OHIO AUDITOR OF STATE
KEITH FABER

GALLIA-VINTON EDUCATIONAL SERVICE CENTER
GALLIA COUNTY
JUNE 30, 2025

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GALLIA COUNTY
JUNE 30, 2025

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OHIO AUDITOR OF STATE
KEITH FABER

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INDEPENDENT AUDITOR'S REPORT

Gallia-Vinton Educational Service Center
Gallia County
P.O. Box 178
Rio Grande, Ohio 45674

To the Governing Body:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gallia-Vinton Educational Service Center, Gallia County, Ohio (the Center), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gallia-Vinton Educational Service Center, Gallia County, Ohio, as of June 30, 2025, and the respective changes in financial position thereof and the 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 Center, 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 Center'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 Center'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 Center's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and Schedules of Net Pension and Other Post-Employment Benefit Liabilities and Pension and Other Post-Employment Benefit Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund and 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund and the Schedule of Expenditures of Federal Awards are 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 January 22, 2026, on our consideration of the Center'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 Center'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 Center's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

January 22, 2026

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The Gallia-Vinton Educational Service Center's (the Center) discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Center's financial performance.

Financial Highlights

- The Center's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2025 by $406,040.
- The Center's net position of governmental activities increased $502,163.
- General revenues accounted for $2,589,632 or 24 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $8,344,309 or 76 percent of total revenues of $10,933,941.
- The Center had $10,431,778, in expenses related to governmental activities; $8,344,309 of these expenses were offset by program specific charges for services and operating grants and contributions.

Using This Annual Financial Report

This annual report consists of a series of financial statements. These statements are presented so that the reader can understand the Gallia-Vinton Educational Service Center's financial situation as a whole and also give a detailed view of the Center's financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the Center as a whole and present a longer-term view of the Center's 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 the amount of funds available for future spending. The fund financial statements also look at the Center's most significant funds with all other non-major funds presented in total in one column.

Reporting the Center as a Whole

The analysis of the Center as a whole begins with the statement of net position and the statement of activities. These reports provide information that will help the reader to determine whether the Center is financially improving or declining as a result of the year's financial activities. These statements include all assets, liabilities, and deferred inflows/outflows of resources using the accrual basis of accounting similar to the accounting used by private sector companies.

All current year revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Center's net position and changes to that position. This change informs the reader whether the Center's financial position, as a whole, has improved or diminished. In evaluating the overall financial health, the user of these financial statements needs to take into account non-financial factors that also impact the Center's financial well-being. Some of these factors include the condition of capital assets, and required educational support services to be provided.

In the Statement of Net Position and the Statement of Activities, the Center has only one kind of activity.

- Governmental Activities. All of the Center's programs and services are reported here including support services, operation and maintenance of plant, and pupil transportation.

Reporting the Center's Most Significant Funds

Fund Financial Statements

Fund financial statements provide detailed information about the Center's major fund – not the Center as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the Center is meeting legal responsibilities for use of grants. The Gallia-Vinton Educational Service Center's major fund is the general fund.

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

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

The Center as a Whole

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

(Table 1)
Net Position
Governmental Activities

	2025	2024
Assets		
Current and Other Assets	$6,306,836	$5,665,511
Capital Assets, Net	106,046	22,151
Total Assets	6,412,882	5,687,662
Deferred Outflows	2,734,663	2,738,161
Liabilities		
Current and Other Liabilities	317,524	537,742
Long-Term Liabilities	6,800,495	6,629,441
Total Liabilities	7,118,019	7,167,183
Deferred Inflows	1,623,486	1,346,460

(Table 1)
Net Position
Governmental Activities
(continued)

	2025	2024
Net Position		
Net Investment in Capital Assets	$13,060	$22,151
Restricted	353,261	65,252
Unrestricted (Deficit)	39,719	(175,223)
Total Net Position	$406,040	($87,820)

The net pension liability (NPL) is the largest single liability reported by the Center at June 30, 2025 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27."

Total net position of the Center as a whole increased $493,860 before consideration of implementation of GASB 101 as documented in Table 2. The increase to current and other assets is primarily due to an increase in cash which was partially offset by a decrease in intergovernmental receivables. Capital assets net increased primarily due to asset additions which was partially offset by current year depreciation. Deferred outflows of resources changed due to pension and OPEB activity.

Current and other liabilities decreased primarily due to a decrease in accounts payable and intergovernmental payables. Long-term liabilities overall increased primarily due to pension liabilities.

Deferred inflows of resources changed due primarily to pension and OPEB activity.

Table 2 shows the highlights of the Center'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.

(Table 2)
Change in Net Position
Governmental Activities

	2025	2024
Revenues		
Program Revenues		
Charges for Services and Sales	$7,282,572	$8,353,191
Operating Grants, Contributions, and Interest	1,061,737	2,182,915
Total Program Revenues	8,344,309	10,536,106
General Revenues		
Grants and Entitlements not Restricted for Specific Programs	2,446,777	1,891,390
Gifts and Donations not Restricted for Specific Programs	3,200	0
Investment Earnings	97,801	49,088
Miscellaneous	41,854	21,981
Total General Revenues	2,589,632	1,962,459
Total Revenues	10,933,941	12,498,565

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

	2025	2024
Program Expenses		
Instruction		
Regular	$2,059,721	$2,428,012
Support Services		
Pupils	350,745	431,206
Instructional Staff	4,072,302	4,454,723
Board of Education	47,307	31,146
Administration	1,908,528	1,708,563
Fiscal	458,823	432,316
Operation and Maintenance of Plant	18,169	39,240
Pupil Transportation	882,751	912,597
Central	560,106	596,519
Operation of Non-Instructional Services	73,326	135,258
Total Expenses	10,431,778	11,169,580
Change in Net Position	502,163	1,328,985
Net Position at Beginning of Year, As Previously Reported	(87,820)	(1,416,805)
Implementation of GASB No. 101	(8,303)	0
Net Position Beginning of Year, As Restated	(96,123)	(1,416,805)
Net Position at Ending of Year	$406,040	($87,820)

Governmental Activities

Charges for services comprised 67 percent of revenue, grants and entitlements not restricted for specific use comprised 22 percent, while operating grants and contributions comprised 10 percent of revenue for governmental activities of the Gallia-Vinton Educational Service Center for fiscal year 2025. The decrease in charges for services was primarily a result of decreased revenue for services provided to local school districts. Operating grants and contributions decreased primarily to the ESC receiving less monies for the Family Engagement Liaison program. The increase to grants and entitlements, not restricted to specific programs is due to increased monies received through the foundation.

