



**bhm cpa group, inc.**  
CERTIFIED PUBLIC ACCOUNTANTS

---

VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2025





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

Board of Education  
Vandalia Butler City School District  
500 South Dixie Drive  
Vandalia, OH 45377-2189

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

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

KEITH FABER  
Ohio Auditor of State

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

**March 26, 2026**

**This page intentionally left blank.**

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

Table of Contents  
For the Year Ended June 30, 2025

---

| <u>TITLE</u>                                                                                                                                                                                                                                       | <u>PAGE</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Schedule of Expenditures of Federal Awards .....                                                                                                                                                                                                   | 1           |
| Notes to the Schedule of Expenditures of Federal Awards .....                                                                                                                                                                                      | 2           |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance<br>and Other Matters Required by <i>Government Auditing Standards</i> .....                                                                            | 3           |
| Independent Auditor's Report on Compliance With Requirements<br>Applicable to the Major Federal Program and on Internal Control Over<br>Compliance and on the Schedule of Expenditures of Federal Awards<br>Required by the Uniform Guidance ..... | 5           |
| Schedule of Findings – 2 CFR § 200.515.....                                                                                                                                                                                                        | 8           |

**This page intentionally left blank.**

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY**

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

| <b>FEDERAL GRANTOR<br/>Pass Through Grantor<br/>Program / Cluster Title</b> | <b>Federal<br/>AL<br/>Number</b> | <b>(1)<br/>Total Federal<br/>Expenditures</b> |
|-----------------------------------------------------------------------------|----------------------------------|-----------------------------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                                       |                                  |                                               |
| <b><i>Passed Through Ohio Department of Education and Workforce</i></b>     |                                  |                                               |
| Child Nutrition Cluster:                                                    |                                  |                                               |
| School Breakfast Program                                                    | 10.553                           | 161,716                                       |
| National School Lunch Program                                               | 10.555                           | 675,795                                       |
| Total Child Nutrition Cluster                                               |                                  | 837,511                                       |
| Total U.S. Department of Agriculture                                        |                                  | <b>837,511</b>                                |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                                         |                                  |                                               |
| <b><i>Passed Through Ohio Department of Education and Workforce</i></b>     |                                  |                                               |
| Special Education Cluster:                                                  |                                  |                                               |
| Special Education - Grants to States                                        | 84.027                           | 810,899                                       |
| Special Education - Preschool Grants                                        | 84.173                           | 13,723                                        |
| Total Special Education Cluster                                             |                                  | 824,622                                       |
| Title I Grants to Local Educational Agencies                                | 84.010                           | 526,328                                       |
| Supporting Effective Instruction State Grants                               | 84.367                           | 102,631                                       |
| Student Support and Academic Enrichment Program                             | 84.424                           | 35,111                                        |
| COVID-19 Education Stabilization Fund                                       | 84.425U                          | 147,187                                       |
| <b><i>Passed Through Montgomery County Educational Service Center</i></b>   |                                  |                                               |
| English Language Acquisition State Grants                                   | 84.365                           | 7,223                                         |
| Total U.S. Department of Education                                          |                                  | <b>1,643,102</b>                              |
| <b>U.S. DEPARTMENT OF TREASURY</b>                                          |                                  |                                               |
| <b><i>Passed Through Ohio Office of Budget and Management</i></b>           |                                  |                                               |
| COVID-19 Coronavirus State and Local Fiscal Recovery Funds                  | 21.027                           | 102,924                                       |
| Total U.S. Department of Treasury                                           |                                  | <b>102,924</b>                                |
| <b>Total Expenditures of Federal Awards</b>                                 |                                  | <b><u>\$2,583,537</u></b>                     |

(1) There were no pass through entity identifying numbers.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY 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 Vandalia-Butler City School District (the District) under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

The District has elected not to use the 10-percent / 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE F – FOOD DONATION PROGRAM**

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



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

Vandalia-Butler City School District  
Montgomery County  
500 South Dixie Drive  
Vandalia, Ohio 45377

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vandalia-Butler City School District, Montgomery County, Ohio (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 19, 2025.

***Report on Internal Control Over Financial Reporting***

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

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

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

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

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "BHM CPA Group". The letters are cursive and slightly slanted to the right.

BHM CPA Group, Inc.  
Portsmouth, Ohio  
December 19, 2025



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

Vandalia-Butler City School District  
Montgomery County  
500 South Dixie Drive  
Vandalia, Ohio 45377

To the Board of Education:

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

***Opinion on the Major Federal Program***

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

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

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

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

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

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

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

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

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

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Vandalia-Butler City School District, Montgomery County, (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 19, 2025. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



BHM CPA Group, Inc.  
Portsmouth, Ohio  
December 19, 2025

**Vandalia-Butler City School District  
Montgomery County, Ohio**

**Schedule of Findings  
2 CFR § 200.515  
June 30, 2025**

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

|              |                                                                                                                |                                                         |
|--------------|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| (d)(1)(i)    | Type of Financial Statement Opinion                                                                            | Unmodified                                              |
| (d)(1)(ii)   | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?      | No                                                      |
| (d)(1)(ii)   | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No                                                      |
| (d)(1)(iii)  | Was there any reported material noncompliance at the financial statement level (GAGAS)?                        | 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 Program's Compliance Opinion                                                                     | Unmodified                                              |
| (d)(1)(vi)   | Are there any reportable findings under 2 CFR § 200.516(a)?                                                    | No                                                      |
| (d)(1)(vii)  | Major Programs (list):                                                                                         | Special Education Cluster (IDEA):<br>ALN 84.027, 84.173 |
| (d)(1)(viii) | Dollar Threshold: Type A\B Programs                                                                            | Type A: > \$750,000<br>Type B: all others               |
| (d)(1)(ix)   | Low Risk Auditee under 2 CFR § 200.520?                                                                        | Yes                                                     |

**Vandalia-Butler City School District  
Montgomery County, Ohio**

**Schedule of Findings  
2 CFR § 200.515  
June 30, 2025**

---

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

**None noted**

**3. FINDINGS FOR FEDERAL AWARDS**

**None noted**

**VANDALIA-BUTLER  
CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**



**ANNUAL  
COMPREHENSIVE FINANCIAL REPORT**

**FOR THE  
FISCAL YEAR ENDED JUNE 30, 2025**



ANNUAL  
COMPREHENSIVE FINANCIAL REPORT  
OF THE  
VANDALIA-BUTLER CITY  
SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO  
FOR THE  
FISCAL YEAR ENDED JUNE 30, 2025



