknown.

Note 9 - Defined Benefit OPEB Plans

See Note 8 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description

The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of

purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

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

Funding Policy

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the District's surcharge obligation was \$133,159.

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 District's contractually required contribution to SERS was \$133,159 for fiscal year 2025.

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

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

drugs and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. the Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

Funding Policy

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

Net OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.18688480%	0.16376443%	
Prior Measurement Date	0.18838440%	0.16548242%	
Change in Proportionate Share	-0.00149960%	-0.00171799%	
Proportionate Share of the:			
Net OPEB Liability	\$1,903,413	\$0	\$1,903,413
Net OPEB (Asset)	\$0	(\$3,106,298)	(\$3,106,298)
OPEB Expense	(\$212,401)	(\$648,747)	(\$861,148)

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

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$135,038	\$135,038
Changes of assumptions	816,944	382,341	1,199,285
Net difference between projected and actual earnings on OPEB plan investments	9,293	0	9,293
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	435,002	23,538	458,540
Contributions subsequent to the measurement date	133,159	0	133,159
Total Deferred Outflows of Resources	<u>\$1,394,398</u>	<u>\$540,917</u>	<u>\$1,935,315</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$2,052,374	\$334,759	\$2,387,133
Changes of assumptions	874,358	1,400,921	2,275,279
Net difference between projected and actual earnings on OPEB plan investments	0	133,375	133,375
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	381,212	4,839	386,051
Total Deferred Inflows of Resources	<u>\$3,307,944</u>	<u>\$1,873,894</u>	<u>\$5,181,838</u>

\$133,159 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	(\$523,307)	(\$474,200)	(\$997,507)
2027	(326,068)	(206,076)	(532,144)
2028	(259,604)	(264,376)	(523,980)
2029	(273,245)	(245,849)	(519,094)
2030	(270,447)	(198,450)	(468,897)
Thereafter	(394,034)	55,974	(338,060)
Total	<u>(\$2,046,705)</u>	<u>(\$1,332,977)</u>	<u>(\$3,379,682)</u>

Actuarial Assumptions – SERS

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

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024, compared with June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
Investment Rate of Return	7.00% net of investment expense	7.00% net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2059	2048
Municipal Bond Index Rate:		
Measurement Date	3.93%	3.86%
Prior Measurement Date	3.86%	3.69%
Single Equivalent Interest Rate:		
Measurement Date	4.88%	4.27%
Prior Measurement Date	4.27%	4.08%
Health Care Cost Trend Rate:		
Medical Trend Assumption		
Measurement Date	7.00% to 4.40%	6.75% to 4.40%
Prior Measurement Date	6.75% to 4.40%	7.00% to 4.40%

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.

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

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

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

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

Discount Rate

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

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate.

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
District's proportionate share of the net OPEB liability	\$2,538,133	\$1,903,413	\$1,399,042
	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
District's proportionate share of the net OPEB liability	\$1,286,636	\$1,903,413	\$2,714,116

Changes Between the Measurement Date and the Report Date

The OPEB information is measured as of June 30, 2024 (measurement date) and used for the fiscal year ending June 30, 2025 (reporting date). There were no changes between the measurement date and the reporting date.

Actuarial Assumptions – STRS

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

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Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	June 30, 2024	June 30, 2023
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment Rate of Return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Discount Rate of Return	7.00%	7.00%
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50% initial 3.94% ultimate	7.50% initial 4.14% ultimate
Medicare	(112.22%) initial 3.94% ultimate	(10.94%) initial 4.14% ultimate
Prescription Drug		
Pre-Medicare	8.00% initial 3.94% ultimate	(11.95%) initial 4.14% ultimate
Medicare	(15.14%) initial 3.94% ultimate	1.33% initial 4.14% ultimate

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

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

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

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:

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Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

* Final target weights reflected at October 1, 2022.

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

Discount Rate

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

Sensitivity of the Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net OPEB asset	(\$2,525,626)	(\$3,106,298)	(\$3,611,610)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	(\$3,645,743)	(\$3,106,298)	(\$2,457,546)

Changes Between the Measurement Date and the Report Date

At the May 2025 STRS Board meeting, the Board approved the following change: Increasing the health

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

care subsidy for twenty-seven years of service to the maximum subsidy minus the subsidy for three years of service for anyone who retires between August 1, 2023, and July 1, 2032, effective June 1, 2025 through July 1, 2032. After that the maximum subsidy for Healthcare Plan participants who retire August 1, 2032 or later will align with the eligibility for unreduced pensions, and all others eligible for subsidies receive one less year of subsidy for each year below the minimum years of service required to receive unreduced subsidy at any age. Any effect on the net OPEB asset is unknown.