As indicated by governmental program expenses, support services for the benefit of the instructional staff and administration is emphasized. Instructional staff support services and administration support services comprised 39 percent and 18 percent of governmental program expenses, respectively. Regular instruction also constitutes a significant program expense comprising 20 percent.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for 2025 as compared with 2024. That is, it identifies the cost of these services supported by unrestricted State entitlements.

Table 3
Total and Net Cost of Program Services
Governmental Activities

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Services:				
Instruction	$2,059,721	$457,109	$2,428,012	$196,242
Support Services	8,298,731	1,613,265	8,606,310	475,038
Operation of Non-Instructional	73,326	17,095	135,258	(37,806)
Total Expenses	$10,431,778	$2,087,469	$11,169,580	$633,474

The Center's Funds

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of $11,016,192 and expenditures of $10,214,959.

The fund balance of the General Fund increased in the amount of $791,736. This increase was due to revenues exceeding expenditures during the year.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the Center had $106,046 invested in its capital assets. For additional information on capital assets, see note 4 of the basic financial statements. Table 4 shows the fiscal year 2025 balances compared to 2024.

Table 4
Capital Assets
(Net of Accumulated Depreciation)

Governmental Activities

	2025	2024
Furniture and Equipment	$13,699	$22,151
Right to Use Leased Assets	92,347	0
Totals	$106,046	$22,151

Changes in capital assets from the prior year resulted from additions and depreciation.

Debt

At June 30, 2025, the Center did not have any outstanding debt obligations. See Note 9 to the basic financial statements for more detailed information related to other long-term obligations.

Economic Factors

The Center relies heavily on grants for its funding. It received the 21st Century Grant, College Credit Plus, TANF Grants, and SPDG MTSS-Literacy Grant in fiscal year 2025. The Center is continually applying for new grants.

Contacting the Center's Financial Management

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the Center's financial condition and to show the Center's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Jay Carter, Treasurer, Gallia-Vinton Educational Service Center, P.O. Box 178, Rio Grande, Ohio 45674.

Gallia-Vinton Educational Service Center
Statement of Net Position
As of June 30, 2025

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	$5,704,353
Accounts Receivable	41,259
Intergovernmental Receivable	26,328
Prepaid Items	10,053
Net OPEB Asset	524,843
Depreciable Capital Assets, net	106,046
Total Assets	6,412,882
Deferred Outflows of Resources:	
Pension	2,386,788
OPEB	347,875
Total Deferred Outflows of Resources	2,734,663
Liabilities:	
Accounts Payable	62,881
Accrued Wages and Benefits Payable	84,218
Intergovernmental Payable	170,425
Long-Term Liabilities:	
Due Within One Year	61,435
Due in More Than One Year	85,776
Net Pension Liability	6,429,585
Net OPEB Liability	223,699
Total Liabilities	7,118,019
Deferred Inflows of Resources:	
Pension	757,521
OPEB	865,965
Total Deferred Inflows of Resources	1,623,486
Net Position:	
Net Investment in Capital Assets	13,060
Restricted for Other Purposes	81,652
Restricted for Net OPEB Asset	271,609
Unrestricted	39,719
Total Net Position	$406,040

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

Gallia-Vinton Educational Service Center
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:				
Instruction:				
Regular	$2,059,721	$1,403,000	$199,612	($457,109)
Support Services:				
Pupils	350,745	267,431	0	(83,314)
Instructional Staff	4,072,302	2,810,021	503,279	(759,002)
Board of Education	47,307	37,434	0	(9,873)
Administration	1,908,528	1,372,506	143,130	(392,892)
Fiscal	458,823	334,747	27,500	(96,576)
Operation and Maintenance of Plant	18,169	14,058	0	(4,111)
Pupil Transportation	882,751	603,288	110,306	(169,157)
Central	560,106	383,856	77,910	(98,340)
Operation of Non-Instructional Services	73,326	56,231	0	(17,095)
Total Governmental Activities	$10,431,778	$7,282,572	$1,061,737	(2,087,469)

General Revenues:	
Grants and Entitlements not Restricted for Specific Programs	2,446,777
Gifts and Donation not Restricted for Specific Programs	3,200
Investment Earnings	97,801
Miscellaneous	41,854
Total General Revenues	2,589,632
Change in Net Position	502,163
Net Position Beginning of Year, As Previously Reported	(87,820)
Adjustment for Implementation of GASB 101	(8,303)
Net Position Beginning of Year	(96,123)
Net Position End of Year	$406,040

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

Gallia-Vinton Educational Service Center
Balance Sheet
Governmental Funds
As of June 30, 2025

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Cash Equivalents	$5,624,040	$80,313	$5,704,353
Accounts Receivable	41,259	0	41,259
Interfund Receivable	10,713	0	10,713
Intergovernmental Receivable	5,699	20,629	26,328
Prepaid Items	10,053	0	10,053
Total Assets	$5,691,764	$100,942	$5,792,706
Liabilities:			
Accounts Payable	$60,105	$2,776	$62,881
Accrued Wages and Benefits Payable	79,842	4,376	84,218
Interfund Payable	0	10,713	10,713
Intergovernmental Payable	168,181	2,244	170,425
Total Liabilities	308,128	20,109	328,237
Deferred Inflows of Resources:			
Unavailable Revenue	0	10,735	10,735
Total Deferred Inflows of Resources	0	10,735	10,735
Fund Balances:			
Nonspendable	10,053	0	10,053
Restricted	0	77,537	77,537
Assigned	24,641	0	24,641
Unassigned (Deficit)	5,348,942	(7,439)	5,341,503
Total Fund Balances	5,383,636	70,098	5,453,734
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$5,691,764	$100,942	$5,792,706