PREPARED BY  
TREASURER'S DEPARTMENT  
MR. JORDAN SHUMAKER, TREASURER/CFO

Vandalia-Butler City Schools | 500 S. Dixie Drive | Vandalia, OH 45377

Ph: 937.415.6400 | F: 937.415.6429 | [www.vbcds.com](http://www.vbcds.com)



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**TABLE OF CONTENTS**

|                                                                                                                                                      |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Table of Contents.....                                                                                                                               | i-iii |
| <b>I. INTRODUCTORY SECTION</b>                                                                                                                       |       |
| Letter of Transmittal .....                                                                                                                          | iv-ix |
| GFOA Certificate of Achievement for Excellence in Financial Reporting .....                                                                          | xi    |
| List of Principal Officials .....                                                                                                                    | xii   |
| Organizational Chart.....                                                                                                                            | xiii  |
| <b>II. FINANCIAL SECTION</b>                                                                                                                         |       |
| INDEPENDENT AUDITOR’S REPORT.....                                                                                                                    | 1-3   |
| MANAGEMENT’S DISCUSSION AND ANALYSIS .....                                                                                                           | 5-16  |
| BASIC FINANCIAL STATEMENTS:                                                                                                                          |       |
| Government-Wide Financial Statements:                                                                                                                |       |
| Statement of Net Position .....                                                                                                                      | 17    |
| Statement of Activities .....                                                                                                                        | 18    |
| Fund Financial Statements:                                                                                                                           |       |
| Balance Sheet - Governmental Funds.....                                                                                                              | 19    |
| Reconciliation of Total Governmental Fund Balances to Net Position<br>of Governmental Activities.....                                                | 20    |
| Statement of Revenues, Expenditures and Changes in Fund<br>Balances - Governmental Funds .....                                                       | 21    |
| Reconciliation of the Statement of Revenues, Expenditures and Changes<br>in Fund Balances of Governmental Funds to the Statement of Activities ..... | 22    |
| Notes to the Basic Financial Statements .....                                                                                                        | 23-69 |
| Required Supplementary Information:                                                                                                                  |       |
| Schedule of Revenues, Expenditures and Changes in Fund Balance -<br>Budget and Actual (Non-GAAP Budgetary Basis) General Fund.....                   | 72    |
| Schedules of the School District’s Proportionate Share of the Net<br>Pension Liability and School District’s Pension Contributions:                  |       |
| School Employees Retirement System (SERS) of Ohio.....                                                                                               | 73    |
| State Teachers Retirement System (STRS) of Ohio .....                                                                                                | 74    |
| Schedules of School District’s Proportionate Share of the Net<br>OPEB Liability/(Asset) and School District’s OPEB Contributions                     |       |
| School Employees Retirement System (SERS) of Ohio.....                                                                                               | 75    |
| State Teachers Retirement System (STRS) of Ohio .....                                                                                                | 76    |
| Notes to the Required Supplementary Information .....                                                                                                | 77-83 |

## II. FINANCIAL SECTION - (Continued)

### COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

|                                                                                                                                                                        |       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Fund Descriptions - Major Funds.....                                                                                                                                   | 86    |
| Individual Fund Schedules of Revenues, Expenditures and<br>Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) -                                    |       |
| Uniform School Supply Fund.....                                                                                                                                        | 87    |
| Public School Support Fund.....                                                                                                                                        | 87    |
| Latchkey Fund.....                                                                                                                                                     | 87    |
| Bond Retirement Fund.....                                                                                                                                              | 88    |
| Fund Descriptions - Nonmajor Funds .....                                                                                                                               | 89-90 |
| Combining Balance Sheet - Nonmajor Special Revenue Funds.....                                                                                                          | 92-93 |
| Combining Statement of Revenues, Expenditures and Changes in<br>Fund Balances/(Deficits) - Nonmajor Special Revenue Funds .....                                        | 94-95 |
| Individual Fund Schedules of Revenues, Expenditures and<br>Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) -<br>Nonmajor Special Revenue Funds: |       |
| Food Service Fund.....                                                                                                                                                 | 96    |
| Special Trust Fund.....                                                                                                                                                | 96    |
| Student Managed Activity Fund.....                                                                                                                                     | 96    |
| Athletics Fund .....                                                                                                                                                   | 97    |
| Race to the Top Fund.....                                                                                                                                              | 98    |
| ESSER Fund.....                                                                                                                                                        | 98    |
| Special Education Fund.....                                                                                                                                            | 98    |
| Title I Fund .....                                                                                                                                                     | 99    |
| Title IV-A Fund.....                                                                                                                                                   | 99    |
| Preschool Handicapped Grant Fund .....                                                                                                                                 | 99    |
| Title II-A Fund .....                                                                                                                                                  | 99    |
| Miscellaneous Federal Grants Fund .....                                                                                                                                | 100   |

### III. STATISTICAL SECTION

|                                                                                                                                               |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---------|
| Table of Contents.....                                                                                                                        | 101     |
| Net Position by Component - Last Ten Fiscal Years (Accrual Basis of Accounting) .....                                                         | 102-103 |
| Changes in Net Position - Last Ten Fiscal Years (Accrual Basis of Accounting) .....                                                           | 104-107 |
| Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) .....                                        | 108-109 |
| Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years (Modified Accrual Basis of Accounting) .....                             | 110-111 |
| Assessed and Estimated Actual Value of Taxable Property - Last Ten Collection (Calendar) Years .....                                          | 112-113 |
| Principal Property Tax Payers - Real Estate Tax - Current Calendar Year and Nine Years Ago ...                                                | 114     |
| Principal Property Tax Payers – Public Utility Tax - Current Calendar Year and Nine Years Ago .....                                           | 115     |
| Property Tax Rates – Direct and Overlapping Governments – Last Ten Collection (Calendar) Years .....                                          | 116     |
| Property Tax Levies and Collections – Real, Personal and Public Utility Property - Last Ten Collection (Calendar) Years .....                 | 117     |
| Ratio of Net General Obligation Bonded Debt to Assessed Value And Net Bonded Debt Per Capita - Last Ten Years .....                           | 118     |
| Computation of Legal Debt Margin - Last Ten Fiscal Years .....                                                                                | 120-121 |
| Ratio of Outstanding Debt by Type - Last Ten Fiscal Years .....                                                                               | 122     |
| Computation of Direct and Overlapping Debt - June 30, 2025 .....                                                                              | 123     |
| Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Fund Expenditures - Last Ten Fiscal Years ..... | 124     |
| Demographic Statistics - Last Ten Years .....                                                                                                 | 125     |
| Principal Employers - Current Year and Nine Years Ago .....                                                                                   | 126     |
| Full-Time Equivalent District Employees by Type - Last Ten Fiscal Years .....                                                                 | 127     |
| Building Statistics - Last Ten Fiscal Years .....                                                                                             | 128-129 |
| Operating Statistics - Last Ten Fiscal Years .....                                                                                            | 130     |