Note 10 - Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from board approved contracts and State laws. Eligible classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Up to two years' 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 the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 215 days for administrators. One third of each administrator's accumulated sick leave over 200 days shall be paid out at the end of each fiscal year. Classified personnel may accumulate up to a maximum of 260 days. Certified personnel may accumulate up to a maximum of 210 days for usages. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum payment of 100 days for administrators and 65 days for classified employees. The District offers a super-severance provision for employees who retire in their first year of eligibility. Under this policy, payment is made for one-half of the accumulated sick leave credit up to a maximum payment of 105 days.

Teachers, administrators, and classified personnel earn three days of personal leave per school year. Unused days are paid in July of each year, at the rate of \$150 per day for teachers and administrators. Classified personnel are paid at the rate of \$125 per day for unused days in July each year.

Insurance Benefits

The District provides life insurance and accidental death and dismemberment insurance to all employees through Mutual of Omaha. The District has elected to provide medical/surgical, dental and vision benefits through Anthem Blue Cross and Blue Shield. Effective with the 2024-2025 fiscal year, teachers and administrators agreed to contribute 15.6% of the monthly medical premium and 14% of the monthly dental and vision premiums with the Board of Education also assuming 84.4% of the monthly medical premium and 86% of the monthly dental and vision premiums. Effective with the 2024-2025 school year, all classified staff agreed to contribute 12% of the monthly premium and the Board of Education will assume the remaining 88% of the expense. In addition to these percentages, all employees of the district have agreed to share in any premium increases over five percent; the additional increase above the five percent will be equally split or shared between the Board of Education and the employees.

Perfect/Excellent Attendance Incentive

Classified employees:

Individual Attendance Incentive If a member has no absences in the period of July 1 through December 31, the member shall be paid a stipend of seven hundred and fifty dollars (\$750.00). If a member has no absences in the period of January 1 through June 30, the member shall be paid a stipend of seven hundred

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

and fifty dollars (\$750.00). Professional leave, jury duty, vacation, bereavement leave for immediate family, absence due to being subpoenaed for work related matters do not count as absences. Payment of the stipend will be made in the first pay in July.

Certified employees:

If a member has no absences in the first semester, the member shall be paid a stipend of seven hundred and fifty dollars (\$750.00) If a member has no absences in the second semester, the member shall be paid a stipend of seven hundred and fifty dollars (\$750.00). Professional leave, jury duty, bereavement leave for immediate family, absence due to being subpoenaed for work related matters do not count as absences. Payment of the stipend will be made in the second pay in June.

Note 11 - Long-Term Obligations

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

	Restated Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
Governmental Activities:					
HB264 Bonds, Series 2014	\$1,069,067	\$0	\$201,162	\$867,905	\$207,298
2015 Refunding of 2007 School Improvements Bonds	5,655,000	0	0	5,655,000	0
Premium on 2015 Refunding of School Improvement Bonds	389,726	0	38,972	350,754	0
2019 Farm Purchase	292,500	0	97,500	195,000	97,500
2021 Refunding of 2013 Refunding of 2007 Bonds	4,300,000	0	844,000	3,456,000	847,000
Subtotal Bonds	11,706,293	0	1,181,634	10,524,659	1,151,798
Compensated Absences	8,027,188	368,397 *	0	8,395,585	1,558,094
Subtotal Bonds & Other Amounts	19,733,481	368,397	1,181,634	18,920,244	2,709,892
Net Pension Liability	45,793,295	0	4,865,403	40,927,892	0
Net OPEB Liability	3,103,530	0	1,200,117	1,903,413	0
Total Long-Term Obligations	\$68,630,306	\$368,397	\$7,247,154	\$61,751,549	\$2,709,892

*-net change

Manchester Local School District assumed \$16,801,260 of the outstanding bond amount as of July 1, 2004. The bonds will be retired from the Debt Service Fund.