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

Gallia-Vinton Educational Service Center

Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
As of June 30, 2025

Total Governmental Fund Balances		$5,453,734
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.		106,046
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		
Grants	10,735	
Total		10,735
The net pension/OPEB liability (asset) is not due and payable (receivable) in the current period. Therefore, the liability (asset) and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows-Pension	2,386,788	
Deferred Outflows-OPEB	347,875	
Deferred Inflows-Pension	(757,521)	
Deferred Inflows-OPEB	(865,965)	
Net Pension Liability	(6,429,585)	
Net OPEB Asset	524,843	
Net OPEB Liability	(223,699)	
Total		(5,017,264)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Lease Obligation	(92,986)	
Compensated Absences	(54,225)	
Total		(147,211)
Net Position of Governmental Activities		$406,040

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

Gallia-Vinton Educational Service Center

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2025

	General Fund	(formerly major) Family Engagement Liasion Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Intergovernmental	$2,446,777	$0	$1,051,002	$3,497,779
Interest	97,801	0	0	97,801
Tuition and Fees	729,869	0	0	729,869
Gifts and Donations	3,200	0	0	3,200
Customer Sales and Services	6,552,703	0	0	6,552,703
Miscellaneous	41,854	0	0	41,854
Total Revenues	9,872,204	0	1,051,002	10,923,206
Expenditures:				
Current:				
Instruction:				
Regular	1,749,467	0	218,136	1,967,603
Support Services:				
Pupils	335,219	0	0	335,219
Instructional Staff	3,503,734	0	464,820	3,968,554
Board of Education	46,678	0	0	46,678
Administration	1,709,812	0	142,918	1,852,730
Fiscal	415,610	0	27,500	443,110
Operation and Maintenance of Plant	17,530	0	0	17,530
Pupil Transportation	752,268	0	110,306	862,574
Central	478,648	0	77,825	556,473
Operation of Non-Instructional Services	71,502	0	0	71,502
Capital Outlay	92,986	0	0	92,986
Total Expenditures	9,173,454	0	1,041,505	10,214,959
Excess of Revenues Over Expenditures	698,750	0	9,497	708,247
Other Financing Sources:				
Inception of Lease	92,986	0	0	92,986
Total Other Financing Sources	92,986	0	0	92,986
Net Change in Fund Balances	791,736	0	9,497	801,233
Fund Balance at Beginning of Year as Previously Reported	4,591,900	17,705	42,896	4,652,501
Adjustment for Change in Major Funds	0	(17,705)	17,705	0
Fund Balance at Beginning of Year as Adjusted	4,591,900	0	60,601	4,652,501
Fund Balance at End of Year	$5,383,636	$0	$70,098	$5,453,734

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

Gallia-Vinton Educational Service Center
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds		$801,233
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital outlay and depreciation for in the current period.		
Capital Asset Additions	109,000	
Current Year Depreciation	(25,105)	
Total		83,895
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Grants	10,735	
Total		10,735
Inception of lease is reported in the statement of revenues, expenditures, and changes in fund balances as an other financing source but is not reported as revenues in the statement of activities.		(92,986)
Contractually required contributions are reported as expenditures in governmental funds. However, the statement of net position reports these amounts as deferred outflows.		
Pension	517,629	
OPEB	14,240	
Total		531,869
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability (asset) are reported as pension/OPEB expense (gain) in the statement of activities.		
Pension	(986,829)	
OPEB	156,110	
Total		(830,719)
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	(1,864)	
Total		(1,864)
Net Change in Net Position of Governmental Activities		$502,163

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

Note 1 – Description of the Center and Reporting Entity

The Gallia-Vinton Educational Service Center (the Center) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Center is a County Educational Service Center as defined by Section 3311.05 of the Ohio Revised Code. The Center is an administrative entity providing supervision and certain other services to the local school districts located in Gallia and Vinton Counties and two local school districts located in Jackson County. It currently operates under a Governing Board form of government consisting of three (3) members elected from Vinton County and four (4) members elected from Gallia County.

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

Component units are legally separate organizations for which the Center is financially accountable. The Center is financially accountable for an organization if the Center appoints a voting majority of the organization's governing board and (1) the Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Center is legally entitled to or can otherwise access the organization's resources; the Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Center is obligated for the debt of the organization. Component units may also include organizations for which the Center approves the budget, the issuance of debt or levying of taxes. As of June 30, 2025, the Center had no component units.

The following jointly governed organizations, which perform activities within the Center's boundaries for the benefit of its residents, are excluded from the accompanying financial statements because the Center is not financially accountable for these entities nor are they fiscally dependent on the Center. These organizations are META Solutions, The Gallia-Jackson-Vinton Joint Vocational School District, and the Ohio Coalition of Equity and Adequacy of School Funding. The Center also participates in one public entity risk pool, Ohio SchoolComp Worker's Compensation Group Rating Program, and one insurance purchasing pool, Schools of Ohio Risk Sharing Authority (SORSA). These jointly governed organizations and the public entity risk pool are presented in Note 10 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these basic financial statements are summarized below. These policies conform to accounting principles generally accepted in the United States of America (GAAP) for local governmental units prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

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 Center's accounting policies are described below.

Fund Accounting

The Center uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Center functions or activities.

The Center's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific Center functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Governmental Funds

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

> *General Fund* – The General Fund is the general operating fund of the Center and is used to account for all financial resources not accounted for and reported in another fund. The General Fund is available to the Center for any purpose provided it is expended or transferred according to the school laws of Ohio.

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

Basis of Presentation

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

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Center as a whole. These statements include the financial activities of the primary government.

The statement of net position presents the financial condition of governmental activities of the Center at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Center's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants 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 Center. 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 Center.

Fund Financial Statements

During the year, the Center segregates transactions related to certain Center functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Center at this more detailed level. The focus of fund financial statements is on major funds rather than reporting funds by type. The major funds are presented in separate columns. Non-major funds are aggregated and presented in a single column.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

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

Fund Financial Statements

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using the modified accrual basis of accounting for governmental funds. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of unavailable revenue, the presentation of expenses versus expenditures, the recording of deferred outflows/inflows related to net pension and other postemployment benefit liabilities (assets), and the recording of net pension and other postemployment benefit liabilities (assets).

Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "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 Center, available means expected to be received within 60 days of year-end.