# INTRODUCTORY SECTION





December 19, 2025

Citizens of Vandalia-Butler City School District and Board of Education,

We are pleased to present the 2025 Annual Comprehensive Financial Report (ACFR) for the Vandalia-Butler City School District. This report, for the fiscal year ended June 30, 2025, contains the financial statements and other financial and statistical data that provide complete and full disclosure of all material financial aspects of the Vandalia-Butler City School District (the "School District"). The responsibility for the accuracy and completeness of all data presented, and the fairness of the presentation, rests with the School District, specifically with the School District Treasurer's office.

Accounting Principles Generally Accepted in the United States of America (GAAP) also requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The School District's MD&A can be found immediately following the Independent Auditor's Report.

## **SCHOOL DISTRICT OVERVIEW**

The Vandalia-Butler City School District serves an area of 37 square miles in the northern part of Montgomery County, Ohio, encompassing Butler Township, the City of Vandalia, a portion of the City of Union, and a portion of the City of Dayton. The Dayton International Airport, located within the School District, comprises approximately 6.25 square miles of the total 37 square miles.

The area is located approximately 10 miles north of the City of Dayton at the "Crossroads of America" which was originally defined by the intersection of US Route 40 and US Route 25A but is now identified by the intersection of Interstate 70 and Interstate 75 – America's coast-to-coast highways. With these major thoroughfares, Vandalia and Butler Township provide a desirable location for many families who work in the Dayton metropolitan area and provide for many businesses that provide goods and services throughout the country.

Education in the area began with the first school that formed in Butler Township in 1807. Additionally, the Village of Vandalia School District formed in 1869. A consolidated Butler and Vandalia School District formed in 1921 under the name Butler Township Schools. The consolidated school district operated from the Butler Township School Building built in 1921.

The current charter as the Vandalia-Butler City School District was adopted in 1956. For the 2025 fiscal year, the School District operates the following five school buildings:

- Helke Early Learning Center – *Preschool through Kindergarten*
- Demmitt Elementary – *1<sup>st</sup> through 2<sup>nd</sup> Grade*
- Smith Intermediate School – *3<sup>rd</sup> through 5<sup>th</sup> Grade*
- Morton Middle School – *6<sup>th</sup> through 8<sup>th</sup> Grade*
- Butler High School – *9<sup>th</sup> through 12<sup>th</sup> Grade*

Vandalia-Butler City Schools | 500 S. Dixie Drive | Vandalia, OH 45377

Ph: 937.415.6400 | F: 937.415.6429 | [www.vbcasd.com](http://www.vbcasd.com)

## **SCHOOL DISTRICT ORGANIZATION AND REPORTING ENTITY**

The School District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. Under a locally elected five-member Board form of government, the School District provides educational services as authorized by its charter or further mandated by state and/or federal agencies. The Board of Education serves as the taxing authority, contracting body, and policy maker for the School District. In addition, the Board adopts the annual operating budget and approves all expenditures of School District monies. The Board appoints the Superintendent and Treasurer. As the chief administrative officer, the Superintendent is responsible for the development, supervision, and operation of the school programs and facilities and appoints all other personnel in the School District. As the chief financial officer, the Treasurer is responsible for maintaining financial records, acting as the custodian of all School District funds, and investing idle funds as specified by law. The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements of the School District are not misleading.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise have access to the organization's resources; or (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Currently, the School District does not have any component units.

The School District is associated with the Southwestern Ohio Educational Purchasing Council (SOEPC), which is defined as a jointly governed organization. The SOEPC is a purchasing cooperative comprised of over 327 school districts across 57 counties in Ohio. The purpose of the cooperative is to coordinate the purchasing power of its member districts to obtain top quality products at the most competitive prices. This organization is presented in Note 2.

The School District is associated with the Miami Valley Career Technology Center, which is defined as a jointly governed organization. It is a distinct political subdivision of the State of Ohio operating as a joint vocational school district. The purpose of the vocational school district is to provide vocational educational services to students of member districts. This organization is presented in Note 2.

In addition, the School District is associated with the Metropolitan Educational Technology Association (META) Solutions which is defined as a jointly governed organization. It is a computer consortium of area school districts sharing computer resources. The purpose of the association is to apply modern technology with the aid of computers and other electronic equipment to administrative instructional functions among member districts. This organization is presented in Note 2.

## ECONOMIC CONDITION AND OUTLOOK

The Vandalia-Butler City School District serves the residents of the City of Vandalia and Butler Township, both of whom continue to demonstrate a strong commitment to maintaining high-quality educational opportunities. The District remains heavily funded—and consequently highly dependent—on local tax revenues, primarily derived from property tax collections. The District anticipates a continued reduction in state funding under the new biennium budget. As a result, the Five-Year Financial Forecast projects deficit spending in future fiscal years. The District remains committed to prudent financial stewardship and will continue to evaluate cost-containment strategies within personnel and purchased services, while also pursuing alternative and supplemental revenue opportunities to ensure long-term fiscal sustainability.

Butler Township continues to pursue commercial growth through the Benchwood Station Joint Economic Development Zone (JEDZ) and Tax Increment Financing (TIF) districts, both designed to enhance the area’s attractiveness for potential business investment. The Township has recently invested approximately \$7 million in infrastructure improvements to support this development. As a result of these initiatives, the District has begun receiving income tax-sharing revenues, and additional revenue-sharing agreements with the City of Dayton began in FY2024 from related development activities.

The City of Vandalia is also positioning itself for continued economic expansion through targeted property and tax incentives. Similar to Butler Township, the City has made infrastructure enhancements to attract both businesses and residents. A major roadway within the District—Dixie Drive—has been expanded, and several prime commercial sites are available for development, including locations near the I-70/I-75 interchange, adjacent to the Dayton International Airport, and along Northwoods Boulevard directly off Interstate 75.