Compensated absences will be paid from the Termination Benefits Fund and Food Service Funds.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

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

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

2021 Refunding of 2013 Refunding of 2007 School Improvement Bonds

Fiscal year			
Ending June 30,	Principal	Interest	Total
2026	\$847,000	\$36,996	\$883,996
2027	857,000	26,602	883,602
2028	876,000	16,031	892,031
2029	876,000	5,344	881,344
Total	<u>\$3,456,000</u>	<u>\$84,973</u>	<u>\$3,540,973</u>

HB264 Bonds, Series 2014

Fiscal year			
Ending June 30,	Principal	Interest	Total
2026	\$207,298	\$23,310	\$230,608
2027	213,621	16,891	230,512
2028	220,136	10,276	230,412
2029	226,850	3,459	230,309
Total	<u>\$867,905</u>	<u>\$53,936</u>	<u>\$921,841</u>

2015 Refunding of 2007 School Improvement Bonds

Fiscal year			
Ending June 30,	Principal	Interest	Total
2026	\$0	\$226,200	\$226,200
2027	0	226,200	226,200
2028	0	226,200	226,200
2029	0	226,200	226,200
2030	985,000	206,500	1,191,500
2031-2034	4,670,000	389,200	5,059,200
Total	<u>\$5,655,000</u>	<u>\$1,500,500</u>	<u>\$7,155,500</u>

2019 Farm Purchase

Fiscal year			
Ending June 30,	Principal	Interest	Total
2026	\$97,500	\$0	\$97,500
2027	97,500	0	97,500
Total	<u>\$195,000</u>	<u>\$0</u>	<u>\$195,000</u>

Note 12 - Interfund Activity

Interfund transactions at June 30, 2025, consisted of the following individual interfund receivables, interfund payables, transfers in and transfers out:

Adams County/Ohio Valley School District, Ohio**Notes to the Basic Financial Statements****For the Fiscal Year Ended June 30, 2025**

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$1,456,005	\$0	\$0	\$253,460
Debt Service	0	0	155,960	0
Other Governmental Funds	0	1,456,005	97,500	0
Total All Funds	<u>\$1,456,005</u>	<u>\$1,456,005</u>	<u>\$253,460</u>	<u>\$253,460</u>

Interfund balances/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed. All interfund payables are expected to be repaid during the next fiscal year. The above interfund transactions comply with the requirements of the Ohio Revised Code.

Note 13 - Jointly Governed Organizations**HCC**

Hamilton Clermont Cooperative Information Technology Center (HCC) is an educational solutions partner providing services across Ohio. HCC provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs. The governing board of HCC consists of a president, vice president and six board members who represent the members of HCC. The Board works with HCC's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. Financial information can be obtained from the Chief Financial Officer.

Hopewell Special Education Regional Resource Center

The Hopewell Special Education Regional Resource Center (Hopewell) is a jointly governed organization created by the Ohio Department of Education at the request of the participating school districts to offer direct and related services to low incidence handicapped students of the region. Local, city, and exempted village school districts receive services from Hopewell. Hopewell is operated under regulations and policies established by the Ohio Department of Education, and its own advisory board. The advisory board is made up of superintendents from the school districts or their designee, plus a representative from the Southern Ohio Educational Service Center, a representative from the board of mental retardation and developmental disabilities, two joint vocational school superintendents and five parents of handicapped children living in the region. The Southern Ohio Educational Service Center acts as fiscal agent. Hopewell receives funding from the contracts with each of the member school districts and federal and State grants. To obtain financial information, write to Hopewell at the Southern Ohio Educational Service Center, 3321 Airborne Drive, Wilmington, Ohio, 45177.

Southwestern Ohio Educational Purchasing Council

The District participates in the Southwestern Ohio Educational Purchasing Council (SOEPC), a purchasing council made up of nearly 100 school districts in 12 counties. The purpose of the SOEPC is to obtain prices

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Any district withdrawing from the SOEPC forfeits its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations during the one year period. Payments to SOEPC are made from the General Fund. To obtain financial information, write to the Director at Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

Note 14 - Set-Aside Calculations and Fund Reserves

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

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

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2024	\$0
Current Year Set Aside Requirements	809,442
Qualified Disbursements	0
Current Year Offsets	(809,442)
Set Aside Reserve Balance as of June 30, 2025	\$0
Restricted Cash as of June 30, 2025	\$0
Carried Forward to FY 2026	

Offset credits for capital activity during the year exceeded the amounts required for the set aside, resulting in offset credits of \$13,268,406 available for carryover to offset capital acquisition requirements of future years.

Note 15 – Contingencies

Foundation Funding

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2025 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2025 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

Grants

The 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

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2025, if applicable, cannot be determined at this time.

Litigation

The District is not involved in any litigation as of June 30, 2025.

Note 16 – Accountability

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

Fund	Deficit
Other Governmental Funds:	
EMIS	\$8,106
Public Preschool	27,369
Title I	98,351
IDEA B	64,267
IDEA Preschool	3,626
Improving Teacher Quality	10,786

These deficits were created by the recognition of accrued liabilities.