Non-exchange transactions, in which the Center receives value without directly giving equal value in return, include grants, entitlements and donations. 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 that specify the year when the resources are required to be used or the fiscal year when use is first permitted. Eligibility requirements also include matching requirements, in which the Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of fund balance or net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. For the Center, deferred outflows of resources are reported on the government-wide statement of net position for pension and other post-employment benefits. The pension and other post-employment benefits items are further explained in notes 6 and 7.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance or net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the Center, deferred inflows of resources include unavailable revenue, pension, and other post-employment benefits. The deferred inflow for leases is related to the leases receivable and is being recognized as lease revenue in a systematic and rational manner over the term of the lease. Deferred inflows of resources related to pension and OPEB plans are reported on the government wide statement of net position and are further explained in notes 6 and 7. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the Center, unavailable revenue includes intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The focus of modified accrual basis 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, except for the costs of accumulated unpaid vacation, personal leave and sick leave. They are reported as fund liabilities as payments come due each period upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgetary Process

Although not legally required, the Center adopts its budget for all funds. The budget includes the estimated resources and expenditures for each fund and consists of three parts: Part (A) includes entitlement funding from the State, Part (B) includes the cost of all other lawful expenditures of the Center (which are apportioned by the State Department of Education to each local board of education under the supervision of the Center), and Part (C) includes the adopted appropriation resolution.

In fiscal year 2004, the Center’s requirement to file budgetary information with the Ohio Department of Education and Workforce was eliminated. Even though the budgetary process for the Center was discretionary, the Center continued to have its Board approve appropriations and estimated revenues. The Center’s Board adopts an annual appropriation resolution, which is the Board’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The level of control has been established by the Board at the fund level for all funds. The Treasurer has been authorized to allocate appropriations to the function and object levels without resolution by the Board. Throughout the year, estimated resources and appropriations may be amended or supplemented as circumstances warrant.

Cash and Cash Equivalents

Cash received by the Center is deposited into one bank account with individual fund balance integrity maintained. Balances of all funds are maintained in this account. All investment earnings accrue to the General Fund except those specifically related to those funds deemed appropriate according to Board policy. Each fund’s interest of the pool is presented as “Equity in Pooled Cash and Cash Equivalents" on the financial statements. Interest earned amounted to $97,801 which was recorded in the General Fund.

During fiscal year 2025 the Center’s investments were limited to the State Treasury Assets Reserve of Ohio (STAROhio).

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

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

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

Capital Assets and Depreciation/Amortization

All capital assets of the Center are general capital assets and intangible capital assets that are associated with governmental activities. General capital assets 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) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Center maintains a capitalization threshold of $1,000 through April 11, 2022. On April 12, 2022, the threshold increased to $5,000 and June 17, 2025, the threshold increased to $10,000. All changes were prospective. The Center 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.

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Life
Furniture and Equipment	5-10 years

Amortization of intangible right to use leased assets is computed using the straight-line method over the lease term of six years, which is the shorter of the lease term or the useful life of the underlying asset.

Compensated Absences

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

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

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

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

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities, that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, net pension/OPEB liability, lease payable, and special termination benefits 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 year. Bonds and leases are recognized as a liability on the government-wide financial statements when due.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employee will be paid.

Net Position

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

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

Fund Balance

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

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

Restricted **–** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions. Under Ohio law, amounts paid into any fund, including by transfer, shall have the same constraints placed on the use of funds as those externally imposed by creditors, grantors, contributors, or laws or regulations of other governments

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

Assigned **–** Amounts in the assigned fund balance classification are intended to be used by the Center for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the Center Board of Education.

Unassigned **–** Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Center 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.

Estimates

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

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables/Payables." These amounts are eliminated in the governmental activities column of the statement of net position.

Pensions/OPEB

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

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 purchase and an expenditure/expense is recorded in the year in which services are consumed.

Note 3 – Deposits and Investments

State statutes classify monies held by the Center into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the Center 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 Center 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 may be deposited or invested in the following securities:

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

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government Custodial 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 Custodial securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio);

8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

<u>Deposits</u>

Custodial credit risk is the risk that in the event of bank failure, the Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $3,484,076 of the Center's bank balance of $3,734,076 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Center to a successful claim by the Federal Deposit Insurance Corporation.

The Center does not have a deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

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

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

Investments As of June 30, 2025, the Center had the following investments and maturities:

	Market Value	Weighted Average Maturity (Yrs.)
STAROhio	$2,125,878	< 1 yr

The Center 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 Center's recurring fair value measurements as of June 30, 2025. As discussed further in Note 2, STAR Ohio is reported at its share price.

Interest rate risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Center manages it exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Center limits its investments to STAROhio. Investments in STAROhio were rated AAAm by Standard & Poor's. The Center's policy does not address credit risk beyond the requirements of the Ohio Revised Code.

Note 4 - Capital Assets

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

	Balance at 6/30/2024	Additions	Deletions	Balance at 6/30/2025
Governmental Activities				
Capital Assets Being Depreciated/Amortized:				
Furniture and Equipment	$52,112	$0	$0	$52,112
Right to Use Leased Assets	0	109,000	0	109,000
Total Capital Assets Being Depreciated/Amortized	52,112	109,000	0	161,112
Less Accumulated Depreciation/Amortization:				
Furniture and Equipment	(29,961)	(8,452)	0	(38,413)
Right to Use Leased Assets	0	(16,653)	0	(16,653)
Total Accumulated Depreciation/Amortization	(29,961)	(25,105)	0	(55,066)
Total Capital Assets Being Depreciated/Amortized, Net	22,151	83,895	0	106,046
Governmental Activities Capital Assets, Net	$22,151	$83,895	$0	$106,046

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

Support Services:	
Pupils	$ 1,250
Instructional Staff	468
Administration	984
Fiscal	5,750
Operation and Maintenance of Plant	16,653
Total Depreciation/Amortization Expense	$ 25,105

Of the current year depreciation/amortization total of $25,105, $16,653 is related to the Center's leased office space, which is included as intangible right to use leased assets. In accordance with Governmental Accounting Standards Board Statement No. 87, "Leases", a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Note 5 - Risk Management

Property and Liability

The Center is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2025, the Center contracted with The Western Reserve Group for property insurance coverage. The policies include a $500 deductible.

Professional and general liability is protected by the Schools of Ohio Risk Sharing Authority with a $15,000,000 single occurrence limit with a $17,000,000 aggregate and no deductible.

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

The Center has had no significant reductions in any of its insurance coverage from that maintained in prior years. Additionally, there have been no insurance settlements that have exceeded insurance coverage in any of the past three years.