The area surrounding the Dayton International Airport represents the greatest concentration of current and future commercial development. This development zone encompasses multiple jurisdictions, including Dayton, Vandalia, Butler Township, and Union. To ensure an active and informed role in these projects, the District has partnered with Bradley Payne Municipal Advisors. This collaboration enhances the District’s ability to engage in development negotiations and to ensure that tax agreements appropriately recognize and protect the District’s financial interests.

Both the City of Vandalia and Butler Township are also considering the approval of several significant residential developments in the near future. Collectively, more than 700 new housing units have been proposed across the two jurisdictions. The District is supportive of these initiatives and believes that such growth will strengthen its financial position while maintaining the delivery of high-quality educational services.

Montgomery County completed its triennial property valuation update for calendar year 2023, resulting in an average residential property value increase of 34.2%, effective for taxes payable in calendar year 2024. The Board of Revision continues to review appeals for both residential and commercial properties, and the County Treasurer’s Office has taken a more proactive role in assisting taxpayers through payment plan options when necessary.

MAJOR INITIATIVES

During the 2024–2025 fiscal year, the District experienced several significant events that materially affected its financial position and operational structure. The Fall 2024 Five-Year Forecast projected deficit fund balances beginning in Fiscal Year 2025 and continuing through Fiscal Year 2029.

Based on the financial projections presented in November 2022, the Vandalia-Butler City School District initiated budget reductions to prevent placement under Fiscal Oversight by the Ohio Department of Education and Workforce. In February 2023, the District submitted a *Fiscal Oversight Written Plan* outlining corrective measures.

The District previously experienced two unsuccessful levy attempts incorporated into the financial forecast: a 1% earned income tax proposal in May 2023 and a 4.0-mill, five-year emergency property tax levy in November 2023. Following these outcomes, the District implemented a reconfiguration of its elementary facilities as follows:

| Building                     | Grade Levels              |
|------------------------------|---------------------------|
| Helke Early Learning Center* | Preschool – Kindergarten  |
| Demmitt Elementary School    | Grades 1 – 2              |
| Smith Intermediate School*   | Grades 3 – 5              |
| Morton Middle School         | Grades 6 – 8 (no change)  |
| Butler High School           | Grades 9 – 12 (no change) |

(\*Indicates building impacted by reconfiguration.)

In addition, the Board of Education approved \$3.2 million in budget reductions. A legal settlement with the City of Vandalia provided \$4.35 million in additional revenue, to be received over Fiscal Years 2024 through 2026. These combined measures allowed the District to maintain a balanced budget and avoid placement under Fiscal Oversight.

FINANCIAL INFORMATION

The School District’s accounting system is organized on a fund basis. Each fund is a distinct, self-balancing entity. Records for general governmental operations are maintained on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from Accounting Principles Generally Accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

INTERNAL CONTROLS

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

The School District uses a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual control procedures, ensure that the financial information generated is both accurate and reliable.

## **Assistance**

As a recipient of Federal and State assistance, the School District is responsible for ensuring that an adequate internal control structure is in place to promote compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the School District.

## **Budgetary Controls**

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The School District maintains an encumbrance accounting system as a technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

## **Financial Condition**

The School District continues to prepare financial statements following GASB Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” GASB 34 created basic financial statements for reports as follows:

*Government-wide financial statements* - These statements are prepared on an accrual basis of accounting which is similar to the basis of accounting followed by many businesses. The government-wide statement distinguishes between those activities of the School District that are governmental and those that are considered business-type activities. The School District reports no business-type activities.

*Fund financial statements* - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities’ accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting.

*Schedule of budgetary comparisons* - These schedules present comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transaction on a basis of cash receipts, disbursements, and encumbrances.

*Management Discussion and Analysis for the School District* - This discussion is in the financial section of this report following the audit opinion and provides an assessment of the School District finances and the outlook for the future.

## **OTHER INFORMATION**

### **Independent Audit**

An audit team from the independent accounting firm BHM CPA Group, Inc. has performed this year's audit. The results of the audit are presented in the Independent Auditor's Report.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Vandalia-Butler City School District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The Certificate of Achievement is the highest form of recognition for excellence in the state and local government financial reporting.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The School District believes the current report continues to conform to the high standards required by the Certificate of Achievement program.

The Treasurer and the School District were also awarded the Ohio Auditor of State Award with Distinction for the fiscal year also ending June 30, 2024. This is the highest form of recognition by the Ohio Auditor of State's office and less than 2% public entities receive this award annually.

### **Acknowledgements**

Sincere appreciation is extended to the many people who have contributed their time and effort to prepare this report. Special thanks to Leigh Anne Snow, the Assistant Treasurer who has managed the GAAP conversion process and audit for the School District. The members of the Treasurer's Office Staff are to be commended for their input and commitment. Finally, appreciation is extended to the firm of Julian and Grube, Inc. for the guidance and assistance in preparing this report.



Jordan E. Shumaker  
Treasurer/CFO



Robert M. O'Leary  
Superintendent





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Vandalia-Butler City School District  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

List of Principal Officials  
June 30, 2025

**ELECTED OFFICIALS**

|                                    |                     |
|------------------------------------|---------------------|
| President, Board of Education      | Mr. Rodney Washburn |
| Vice President, Board of Education | Ms. Holly Herbst    |
| Board of Education Member          | Mr. Scott Fullam    |
| Board of Education Member          | Ms. Mary Kay Smith  |
| Board of Education Member          | Ms. Mary Kilsheimer |

**ADMINISTRATIVE OFFICIALS**

|                                            |                     |
|--------------------------------------------|---------------------|
| Superintendent                             | Mr. Robert O’Leary  |
| Treasurer/CFO                              | Mr. Jordan Shumaker |
| Director of Pupil Personnel and Curriculum | Mr. Brandon Hartley |
| Director of Human Resources and Operations | Mr. Russ Garman     |
| Information Officer                        | Mr. Kyle Robbins    |