Note 17 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District 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:

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Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

<u>Fund Balances</u>	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Nonspendable:				
Unclaimed Monies	\$14,265	\$0	\$0	\$14,265
Prepays	44,001	0	401,481	445,482
Total Nonspendable	58,266	0	401,481	459,747
Restricted for:				
Other Grants	0	0	79,115	79,115
Classroom Facilities Maintenance	0	0	1,113,565	1,113,565
Athletic	0	0	112,173	112,173
Food Service	0	0	15,710	15,710
Special Revenue	0	0	74,810	74,810
Student Activity	0	0	213,386	213,386
Debt Service	0	5,367,269	0	5,367,269
Total Restricted	0	5,367,269	1,608,759	6,976,028
Committed to:				
Permanent Improvements	0	0	2,164,268	2,164,268
Termination Benefits	532,486	0	0	532,486
Total Committed	532,486	0	2,164,268	2,696,754
Assigned to:				
Budgetary Resources	972,240	0	0	972,240
Encumbrances	677,152	0	0	677,152
Public Schools	196,196	0	0	196,196
Total Assigned	1,845,588	0	0	1,845,588
Unassigned (Deficit)	23,942,776	0	(212,505)	23,730,271
Total Fund Balance	\$26,379,116	\$5,367,269	\$3,962,003	\$35,708,388

Note 18 – Related Party Disclosures

The District has evaluated its financial transactions, arrangements, and relationships in accordance with the requirements of the U.S. Department of Education (34 CFR §668.23(d)(1)) and Auditor of State Technical Bulletin 2025-001, which extend beyond the disclosure requirements of GASB Codification Section 2250, Related Party Transactions.

Management has determined that, for the fiscal year ended June 30, 2025, the District had no related party relationships, related entities, related party transactions, or related party outstanding balances that are required to be disclosed. Accordingly, no related party disclosures are presented in these financial statements.

Adams County/Ohio Valley School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 19 – Implementation of New Accounting Principles

New Accounting Principles

For fiscal year 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, GASB Statement No. 102, Certain Risk Disclosures, and GASB Implementation Guide No. 2025-1.

GASB Statement No. 102 addresses the variety of risks that state and local governments face that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the District.

GASB Implementation Guide No. 2025-1 includes providing clarity on a range of accounting issues for state and local governments. These topics under GASB Implementation Guide No. 2025-1 provisions were implemented and did not have an effect on the financial statements of the District.

GASB Statement No. 101 sets out to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 had the following effect on net position as reported June 30, 2024, by opinion unit affected:

	<u>Government-Wide</u>
	Governmental
	<u>Activities</u>
Net Position-Beginning of Year, as Previously Presented	\$35,284,591
Change in Accounting Principle- Adoption of GASB 101	<u>(6,542,093)</u>
Net Position-Beginning of Year, as Restated or Adjusted	<u><u>\$28,742,498</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

Adams County/Ohio Valley School District, Ohio
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.18408350%	\$9,416,969	\$7,714,614	122.07%	78.52%
2024	0.18381560%	10,156,759	7,292,450	139.28%	76.06%
2023	0.17767970%	9,610,300	6,637,343	144.79%	75.82%
2022	0.18668540%	6,888,150	6,443,893	106.89%	82.86%
2021	0.16304640%	10,784,232	5,716,050	188.67%	68.55%
2020	0.17156910%	10,265,280	5,885,793	174.41%	70.85%
2019	0.18040110%	10,331,905	5,805,978	177.95%	71.36%
2018	0.16774770%	10,022,555	5,623,914	178.21%	69.50%
2017	0.16708540%	12,229,110	5,189,050	235.67%	62.98%
2016	0.16128860%	9,203,284	5,719,385	160.91%	69.16%

(1) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Adams County/Ohio Valley School District, Ohio
 Required Supplementary Information
 Schedule of the District's Contributions for Net Pension Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$1,082,466	(\$1,082,466)	\$0	\$7,731,900	14.00%
2024	1,080,046	(1,080,046)	0	7,714,614	14.00%
2023	1,020,943	(1,020,943)	0	7,292,450	14.00%
2022	929,228	(929,228)	0	6,637,343	14.00%
2021	902,145	(902,145)	0	6,443,893	14.00%
2020	800,247	(800,247)	0	5,716,050	14.00%
2019	794,582	(794,582)	0	5,885,793	13.50%
2018	783,807	(783,807)	0	5,598,621	14.00%
2017	787,348	(787,348)	0	5,623,914	14.00%
2016	726,467	(726,467)	0	5,189,050	14.00%

See accompanying notes to the required supplementary information.