Workers Compensation

For the fiscal year 2025, the Center participates in the Ohio SchoolComp Workers' Compensation Group Rating Program (GRP), a public entity risk pool (Note 10). The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. Sedgwick provides administrative, cost control and actuarial services to the GRP.

Employee Medical Benefits

The Center provides health, major medical and prescription drug coverage for all eligible employees through Gallia County Local School District's self-insurance plan. The Center provides dental insurance for all eligible employees through the Gallia County Local School District's commercial dental plan. The Center pays monthly premiums of $1,094.08 for individual coverage and $2,718.45 for family coverage. Premiums are paid from the same funds that pay the employees' salaries. Employees who choose family coverage must pay any amount exceeding an annual cap.

The Center provides life insurance and accidental death and dismemberment insurance to some employees through Gallia County Local School District's commercial life insurance plan in the amount of $30,000 for classified employees, $30,000 for certified employees, and twice the salary amount for each administrator with a maximum coverage of $181,000.

Note 6 – Defined Benefit Pension Plans

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

Net Pension/OPEB Liability (Asset)

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

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

Ohio Revised Code limits the Center's obligation for this liability to annually required payments. The Center cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the Center 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 7 for the required OPEB disclosures.

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and Center 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 Center's contractually required contribution to SERS was $118,326 for fiscal year 2025. Of this amount, $0 is reported as an intergovernmental payable in the accompanying financial statements.

State Teachers Retirement System (STRS)

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

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

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

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

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

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

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

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

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

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

The Center's contractually required contribution to STRS was $399,303 for fiscal year 2025. Of this amount, $77,119 is reported as an intergovernmental payable in the accompanying financial statements.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability Current Measurement Date	0.02161010%	0.027669710%	
Proportion of the Net Pension Liability Prior Measurement Date	0.01833000%	0.024437130%	
Change in Proportionate Share	0.00328010%	0.003232580%	
Proportionate Share of the Net Pension Liability	$1,105,486	$5,324,099	$6,429,585
Pension Expense	$228,089	$758,740	$986,829

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$42,207	$335,279	$377,486
Changes of assumptions	9,889	245,364	255,253
Changes in proportion and differences between Center contributions and proportionate share of contributions	138,351	1,098,069	1,236,420
Center contributions subsequent to the measurement date	118,326	399,303	517,629
Total Deferred Outflows of Resources	$308,773	$2,078,015	$2,386,788
Deferred Inflows of Resources			
Differences between expected and actual experience	$0	$2,916	$2,916
Changes of assumptions	0	184,689	184,689
Net difference between projected and actual earnings on pension plan investments	69,147	457,764	526,911
Changes in proportion and differences between Center contributions and proportionate share of contributions	0	43,005	43,005
Total Deferred Inflows of Resources	$69,147	$688,374	$757,521

$517,629 reported as deferred outflows of resources related to pension resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense (gain) as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	($3,197)	$131,920	$128,723
2027	117,425	730,614	848,039
2028	27,401	106,798	134,199
2029	(20,329)	21,006	677
Total	$121,300	$990,338	$1,111,638

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	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 Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability	$1,691,240	$1,105,486	$612,312

Actuarial Assumptions – STRS

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

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

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

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

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

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

* Final target weights reflected at October 1, 2022.
** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocation: should generate a return above the actuarial rate of return, without net value added by management.

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

Sensitivity of the Center's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the Center'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 Center'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%)
Center's proportionate share of the net pension liability	$8,588,705	$5,324,099	$2,562,804

Assumptions and Benefit Changes Since the Prior Measurement Date The discount rate remained at 7.00% for the June 30, 2024 valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

Note 7 – Defined Benefit OPEB Plans

See note 6 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

Health Care Plan Description - The Center 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 Center's surcharge obligation was $14,240.

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 Center's contractually required contribution to SERS was $14,240 for fiscal year 2025, which was recorded as an intergovernmental payable in the accompanying financial statements.

State Teachers Retirement System (STRS)

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

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

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

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

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.02196370%	0.02766971%	
Prior Measurement Date	0.01881920%	0.02443713%	
Change in Proportionate Share	0.00314450%	0.00323258%	
Proportionate Share of the:			
Net OPEB Liability	$223,699	$0	$223,699
Net OPEB (Asset)	$0	($524,843)	($524,843)
Net OPEB Gain	($47,547)	($108,563)	($156,110)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$0	$22,816	$22,816
Changes of assumptions	96,012	64,601	160,613
Net difference between projected and actual earnings on pension plan investments	1,092	0	1,092
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	142,058	7,056	149,114
Center contributions subsequent to the measurement date	14,240	0	14,240
Total Deferred Outflows of Resources	$253,402	$94,473	$347,875
Deferred Inflows of Resources			
Differences between expected and actual experience	$241,205	$56,560	$297,765
Changes of assumptions	102,759	236,696	339,455
Net difference between projected and actual earnings on OPEB plan investments	0	22,534	22,534
Changes in proportionate share and difference between Center contributions and proportionate share of contributions	174,294	31,917	206,211
Total Deferred Inflows of Resources	$518,258	$347,707	$865,965

$14,240 reported as deferred outflows of resources related to OPEB resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or increase in the net OPEB asset in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (gain) as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	($95,232)	($78,164)	($173,396)
2027	(90,292)	(40,306)	(130,598)
2028	(52,960)	(50,207)	(103,167)
2029	(10,379)	(47,049)	(57,428)
2030	(10,051)	(39,033)	(49,084)
Thereafter	(20,182)	1,525	(18,657)
Total	($279,096)	($253,234)	($532,330)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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

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	100.00 %	

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

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
Center's proportionate share of the net OPEB liability	$298,295	$223,699	$164,423

	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%)
Center's proportionate share of the net OPEB liability	$151,212	$223,699	$318,977

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

* Final target weights reflected at October 1, 2022.
* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net OPEB asset	($426,731)	($524,843)	($610,219)

	1% Decrease	Current Trend Rate	1% Increase
Center's proportionate share of the net OPEB asset	($615,986)	($524,843)	($415,228)

Note 8 - Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who are contracted to work 260 days per year earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month and may accumulate up to 15 days per year. Upon retirement, after ten (10) years of service, any employee will receive payment for one-fourth of accrued sick leave up to a maximum of fifty (50) days.