**OFFICE OF THE TREASURER**

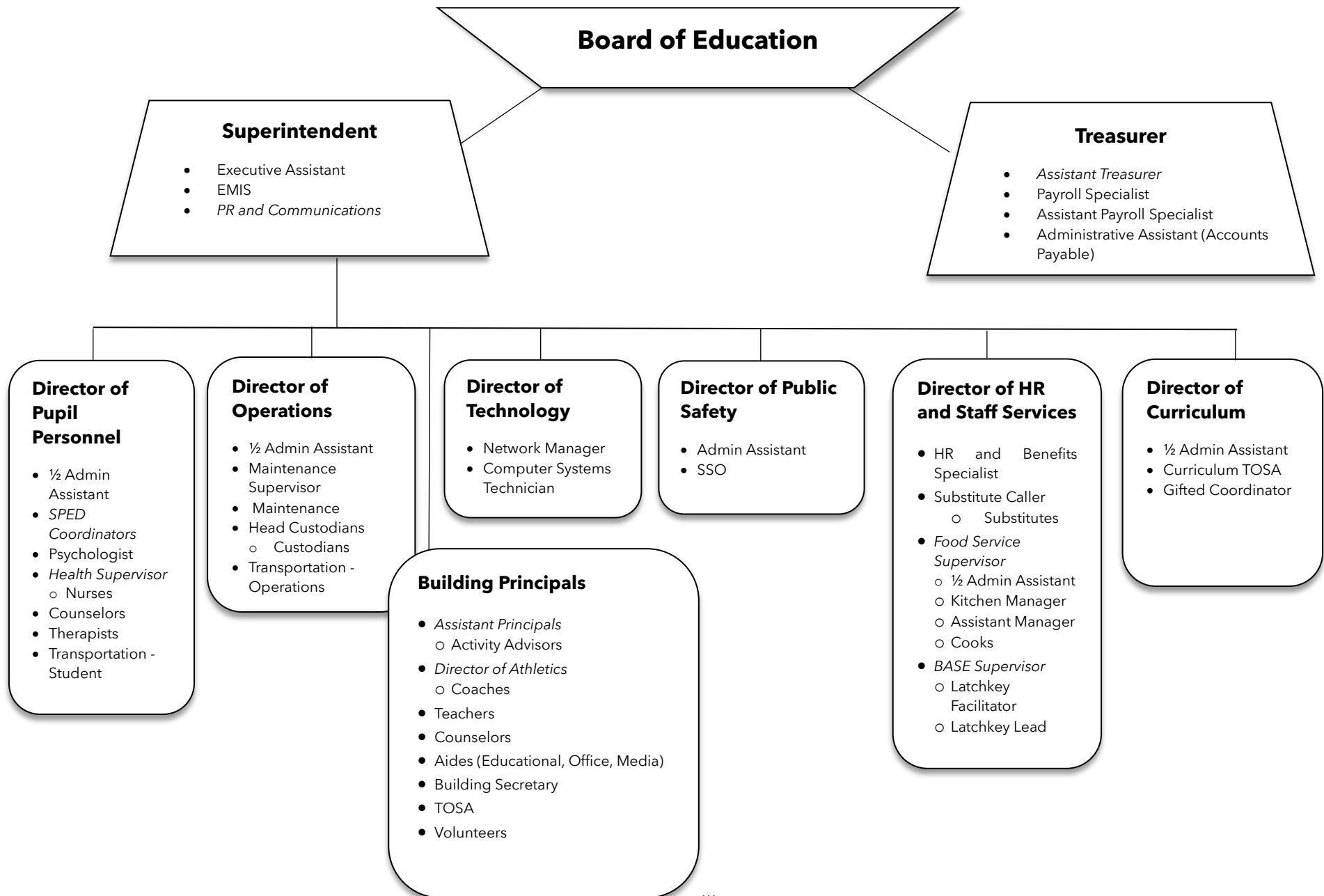
|                     |                     |
|---------------------|---------------------|
| Treasurer/CFO       | Mr. Jordan Shumaker |
| Assistant Treasurer | Ms. Leigh Anne Snow |
| Payroll Coordinator | Ms. Brittany Glenn  |
| Payroll Assistant   | Ms. Andrea Willford |
| Fiscal Analyst      | Ms. Robin Fisher    |

**PUBLIC RELATIONS**

|                              |                   |
|------------------------------|-------------------|
| Public Relations Coordinator | Ms. Mary Stephens |
|------------------------------|-------------------|

VANDALIA-BUTLER CITY SCHOOLS  
Organizational Chart

2025



## FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

Vandalia-Butler City School District  
Montgomery County  
500 South Dixie Drive  
Vandalia, Ohio 45377

To the Board of Education:

### Report on the Audit of the Financial Statements

#### ***Opinions***

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vandalia-Butler City School District, Montgomery County, Ohio as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

BHM CPA Group Inc.  
Portsmouth, Ohio  
December 19, 2025



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

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

**Financial Highlights**

Key financial highlights for fiscal year 2025 are as follows:

- In total, net position of governmental activities decreased \$111,462 which represents a 0.51% decrease from June 30, 2024's restated net position.
- General revenues accounted for \$42,953,074 in revenue or 88.53% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$5,567,342 or 11.47% for total revenues of \$48,520,416.
- The School District had \$48,631,878 in expenses related to governmental activities; \$5,567,342 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$42,953,074 were not adequate to provide for these programs.
- The School District has two major funds which include the general fund and the bond retirement fund. The general fund had \$42,672,304 in revenues and other financing sources and \$43,427,869 in expenditures and other financing uses. The general fund's fund balance decreased \$755,565 from \$5,882,780 to \$5,127,215.
- The bond retirement fund had \$3,448,374 in revenues and \$3,196,802 in expenditures. The bond retirement fund's fund balance increased \$251,572 from \$2,968,758 to \$3,220,330.

**Using this Annual Comprehensive Financial Report (ACFR)**

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

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

**Reporting the School District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2025?" The statement of net position and the statement of activities answer this question. These statements include *all assets, all deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

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

In the statement of net position and the statement of activities, the Governmental Activities include the School District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

**Reporting the School District's Most Significant Funds**

***Fund Financial Statements***

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

***Governmental Funds***

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

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School District's budgetary information, net pension liability, and net OPEB liability/asset.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

**The School District as a Whole**

The statement of net position provides the perspective of the School District as a whole.