Adams County/Ohio Valley School District, Ohio
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.16376443%	\$31,510,922	\$23,215,029	135.74%	82.55%
2024	0.16548242%	35,636,536	21,420,343	166.37%	80.02%
2023	0.16863169%	37,487,037	22,741,157	164.84%	78.88%
2022	0.16513330%	21,113,777	20,375,657	103.62%	87.78%
2021	0.16321008%	39,491,032	20,241,600	195.10%	75.50%
2020	0.16393621%	36,253,508	19,811,914	182.99%	77.40%
2019	0.16658281%	36,627,820	19,109,571	191.67%	77.30%
2018	0.16193890%	38,468,933	17,080,457	225.22%	75.30%
2017	0.15847894%	53,047,678	16,090,886	329.68%	66.80%
2016	0.15331592%	42,372,036	15,738,007	269.23%	72.10%

(1) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Adams County/Ohio Valley School District, Ohio
 Required Supplementary Information
 Schedule of the District's Contributions for Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$3,208,968	(\$3,208,968)	\$0	\$22,921,200	14.00%
2024	3,250,104	(3,250,104)	0	23,215,029	14.00%
2023	2,998,848	(2,998,848)	0	21,420,343	14.00%
2022	3,183,762	(3,183,762)	0	22,741,157	14.00%
2021	2,852,592	(2,852,592)	0	20,375,657	14.00%
2020	2,833,824	(2,833,824)	0	20,241,600	14.00%
2019	2,773,668	(2,773,668)	0	19,811,914	14.00%
2018	2,675,340	(2,675,340)	0	19,109,571	14.00%
2017	2,391,264	(2,391,264)	0	17,080,457	14.00%
2016	2,252,724	(2,252,724)	0	16,090,886	14.00%

See accompanying notes to the required supplementary information.

Adams County/Ohio Valley School District, Ohio
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Nine Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.18688480%	\$1,903,413	\$7,714,614	24.67%	44.50%
2024	0.18838440%	3,103,530	7,292,450	42.56%	30.02%
2023	0.18124570%	2,544,709	6,637,343	38.34%	30.34%
2022	0.19203740%	3,634,465	6,443,893	56.40%	24.08%
2021	0.16679540%	3,625,010	5,716,050	63.42%	18.17%
2020	0.17570890%	4,418,709	5,885,793	75.07%	15.57%
2019	0.18237080%	5,059,459	5,598,621	90.37%	13.57%
2018	0.17026500%	4,569,465	5,623,914	81.25%	12.46%
2017	0.16924714%	4,824,169	5,189,050	92.97%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Adams County/Ohio Valley School District, Ohio
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years (1)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$133,159	(\$133,159)	\$0	\$7,731,900	1.72%
2024	130,349	(130,349)	0	7,714,614	1.69%
2023	133,600	(133,600)	0	7,292,450	1.83%
2022	116,147	(116,147)	0	6,637,343	1.75%
2021	121,244	(121,244)	0	6,443,893	1.88%
2020	95,813	(95,813)	0	5,716,050	1.68%
2019	136,134	(136,134)	0	5,885,793	2.31%
2018	137,985	(137,985)	0	5,598,621	2.46%
2017	92,983	(92,983)	0	5,623,914	1.65%
2016	76,574	(76,574)	0	5,189,050	1.48%

(1) Includes surcharge.

See accompanying notes to the required supplementary information

Adams County/Ohio Valley School District, Ohio
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability
 State Teachers Retirement System of Ohio
 Last Nine Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2025	0.16376443%	(\$3,106,298)	\$23,215,029	(13.38%)	158.01%
2024	0.16548242%	(3,218,404)	21,420,343	(15.02%)	168.52%
2023	0.16863169%	(4,366,435)	22,741,157	(19.20%)	230.73%
2022	0.16513300%	(3,481,694)	20,375,657	(17.09%)	174.73%
2021	0.16321008%	(2,868,416)	20,241,600	(14.17%)	182.13%
2020	0.16393621%	(2,715,177)	19,811,914	(13.70%)	174.74%
2019	0.16658281%	(2,676,815)	19,109,571	(14.01%)	176.00%
2018	0.16193890%	6,318,258	17,080,457	36.99%	47.10%
2017	0.15847894%	8,475,495	16,090,886	52.67%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Adams County/Ohio Valley School District, Ohio
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB (Asset)/Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$0	\$0	\$0	\$22,921,200	0.00%
2024	0	0	0	23,215,029	0.00%
2023	0	0	0	21,420,343	0.00%
2022	0	0	0	22,741,157	0.00%
2021	0	0	0	20,375,657	0.00%
2020	0	0	0	20,241,600	0.00%
2019	0	0	0	19,811,914	0.00%
2018	0	0	0	19,109,571	0.00%
2017	0	0	0	17,080,457	0.00%
2016	0	0	0	16,090,886	0.00%