Note 9 - Long-Term Obligations

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

	Restated Amount Outstanding At June 30, 2024	Additions	Deletions	Amount Outstanding At June 30, 2025	Amount Due in One Year
Lease Obligations	$0	$92,986	$0	$92,986	$15,413
Net Pension Liability	6,275,348	154,237	0	6,429,585	0
Net OPEB Liability	310,036	0	(86,337)	223,699	0
Compensated Absences	52,360	1,865	0	54,225	46,022
Total Long-Term Liabilities	$6,637,744	$249,088	($86,337)	$6,800,495	$61,435

Compensated absences will be paid from the fund from which the employee is paid with the General Fund being the primary fund to make such payments.

Leases Payable

The Center entered into an agreement to lease office space during the current fiscal year. A summary of the principal and interest amounts for the remainder of the lease is as follows:

Fiscal Year Ended June 30,	Principal	Interest
2026	$15,413	$4,262
2027	17,585	3,879
2028	18,465	2,999
2029	19,388	2,076
2030	20,357	1,107
2031	1,778	11
Totals	$92,986	$14,334

Note 10 - Jointly Governed Organizations & Public Entity Risk Pool

Jointly Governed Organizations

Metropolitan Educational Technology Association Solutions –META Solutions is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs.

The governing board of META consists of a president, vice president and six board members who represent the members of META. The board works with META'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 Council including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation on the Board. The Center paid META $9,989 for services provided during the fiscal year. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

Gallia-Jackson-Vinton Joint Vocational School District – Gallia-Jackson-Vinton Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board comprised of eleven members appointed by the participating schools, which possesses its own budgeting and taxing authority. To obtain financial information write to the Gallia-Jackson-Vinton Joint Vocational School, Stephanie Rife, who serves as Treasurer, at 351 Buckeye Hills Road, Rio Grande, Ohio 45674.

Ohio Coalition of Equity and Adequacy of School Funding – The Ohio Coalition of Equity and Adequacy of School Funding is organized as a council of governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition was organized in 1990 to challenge the constitutionally of the Ohio school funding system. The Coalition is governed by a Steering Committee of 90 school district representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The membership of the coalition includes over 500 school districts throughout the State of Ohio. The Committee exercises total control over budgeting, appropriating, contracting, and the designation of management. Member school districts and joint vocational schools pay dues of $.05 per pupil. School districts and joint vocational schools may also pay supplemental dues in the amount of $.50 per pupil for K-12 districts and educational service center pay dues of $.05 per pupil. The Coalition is not dependent on the continued participation of the Center and the Center does not maintain an equity interest or financial responsibility for the Coalition. The Center paid $460 to the Coalition for 2025 dues. To obtain financial information write to Ohio Coalition of Equity and Adequacy of School Funding at 100 South Third Street, Columbus, Ohio 43215.

Public Entity Risk Pool and Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Rating Program – The Center participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), a public entity risk pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Schools of Ohio Risk Sharing Authority - The Center participates in the Schools of Ohio Risk Sharing Authority (SORSA), a risk sharing insurance pool. The pool consists of 105 school districts, joint vocational schools, and educational service centers throughout Ohio who pool risk for property, crime, liability, boiler and machinery, and public official liability coverage. SORSA is governed by a board of trustees elected by members. The Center pays an annual premium to SORSA for this coverage. Reinsurance is purchased to cover claims exceeding this amount and for all claims related to equipment breakdown coverage.

Note 11 - Contingencies

Grants

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

Litigation

The Center is not currently party to any legal proceedings.

Note 12 – Receivables

Receivables at June 30, 2025, consisted of intergovernmental receivables. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	Amount
Major Fund:	
General Fund	$5,699
Non-major Funds:	
Miscellaneous State Grants	4,115
Miscellaneous Federal Grants	16,514
Total Non-major Funds	20,629
	$26,328

Note 13 – Fund Balances

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

Fund Balances	General	Other Governmental Funds	Total Governmental Funds
Nonspendable			
Prepaid Items	$10,053	$0	$10,053
Restricted for			
Other Purposes	0	77,537	77,537
Assigned to			
Future Budget Deficit	7,102	0	7,102
Other Purposes	17,539	0	17,539
Total Assigned	24,641	0	24,641
Unassigned (Deficit)	5,348,942	(7,439)	5,341,503
Total Fund Balances	$5,383,636	$70,098	$5,453,734

Note 14 – New Accounting Pronouncements

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

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

	Governmental Activities
Net Position at June 30, 2024	($87,820)
Adjustments: GASB No. 101 Implementation	(8,303)
Restated Net Position at June 30, 2024	($96,123)

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

Note 15 – Accountability

At June 30, 2025, the miscellaneous federal grants and family engagement liaison nonmajor special revenue funds had fund balance deficits of $6,620 and $819, respectively, which were created by the application of accounting principles generally accepted in the United States of America. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 16 – Change in Reporting Entity

During fiscal year 2025, the Family Engagement Laison fund was changed from major to nonmajor.

Gallia-Vinton Educational Service Center
Required Supplementary Information
Schedule of the Center's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State Teachers Retirement System										
Center's proportion of the net pension liability	0.007057230%	0.018718590%	0.014782200%	0.015413680%	0.017569980%	0.018031760%	0.017046368%	0.021906870%	0.024437130%	0.027669710%
Center's proportionate share of the net pension liability	$1,950,412	$6,265,676	$3,511,543	$3,389,122	$3,885,495	$4,363,044	$2,179,531	$4,869,925	$5,262,521	$5,324,099
Center's covered payroll	$736,307	$1,969,557	$1,625,121	$1,752,279	$2,062,786	$2,176,150	$2,410,907	$2,848,000	$3,300,686	$3,852,900
Center's proportionate share of the net pension liability as a percentage of its covered payroll	264.9%	318.1%	216.1%	193.4%	188.4%	200.5%	90.4%	171.0%	159.4%	138.2%
Plan fiduciary net position as a percentage of the total pension liability	72.1%	66.8%	75.3%	77.3%	77.4%	75.5%	87.8%	78.9%	80.0%	82.5%
School Employees Retirement System										
Center's proportion of the net pension liability	0.013182100%	0.025493300%	0.023221200%	0.024735200%	0.028404900%	0.030466000%	0.013787200%	0.017950800%	0.018330000%	0.021610100%
Center's proportionate share of the net pension liability	$752,183	$1,865,874	$1,387,415	$1,416,631	$1,699,515	$2,015,085	$508,708	$970,919	$1,012,827	$1,105,486
Center's covered payroll	$377,367	$791,729	$775,114	$799,481	$974,459	$1,068,071	$475,900	$670,564	$727,200	$905,643
Center's proportionate share of the net pension liability as a percentage of its covered payroll	199.3%	235.7%	179.0%	177.2%	174.4%	188.7%	106.9%	144.8%	139.3%	122.1%
Plan fiduciary net position as a percentage of the total pension liability	69.2%	63.0%	69.5%	71.4%	70.9%	68.6%	82.9%	75.8%	76.1%	78.5%