The table below provides a summary of the School District's net position at June 30, 2025 and June 30, 2024.

|                                                | <b>Net Position</b>                       |                                           |                   |
|------------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------|
|                                                | Governmental<br>Activities<br><u>2025</u> | Governmental<br>Activities<br><u>2024</u> | Percent<br>Change |
| <b><u>Assets</u></b>                           |                                           |                                           |                   |
| Current and other assets                       | \$ 50,983,079                             | \$ 47,939,883                             | 6.35 %            |
| Net OPEB asset                                 | 2,358,970                                 | 2,496,304                                 | (5.50) %          |
| Capital assets, net                            | <u>40,199,814</u>                         | <u>42,440,484</u>                         | (5.28) %          |
| Total assets                                   | <u>93,541,863</u>                         | <u>92,876,671</u>                         | 0.72 %            |
| <b><u>Deferred Outflows of Resources</u></b>   |                                           |                                           |                   |
| Unamortized deferred charges on debt refunding | 2,870,629                                 | 3,265,612                                 | (12.10) %         |
| Pension                                        | 6,461,537                                 | 7,328,225                                 | (11.83) %         |
| OPEB                                           | <u>1,219,240</u>                          | <u>1,566,213</u>                          | (22.15) %         |
| Total deferred outflows of resources           | <u>10,551,406</u>                         | <u>12,160,050</u>                         | (13.23) %         |
| <b><u>Liabilities</u></b>                      |                                           |                                           |                   |
| Current liabilities                            | 5,054,777                                 | 4,414,202                                 | 14.51 %           |
| Long-term liabilities:                         |                                           |                                           |                   |
| Due within one year                            | 4,456,818                                 | 3,514,526                                 | 26.81 %           |
| Due in more than one year:                     |                                           |                                           |                   |
| Net pension liability                          | 30,864,219                                | 35,371,559                                | (12.74) %         |
| Net OPEB liability                             | 1,407,228                                 | 2,360,722                                 | (40.39) %         |
| Other amounts                                  | <u>41,265,081</u>                         | <u>39,321,825</u>                         | 4.94 %            |
| Total liabilities                              | <u>83,048,123</u>                         | <u>84,982,834</u>                         | (2.28) %          |
| <b><u>Deferred Inflows of Resources</u></b>    |                                           |                                           |                   |
| Property taxes and PILOTs levied for next year | 34,712,969                                | 30,581,489                                | 13.51 %           |
| Pension                                        | 4,610,057                                 | 2,639,174                                 | 74.68 %           |
| OPEB                                           | <u>3,840,425</u>                          | <u>4,037,595</u>                          | (4.88) %          |
| Total deferred inflows of resources            | <u>43,163,451</u>                         | <u>37,258,258</u>                         | 15.85 %           |
| <b><u>Net Position</u></b>                     |                                           |                                           |                   |
| Net investment in capital assets               | 7,557,907                                 | 6,927,412                                 | 9.10 %            |
| Restricted                                     | 5,055,291                                 | 5,312,187                                 | (4.84) %          |
| Unrestricted (deficit)                         | <u>(34,731,503)</u>                       | <u>(29,443,967)</u>                       | 17.96 %           |
| Total net position                             | <u>\$ (22,118,305)</u>                    | <u>\$ (17,204,368)</u>                    | 28.56 %           |

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's net pension liability or net OPEB liability/asset. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset to equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2025 and June 30, 2024, the School District's liabilities plus deferred inflows of resources exceeded assets plus deferred outflows of resources by \$22,118,305 and \$17,204,368, respectively. Net position decreased \$111,462 from June 30, 2024's restated net position.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

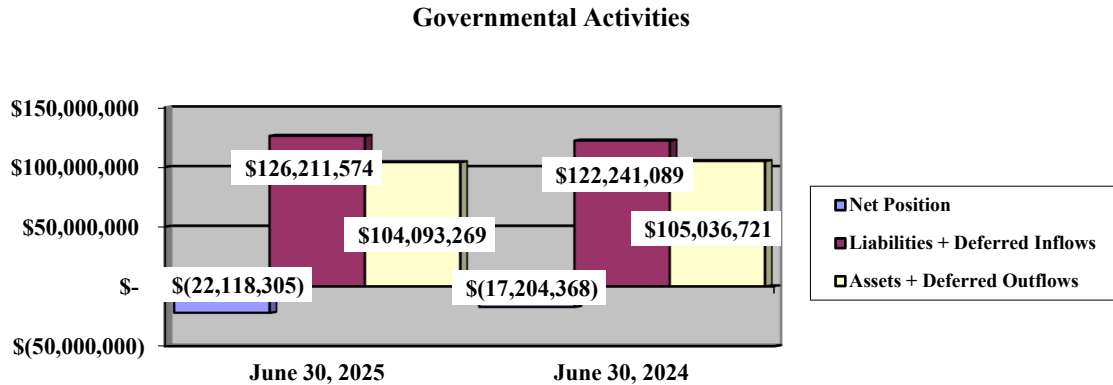
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

Assets of the School District increased \$665,192 or 0.72%. Current assets increased \$3,043,196 or 6.35%. The most significant increases were in the area of property taxes receivable and payment in lieu of taxes receivable. The increase is due to a revaluation of property taxes and additional amounts expected to be collected to tax abatement programs. At year-end, capital assets represented 42.98% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture and equipment, software, vehicles, and intangible right-to-use assets. Net investment in capital assets at June 30, 2025 and June 30, 2024, were \$7,557,907 and \$6,927,412, respectively. These capital assets are used to provide services to the students and are not available for future spending. Although the School District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. The capital assets decreased due to current year depreciation/amortization of \$2,553,068 exceeding current year additions of \$312,398.

Total assets include a net OPEB asset reported by STRS. See Note 13 for more detail.

A portion of the School District's net position, \$5,055,291, represents resources that are subject to external restriction on how they may be used. Of the restricted net position, \$2,269,546 is restricted for debt service. The remaining balance of unrestricted net position is (\$34,731,503).

The graph below shows the School District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2025 and June 30, 2024.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

The table below shows the change in net position for fiscal years 2025 and 2024. The net position as of June 30, 2024, was restated as described in Note 3.