See accompanying notes to the required supplementary information

Adams County/Ohio Valley School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$9,612,259	\$10,064,268	\$10,206,603	\$142,335
Tuition and Fees	1,175,623	1,230,906	1,248,314	17,408
Investment Earnings	1,056,629	1,106,316	1,121,962	15,646
Intergovernmental	33,686,479	35,270,560	35,769,377	498,817
Other Revenues	170,943	178,982	181,513	2,531
Total Revenues	45,701,933	47,851,032	48,527,769	676,737
Expenditures:				
Current:				
Instruction:				
Regular	21,206,301	20,426,453	17,432,851	2,993,602
Special	12,098,524	11,653,609	9,945,712	1,707,897
Vocational	3,244,033	3,124,736	2,666,790	457,946
Adult/Continuing	585,823	564,280	481,582	82,698
Other	236,224	227,537	194,190	33,347
Support Services:				
Pupil	2,936,167	2,828,191	2,413,705	414,486
Instructional Staff	1,389,357	1,338,265	1,142,135	196,130
General Administration	106,922	102,990	87,896	15,094
School Administration	6,085,837	5,862,034	5,002,923	859,111
Fiscal	2,527,262	2,434,324	2,077,561	356,763
Business	82,332	79,304	67,682	11,622
Operations and Maintenance	4,683,770	4,511,528	3,850,340	661,188
Pupil Transportation	3,420,623	3,294,832	2,811,957	482,875
Central	286,258	275,731	235,321	40,410
Operation of Non-Instructional Services	71,472	68,843	58,754	10,089
Extracurricular Activities	611,416	588,932	502,621	86,311
Total Expenditures	59,572,321	57,381,589	48,972,020	8,409,569
Excess of Revenues Over (Under) Expenditures	(13,870,388)	(9,530,557)	(444,251)	9,086,306
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	37,655	39,425	39,983	558
Advances In	1,453,481	1,521,829	1,543,352	21,523
Advances (Out)	(1,761,303)	(1,696,533)	(1,447,897)	248,636
Transfers In	935,649	979,647	993,502	13,855
Transfers (Out)	(726,177)	(699,472)	(596,961)	102,511
Total Other Financing Sources (Uses)	(60,695)	144,896	531,979	387,083
Net Change in Fund Balance	(13,931,083)	(9,385,661)	87,728	9,473,389
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	19,297,671	19,297,671	19,297,671	0
Fund Balance - End of Year	\$5,366,588	\$9,912,010	\$19,385,399	\$9,473,389

See accompanying notes to the required supplementary information.

Adams County/Ohio Valley School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

Note 1 – Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original 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 issued during the fiscal year 2025.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution 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 Board during the year.

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (Non-GAAP Basis) presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP 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 for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

Adams County/Ohio Valley School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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

	Net Change in Fund Balance
	General
GAAP Basis	\$1,268,110
Revenue Accruals	(10,574,841)
Expenditure Accruals	9,421,997
Proceeds of Capital Assets	39,983
Transfers In	993,502
Transfers (Out)	(343,501)
Advances In	1,543,352
Advances (Out)	(1,447,897)
Encumbrances	(812,977)
Budget Basis	<u>\$87,728</u>

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2025: Effective August 1, 2024, HB 33 established a Contribution-Based Benefit Cap (CBBC). Under this provision, a member's retirement allowance (and any survivor benefit derived from that allowance) will be limited if the calculated benefit under the statutory formula exceeds the CBBC amount.

2023-2024: There were no changes in benefit terms since the prior measurement period.

2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2023-2025: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Cost of Living Adjustments (COLA) was increased from 2.00% to 2.50% for calendar years 2025, 2024 and 2023.

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

Adams County/Ohio Valley School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,
- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
- (5) The discount rate was reduced from 7.50% to 7.00%,
- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2025: In March 2024, the Board adopted a change in the service retirement eligibility requirements for both unreduced and actuarially reduced benefits. This change is effective for retirements beginning June 1, 2024. The change allows for unreduced retirement at 34 years of service indefinitely (was previously set to increase to 35 years beginning August 1, 2029). The change also allows for an actuarially reduced retirement at any age with 29 years of service.