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

Gallia-Vinton Educational Service Center
Required Supplementary Information
Schedule of the Center's Proportionate Share of the Net OPEB Liability (Asset)
Last Nine Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024	2025
State Teachers Retirement System									
Center's proportion of the net OPEB liability (asset)	0.018718590%	0.014782200%	0.015413680%	0.017569980%	0.018031760%	0.017046368%	0.021906870%	0.024437130%	0.027669710%
Center's proportionate share of the net OPEB liability (asset)	$1,001,075	$576,747	($247,682)	($291,001)	($316,908)	($359,409)	($567,242)	($475,268)	($524,843)
Center's covered payroll	$1,969,557	$1,625,121	$1,752,279	$2,062,786	$2,176,150	$2,410,907	$2,848,000	$3,300,686	$3,852,900
Center's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	50.8%	35.5%	-14.1%	-14.1%	-14.6%	-14.9%	-19.9%	-14.4%	-13.6%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	37.3%	47.1%	176.0%	174.7%	182.1%	174.7%	230.7%	168.5%	158.0%
School Employees Retirement System									
Center's proportion of the net OPEB liability	0.025611100%	0.023480400%	0.024990000%	0.029021000%	0.031603200%	0.014259200%	0.018326800%	0.018819200%	0.021963700%
Center's proportionate share of the net OPEB liability	$730,011	$630,152	$693,290	$729,817	$686,841	$269,867	$257,310	$310,036	$223,699
Center's covered payroll	$791,729	$775,114	$799,481	$974,459	$1,068,071	$475,900	$670,564	$727,200	$905,643
Center's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	92.2%	81.3%	86.7%	74.9%	64.3%	56.7%	38.4%	42.6%	24.7%
Plan fiduciary net position as a percentage of the total OPEB liability	11.5%	12.5%	13.8%	15.6%	18.2%	24.1%	30.3%	30.0%	44.5%

The amounts presented are as of the Center's measurement date, which is the prior fiscal year end.
Information not available prior to 2017.
See the accompanying required supplementary information.

Gallia-Vinton Educational Service Center
Required Supplementary Information
Schedule of Center Contributions
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
State Teachers Retirement System										
Contractually required contribution - pension	$275,738	$227,517	$245,319	$288,790	$304,661	$337,527	$398,720	$462,096	$539,406	$399,303
Contractually required contribution - OPEB	0	0	0	0	0	0	0	0	0	0
Contractually required contribution - total	275,738	227,517	245,319	288,790	304,661	337,527	398,720	462,096	539,406	399,303
Contributions in relation to the contractually required contribution	275,738	227,517	245,319	288,790	304,661	337,527	398,720	462,096	539,406	399,303
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
School District's covered payroll	$1,969,557	$1,625,121	$1,752,279	$2,062,786	$2,176,150	$2,410,907	$2,848,000	$3,300,686	$3,852,900	$2,852,164
Contributions as a percentage of covered payroll - pension	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
School Employees Retirement System										
Contractually required contribution - pension	$110,842	$108,516	$107,930	$131,552	$149,530	$66,626	$93,879	$101,808	$126,790	$118,326
Contractually required contribution - OPEB (1)	12,000	12,410	17,035	39,468	20,249	21,880	24,772	13,528	15,462	0
Contractually required contribution - total	122,842	120,926	124,965	171,020	169,779	88,506	118,651	115,336	142,252	118,326
Contributions in relation to the contractually required contribution	122,842	120,926	124,965	171,020	169,779	88,506	118,651	115,336	142,252	118,326
Contribution deficiency (excess)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
School District's covered payroll	$791,729	$775,114	$799,481	$974,459	$1,068,071	$475,900	$670,564	$727,200	$905,643	$845,186
Contributions as a percentage of covered payroll - pension	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Contributions as a percentage of covered payroll - OPEB	0.00%	0.00%	0.50%	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contributions as a percentage of covered payroll - total	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

(1) Excludes surcharge.
See the accompanying required supplementary information.

State Teachers Retirement System

Pension

Changes in benefit terms

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

Changes in assumptions

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

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

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

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

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

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

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

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

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

OPEB

Changes in benefit terms

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

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

- The HealthSpan HMO plans were eliminated.

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

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

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

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

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

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

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

<u>Changes in assumptions</u>

There were no changes in assumptions for fiscal year 2017.

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

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

- The assumed salary scale was modified.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

School Employees Retirement System

Pension

Changes in benefit terms

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

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

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

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

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

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

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

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

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

Changes in assumptions

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

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

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

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

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

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

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

OPEB

Changes in benefit terms

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

Changes in assumptions

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

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

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

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

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

- The discount rate was changed from 3.63 percent to 3.70 percent.
- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:

    - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
    - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

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

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:

    - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
    - Pre-Medicare – 2019 – 7.25 to 4.75, 2020 – 7 to 4.75 percent