**Change in Net Position**

|                                              | Governmental<br>Activities<br><u>2025</u> | Governmental<br>Activities<br><u>2024</u> | Percentage<br><u>Change</u> |
|----------------------------------------------|-------------------------------------------|-------------------------------------------|-----------------------------|
| <b><u>Revenues</u></b>                       |                                           |                                           |                             |
| Program revenues:                            |                                           |                                           |                             |
| Charges for services and sales               | \$ 2,002,153                              | \$ 2,110,641                              | (5.14) %                    |
| Operating grants and contributions           | 3,565,189                                 | 4,555,834                                 | (21.74) %                   |
| Capital grants and contributions             | -                                         | 499,231                                   | (100.00) %                  |
| General revenues:                            |                                           |                                           |                             |
| Property taxes                               | 27,446,144                                | 27,687,321                                | (0.87) %                    |
| Payment in lieu of taxes                     | 4,856,513                                 | 3,914,500                                 | 24.06 %                     |
| Grants and entitlements not restricted       | 9,465,533                                 | 10,262,478                                | (7.77) %                    |
| Investment earnings                          | 652,673                                   | 694,173                                   | (5.98) %                    |
| Other                                        | <u>532,211</u>                            | <u>460,597</u>                            | 15.55 %                     |
| Total revenues                               | <u>48,520,416</u>                         | <u>50,184,775</u>                         | (3.32) %                    |
| <b><u>Expenses</u></b>                       |                                           |                                           |                             |
| Program expenses:                            |                                           |                                           |                             |
| Instruction:                                 |                                           |                                           |                             |
| Regular                                      | 16,353,982                                | 16,620,048                                | (1.60) %                    |
| Special                                      | 8,531,133                                 | 7,733,748                                 | 10.31 %                     |
| Vocational                                   | 175,799                                   | 106,065                                   | 65.75 %                     |
| Other                                        | 433,234                                   | 521,697                                   | (16.96) %                   |
| Support services:                            |                                           |                                           |                             |
| Pupil                                        | 3,662,106                                 | 4,572,395                                 | (19.91) %                   |
| Instructional staff                          | 623,249                                   | 634,338                                   | (1.75) %                    |
| Board of education                           | 29,345                                    | 23,294                                    | 25.98 %                     |
| Administration                               | 3,107,256                                 | 2,747,468                                 | 13.10 %                     |
| Business and fiscal                          | 1,316,625                                 | 1,233,263                                 | 6.76 %                      |
| Operations and maintenance                   | 5,891,533                                 | 3,294,776                                 | 78.81 %                     |
| Pupil transportation                         | 2,657,822                                 | 2,647,115                                 | 0.40 %                      |
| Central                                      | 1,101,665                                 | 1,110,148                                 | (0.76) %                    |
| Operations of non-instructional services     | 1,705,813                                 | 1,680,276                                 | 1.52 %                      |
| Extracurricular activities                   | 1,333,401                                 | 1,243,758                                 | 7.21 %                      |
| Interest                                     | <u>1,708,915</u>                          | <u>1,322,465</u>                          | 29.22 %                     |
| Total expenses                               | <u>48,631,878</u>                         | <u>45,490,854</u>                         | 6.90 %                      |
| Change in net position                       | (111,462)                                 | 4,693,921                                 | (102.37) %                  |
| Net position as previously reported          | (17,204,368)                              | -                                         |                             |
| Restatement - change in accounting principle | (4,802,475)                               | -                                         |                             |
| Net position, beginning of year              | <u>(22,006,843)</u>                       | <u>(21,898,289)</u>                       | (0.50) %                    |
| Net position, end of year                    | <u><u>\$ (22,118,305)</u></u>             | <u><u>\$ (17,204,368)</u></u>             | 28.56 %                     |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

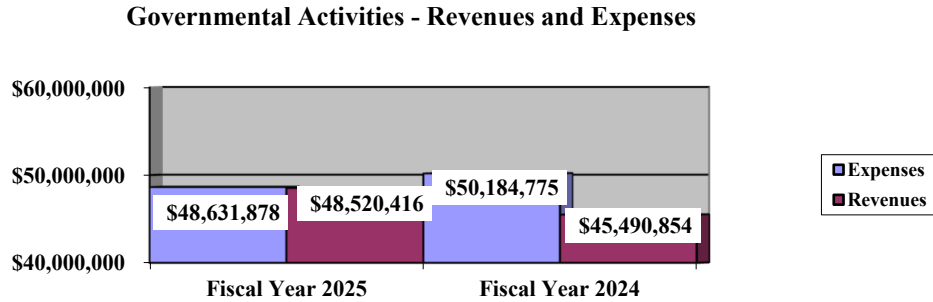
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

**Governmental Activities**

Net position of the School District's governmental activities decreased \$111,462 in fiscal year 2025 and increased \$4,693,921 in fiscal year 2024. Total governmental expenses of \$48,631,878 were offset by program revenues of \$5,567,342 and general revenues of \$42,953,074 during fiscal year 2025. Program revenues supported 11.45% of the total governmental expenses during fiscal year 2025.

Revenues of the School District decreased \$1,664,359 or 3.32%. The most significant decreases were in the area grants and entitlements. Grants and entitlements decreased \$796,945. The decrease in grants and entitlements is due to the School District receiving less money from the State in the current fiscal year compared to last.

The graph below presents the School District's governmental activities revenues and expenses for fiscal years 2025 and 2024.