2019-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2025: Retirement rates were extended to younger ages intended to ensure that the ranges in retirement

Adams County/Ohio Valley School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

eligibility impacted participants at such ages. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

2023: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table:
 - a. Adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020
- (2) Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table:
 - a. Adjusted 95.0% for females, projected forward generationally using mortality improvement scale MP-2020
- (3) Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table:
 - a. Projected forward generationally using mortality improvement scale MP-2020
- (4) Projected salary increases changed from 2.50% to 12.50% to 2.50% to 8.50%

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2025: The SERS Board increased the minimum compensation used for determining the health care surcharge from \$25,000 to \$30,000.

2024: Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

Adams County/Ohio Valley School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

2017-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2025: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	4.27%
Measurement Date	4.88%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.86%
Measurement Date	3.93%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	4.27%
Measurement Date	4.88%
- (4) Health care trend rates were updated.
- (5) Fiduciary Net Position projected depletion changed from 2048 to 2059.

2024: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	4.08%
Measurement Date	4.27%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.69%
Measurement Date	3.86%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	4.08%
Measurement Date	4.27%
- (4) The assumption for percent of pre-Medicare eligible retirees who choose the Wraparound plan increased from 10% to 20%.
- (5) The health care trend assumption on retiree premiums was updated to not apply trend to the \$35 surcharge.
- (6) The morbidity factors were updated based on the Society of Actuaries' June 2013 research report Health Care Costs—From Birth to Death by Dale Yamamoto and from the ASOP 6 practice note developed by the American Academy of Actuaries.
- (7) An assumption was added to assume that 15% of pre-65 retirees who waive will elect coverage upon Medicare eligibility.

2023: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	2.27%
Measurement Date	4.08%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	1.92%
Measurement Date	3.69%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	2.27%
Measurement Date	4.08%

Adams County/Ohio Valley School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

- (4) Health care trend rates were updated.

2022: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	2.63%
Measurement Date	2.27%
- (2) Investment Rate of Return:

Prior Measurement Date	7.50%
Measurement Date	7.00%
- (3) Assumed Rate of Inflation:

Prior Measurement Date	3.00%
Measurement Date	2.40%
- (4) Payroll Growth Assumption:

Prior Measurement Date	3.50%
Measurement Date	1.75%
- (5) Assumed Real Wage Growth:

Prior Measurement Date	0.50%
Measurement Date	0.85%
- (6) Municipal Bond Index Rate:

Prior Measurement Date	2.45%
Measurement Date	1.92%
- (7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	2.63%
Measurement Date	2.27%
- (8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- (9) Rate of health care participation for future retirees and spouses was updated to reflect recent.
- (10) Mortality among active members was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Employee mortality table.
- (11) Mortality among service retired members was updated to the following:
 - a. 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% for males and set forward 2 years and adjusted 81.35% for females.
- (12) Mortality among beneficiaries was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
- (13) Mortality among disabled member was updated to the following:
 - a. PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.
- (14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	3.22%
Measurement Date	2.63%

Adams County/Ohio Valley School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

- (2) Municipal Bond Index Rate:
- | | |
|------------------------|-------|
| Prior Measurement Date | 3.13% |
| Measurement Date | 2.45% |
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- | | |
|------------------------|-------|
| Prior Measurement Date | 3.22% |
| Measurement Date | 2.63% |

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
- | | |
|------------------------|-------|
| Prior Measurement Date | 3.70% |
| Measurement Date | 3.22% |
- (2) Municipal Bond Index Rate:
- | | |
|------------------------|-------|
| Prior Measurement Date | 3.62% |
| Measurement Date | 3.13% |
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- | | |
|------------------------|-------|
| Prior Measurement Date | 3.70% |
| Measurement Date | 3.22% |

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
- | | |
|------------------------|-------|
| Prior Measurement Date | 3.63% |
| Measurement Date | 3.70% |
- (2) Municipal Bond Index Rate:
- | | |
|------------------------|-------|
| Prior Measurement Date | 3.56% |
| Measurement Date | 3.62% |
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- | | |
|------------------------|-------|
| Prior Measurement Date | 3.63% |
| Measurement Date | 3.70% |

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
- | | |
|------------------|-------|
| Fiscal Year 2018 | 3.63% |
| Fiscal Year 2017 | 2.98% |
- (2) Municipal Bond Index Rate:
- | | |
|------------------|-------|
| Fiscal Year 2018 | 3.56% |
| Fiscal Year 2017 | 2.92% |
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- | | |
|------------------|-------|
| Fiscal Year 2018 | 3.63% |
| Fiscal Year 2017 | 2.98% |

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,

Adams County/Ohio Valley School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

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

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

2022: The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. 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 CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% 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% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944%

Adams County/Ohio Valley School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% 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 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in Assumptions:

2025: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal years.

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately \$0.26 billion. The assumption changes included changes in healthcare costs and trends.