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

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

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

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

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

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

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

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

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

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

Gallia-Vinton Educational Service Center
Statement of Revenues, Expenditures and Change
in Fund Balance - Budget and Actual (Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget: Positive (Negative)
	Original	Final	Actual	
Revenues:				
Intergovernmental	$2,115,530	$2,115,530	$2,441,028	$325,498
Interest	84,760	84,760	97,801	13,041
Tuition and Fees	815,564	815,564	941,047	125,483
Gifts and Donations	2,773	2,773	3,200	427
Customer Sales and Services	6,273,107	6,273,107	7,238,293	965,186
Miscellaneous	36,273	36,273	41,854	5,581
Total Revenues	9,328,007	9,328,007	10,763,223	1,435,216
Expenditures:				
Current:				
Instruction:				
Regular	1,825,469	1,825,469	1,766,153	59,316
Support Services:				
Pupils	356,252	356,252	344,676	11,576
Instructional Staff	3,782,781	3,782,781	3,659,864	122,917
Board of Education	48,265	48,265	46,697	1,568
Administration	1,777,194	1,777,194	1,719,446	57,748
Fiscal	431,103	431,103	417,095	14,008
Operation and Maintenance of Plant	18,115	18,115	17,526	589
Pupil Transportation	807,384	807,384	781,149	26,235
Central	514,362	514,362	497,648	16,714
Operation of Noninstructional Services	73,058	73,058	70,684	2,374
Total Expenditures	9,633,983	9,633,983	9,320,938	313,045
Net Change in Fund Balance	(305,976)	(305,976)	1,442,285	1,748,261
Fund Balance at Beginning of Year	4,169,249	4,169,249	4,169,249	0
Prior Year Encumbrances Appropriated	5,680	5,680	5,680	0
Fund Balance at End of Year	$3,868,953	$3,868,953	$5,617,214	$1,748,261

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

Note 1 – Budgetary Process

The Center is no longer required under State statute to file budgetary information with the State Department of Education. However, the Center's Board does follow the budgetary process for control purposes.

The Center's Governing Board budgets for resources estimated to be received during the fiscal year. The estimated revenues may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts of estimated revenues when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts of the estimated revenues in effect at the time final appropriations were passed by the Governing Board.

The Center's Board adopts an annual appropriation resolution, which is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Governing Board. The level of control has been established by the Governing Board at the fund level for all funds. The Treasurer has been authorized to allocate appropriations to the function and object level within all funds.

Throughout the fiscal year, appropriations may be amended or supplemented as circumstances warrant. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the first appropriation resolution for that fund that covered the entire fiscal year, including amounts automatically carried forward from prior fiscal years. The amounts reported as the final budgeted amounts on the budgetary schedules represent the final appropriation amounts passed by the Governing Board during the fiscal year.

Note 2 – Budgetary Basis of Accounting

While the Center is reporting financial position, results of operations, and changes in fund balances on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis is based upon the accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budget Basis) – for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

4. Encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment or assignment of fund balance (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP financial statements and budgetary basis schedules for the general fund.

Net Changes in Fund Balance

	General
GAAP Basis	$791,736
Adjustments:	
Revenue Accruals	798,033
Expenditure Accruals	(129,945)
Encumbrances	(17,539)
Budget Basis	$1,442,285

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GALLIA-VINTON EDUCATIONAL SERVICE CENTER
GALLIA COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** **Program / Cluster Title**	**Federal AL Number**	**Pass Through Entity Identifying Number**	**Total Federal Expenditures**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education and Workforce			
Twenty-First Century Community Learning Centers	84.287A	2025	$800,000
Special Education - State Personnel Development	84.323A	2025	113,492
Education Stabilization Fund	84.425U	2024	38,599
Total U.S. Department of Education			**952,091**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Gallia County Department of Job and Family Services			
Workforce Innovation and Opportunity Act (WIOA) Youth Activities	17.259	G-SY25-0008	4,656
Child Support Enforcement Research	93.564	G-SFY25-0002	139,814
Social Services Block Grant	93.667	G-FFY24-0004	26,000
Social Services Block Grant		G-FFY25-0004	20,000
Total Social Services Block Grant			46,000
Passed Through Gallia County Department of Job and Family Services			
Temporary Assistance for Needy Families	93.558	G-FFY24-0001	1,033,191
		G-FFY25-0001	314,132
		G-FFY25-0002	100,000
		G-SY25-0011	60,805
		G-SY24-0015	15,206
		G-SY25-0013	13,438
		G-SY25-0008	38,415
Passed Through Jackson County Department of Job and Family Services			
Temporary Assistance for Need Families	93.558	Res #109-24	45,552
		Res #42-25	44,789
		Res #43-25	58,174
Total Temporary Assistance for Needy Families			1,723,702
Total U.S. Department of Health and Human Services			**1,914,172**
Total Expenditures of Federal Awards			**$2,866,263**

The accompanying notes are an integral part of this Schedule.

GALLIA-VINTON EDUCATIONAL SERVICE CENTER
GALLIA COUNTY

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Gallia-Vinton Educational Service Center (the Center) 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 Center, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Center.

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

OHIO AUDITOR OF STATE
KEITH FABER

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

Gallia-Vinton Educational Service Center
Gallia County
P.O. Box 178
Rio Grande, Ohio 45674

To the Governing Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gallia-Vinton Educational Service Center, Gallia County, Ohio (the Center), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated January 22, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center'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 Center'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 Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

January 22, 2026

OHIO AUDITOR OF STATE
KEITH FABER

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

Gallia-Vinton Educational Service Center
Gallia County
P.O. Box 178
Rio Grande, Ohio 45674

To the Governing Board:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Gallia-Vinton Educational Service Center's, Gallia County, (the Center) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Center's major federal program for the year ended June 30, 2025. Gallia-Vinton Educational Service Center's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Gallia-Vinton Educational Service Center 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 Center 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 Center's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Center'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 Center'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 Center'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 Center'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 Center'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 Center'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 Center's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

KEITH FABER
Ohio Auditor of State

Tiffany L Ridenbaugh

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

January 22, 2026

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GALLIA-VINTON EDUCATIONAL SERVICE CENTER
GALLIA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	**Type of Financial Statement Opinion**	Unmodified
(d)(1)(ii)	**Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?**	Yes
(d)(1)(ii)	**Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?**	No
(d)(1)(iii)	**Was there any reported material noncompliance at the financial statement level (GAGAS)?**	No
(d)(1)(iv)	**Were there any material weaknesses in internal control reported for major federal programs?**	No
(d)(1)(iv)	**Were there any significant deficiencies in internal control reported for major federal programs?**	No
(d)(1)(v)	**Type of Major Programs' Compliance Opinion**	Unmodified
(d)(1)(vi)	**Are there any reportable findings under 2 CFR § 200.516(a)?**	No
(d)(1)(vii)	**Major Programs (list):** • Temporary Assistance for Needy Families - AL #93.558	
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE
KEITH FABER

GALLIA/VINTON EDUCATIONAL SERVICE CENTER

GALLIA 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 2/5/2026

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