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

2018: The discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans

Adams County/Ohio Valley School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

(OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. 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.

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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**ADAMS COUNTY OHIO VALLEY LOCAL SCHOOL DISTRICT
ADAMS COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Child Nutrition Cluster:			
National School Lunch Program:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	3L60	\$173,448
Cash Assistance:			
National School Lunch Program	10.555	3L60	1,412,817
School Breakfast Program:			
School Breakfast Program	10.553	3L70	432,469
Total Child Nutrition Cluster			<u>2,018,734</u>
Total U.S. Department of Agriculture			<u>2,018,734</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Special Education Cluster:			
Special Education - Grants to States	84.027	3M20	1,054,392
Special Education - Preschool Grants	84.173	3C50	19,934
Total Special Education Cluster			<u>1,074,326</u>
Emergency Relief Fund	84.425U	3HS0	2,797,497
Title I Grants to Local Educational Agencies	84.010	3M00	2,358,960
Career and Technical Education - Basic Grants to States	84.048	3Y20	107,971
Supporting Effective Instruction State Grants	84.367	3Y60	219,672
Rural Education	84.358	3Y80	206,016
Student Support and Academic Enrichment Program	84.424	3HI0	<u>151,350</u>
Total U.S. Department of Education			<u>6,915,792</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>			
<i>Passed Through Ohio Facilities Construction Commission:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	5CV3	<u>30,214</u>
Total U.S. Department of the Treasury			<u>30,214</u>
Total Expenditures of Federal Awards			<u><u>\$8,964,740</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

Adams County / Ohio Valley Local School District
Adams County

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that benefitted 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**

Adams County / Ohio Valley Local School District
Adams County
141 Lloyd Rd
West Union, Ohio 45693

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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Adams County / Ohio Valley Local School District, Adams County, (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 30, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2025-001.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and corrective action plan. The 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BHM CPA Group Inc.
Portsmouth, Ohio
December 30, 2025



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

Adams County / Ohio Valley Local School District
Adams County
141 Lloyd Rd
West Union, Ohio 45693

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the 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 District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and somewhat stylized.

BHM CPA Group Inc.
Portsmouth, Ohio
December 30, 2025

Adams County / Ohio Valley Local School District
Adams County, Ohio

Schedule of Findings
2 CFR § 200.515
June 30, 2025

1. SUMMARY OF AUDITOR'S RESULTS

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

Adams County / Ohio Valley Local School District
Adams County, Ohio

Schedule of Findings
2 CFR § 200.515
June 30, 2025

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

FINDING NUMBER 2025-001

Material Noncompliance Citation

Ohio Rev. Code § 5705.41(B) prohibits subdivisions or taxing authorities from expending money unless it has been appropriated. In addition, Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section states that any amendments to an appropriation measure be made by Board resolution and comply with the same provisions of the law as used in making the original appropriations.

The District did not properly modify its appropriations at the legal level of control in the General Fund. Due to not properly modifying appropriations, disbursements exceeded appropriations in the General Fund.

By not timely and properly modifying the District's appropriations, the District may not adequately monitor appropriations versus disbursements. With disbursements exceeding appropriations, overspending may occur which may result in a negative fund balance.

We recommend the District comply with Ohio Revised Code by monitoring disbursements, so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary, subsequent to the passage of permanent appropriations.

Officials' Response: See corrective action plan.

3. FINDINGS FOR FEDERAL AWARDS

None noted



Adams County/Ohio Valley School District

141 Lloyd Road
West Union, Ohio 45693-9237
TELEPHONE: 937-544-5586

Corrective Action Plan
2 CFR § 200.511(c)
June 30, 2025

Corrective Action Plan for Finding 2025-001:

Finding Control Number: 2025-001

Summary of Finding: Contrary to Ohio Rev. Code § 5705.41(B), the District's expenditures in the General Fund exceeded the appropriations as approved by the Board of Education at the legal level of control.

Corrective Action: The Treasurer will monitor the expenditures in each fund and regularly compare to the permanent appropriations approved by the Board of Education. The Treasurer will recommend, when appropriate, supplemental and amended appropriation measures to ensure the District is maintaining compliance with Ohio law.

Contact Person: The official responsible for completing the corrective action is listed below:

Sherri Spencer
Adams County / Ohio Valley Local School District Treasurer
Phone: (937) 544-5586
Email: sherri.spencer@ovsd.us

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OHIO AUDITOR OF STATE KEITH FABER



ADAMS COUNTY/OHIO VALLEY LOCAL SCHOOL DISTRICT

ADAMS 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 4/14/2026

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

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