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

THIS SPACE INTENTIONALLY LEFT BLANK

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

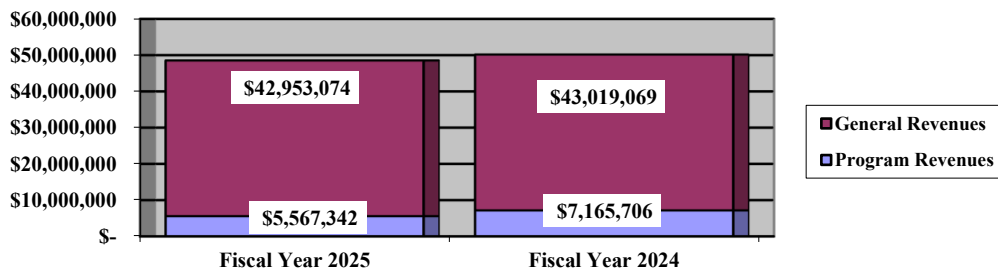
**Governmental Activities**

|                                          | Total Cost of<br>Services<br><u>2025</u> | Net Cost of<br>Services<br><u>2025</u> | Total Cost of<br>Services<br><u>2024</u> | Net Cost of<br>Services<br><u>2024</u> |
|------------------------------------------|------------------------------------------|----------------------------------------|------------------------------------------|----------------------------------------|
| <b>Program expenses</b>                  |                                          |                                        |                                          |                                        |
| Instruction:                             |                                          |                                        |                                          |                                        |
| Regular                                  | \$ 16,353,982                            | \$ 15,648,249                          | \$ 16,620,048                            | \$ 15,892,214                          |
| Special                                  | 8,531,133                                | 6,890,675                              | 7,733,748                                | 6,058,941                              |
| Vocational                               | 175,799                                  | 169,824                                | 106,065                                  | 102,015                                |
| Other                                    | 433,234                                  | 431,865                                | 521,697                                  | 521,697                                |
| Support services:                        |                                          |                                        |                                          |                                        |
| Pupil                                    | 3,662,106                                | 2,948,863                              | 4,572,395                                | 3,304,887                              |
| Instructional staff                      | 623,249                                  | 523,411                                | 634,338                                  | 550,696                                |
| Board of education                       | 29,345                                   | 29,345                                 | 23,294                                   | 23,294                                 |
| Administration                           | 3,107,256                                | 3,086,475                              | 2,747,468                                | 2,715,153                              |
| Business and fiscal                      | 1,316,625                                | 1,316,625                              | 1,233,263                                | 1,233,263                              |
| Operations and maintenance               | 5,891,533                                | 5,837,655                              | 3,294,776                                | 2,750,095                              |
| Pupil transportation                     | 2,657,822                                | 2,414,469                              | 2,647,115                                | 1,944,488                              |
| Central                                  | 1,101,665                                | 1,101,665                              | 1,110,148                                | 1,110,148                              |
| Operations of non-instructional services | 1,705,813                                | 78,654                                 | 1,680,276                                | 30,399                                 |
| Extracurricular activities               | 1,333,401                                | 877,846                                | 1,243,758                                | 765,393                                |
| Interest                                 | 1,708,915                                | 1,708,915                              | 1,322,465                                | 1,322,465                              |
| <b>Total</b>                             | <b>\$ 48,631,878</b>                     | <b>\$ 43,064,536</b>                   | <b>\$ 45,490,854</b>                     | <b>\$ 38,325,148</b>                   |

The dependence upon tax and other general revenues for governmental activities is apparent, 90.77% of instruction activities were supported through taxes and other general revenues during fiscal year 2025. For all governmental activities, general revenue support was 88.55% in fiscal year 2025. The School District's taxpayers and unrestricted grants and entitlements are by far the primary support for School District students.

The graph below presents the School District's governmental activities revenues for fiscal years 2025 and 2024.

**Governmental Activities - General and Program Revenues**



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

**The School District's Funds**

The School District's governmental funds reported a combined fund balance of \$8,906,906, which is lower than last year's total of \$9,400,708. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2025 and 2024.

|                    | <u>Fund Balance<br/>June 30, 2025</u> | <u>Fund Balance<br/>June 30, 2024</u> | <u>Change</u>       | <u>Percentage<br/>Change</u> |
|--------------------|---------------------------------------|---------------------------------------|---------------------|------------------------------|
| General            | \$ 5,127,215                          | \$ 5,882,780                          | \$ (755,565)        | (12.84) %                    |
| Bond Retirement    | 3,220,330                             | 2,968,758                             | 251,572             | 8.47 %                       |
| Other Governmental | <u>559,361</u>                        | <u>549,170</u>                        | <u>10,191</u>       | 1.86 %                       |
| Total              | <u>\$ 8,906,906</u>                   | <u>\$ 9,400,708</u>                   | <u>\$ (493,802)</u> | (5.25) %                     |

**General Fund**

The general fund decreased \$755,565 during fiscal year 2025. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

|                                            | <u>2025<br/>Amount</u> | <u>2024<br/>Amount</u> | <u>Change</u>       | <u>Percentage<br/>Change</u> |
|--------------------------------------------|------------------------|------------------------|---------------------|------------------------------|
| <b><u>Revenues</u></b>                     |                        |                        |                     |                              |
| Property taxes                             | \$ 24,089,487          | \$ 24,374,066          | \$ (284,579)        | (1.17) %                     |
| Payment in lieu of taxes                   | 6,106,513              | 1,414,500              | 4,692,013           | 331.71 %                     |
| Earnings on investments                    | 653,808                | 683,711                | (29,903)            | (4.37) %                     |
| Intergovernmental                          | 10,196,014             | 11,044,683             | (848,669)           | (7.68) %                     |
| Other revenues                             | <u>1,596,900</u>       | <u>1,538,847</u>       | <u>58,053</u>       | 3.77 %                       |
| Total                                      | <u>\$ 42,642,722</u>   | <u>\$ 39,055,807</u>   | <u>\$ 3,586,915</u> | 9.18 %                       |
| <b><u>Expenditures</u></b>                 |                        |                        |                     |                              |
| Instruction                                | \$ 24,849,760          | \$ 22,798,988          | \$ 2,050,772        | 9.00 %                       |
| Support services                           | 16,333,720             | 13,961,368             | 2,372,352           | 16.99 %                      |
| Operation of<br>non-instructional services | 108,714                | 74,999                 | 33,715              | 44.95 %                      |
| Extracurricular activities                 | 921,926                | 833,930                | 87,996              | 10.55 %                      |
| Capital outlay                             | -                      | 1,235,506              | (1,235,506)         | (100.00) %                   |
| Debt service                               | <u>1,211,840</u>       | <u>483,402</u>         | <u>728,438</u>      | 150.69 %                     |
| Total                                      | <u>\$ 43,425,960</u>   | <u>\$ 39,388,193</u>   | <u>\$ 4,037,767</u> | 10.25 %                      |

Revenues of the general fund increased by \$3,586,915 or 9.18%. Property taxes decreased \$284,579. The decrease in property tax revenues is due to a decrease in the amount of tax advance that was available to the School District from the County Auditor at June 30, 2025 versus June 30, 2024 and a revaluation of property tax values in the County. The increase in payment in lieu of taxes was due a greater amount of TIFs available in the current year compared to the last.

Expenditures of the general fund increased \$4,037,767 or 10.25%. The most significant increase was in the area of instruction and support services which increased \$2,050,772 and \$2,372,352, respectively. The increase in instruction is related to an increase in wages and benefits paid to employees.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

***Bond Retirement Fund***

During fiscal year 2025, the bond retirement fund had revenues of \$3,448,374 and expenditures of \$3,196,802. The fund balance of the bond retirement fund increased \$251,572 from \$2,968,758 to \$3,220,330.

***General Fund Budgeting Highlights***

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

For the general fund, original revenues and other financing sources of \$43,793,157 were decreased to \$41,891,455 in the final revenues and other financing sources. The largest decreases were in the areas of property taxes, payment in lieu of taxes, and intergovernmental - state which decreased due to higher property tax collection estimates and lower than expected State foundation revenues, respectively. Actual revenues and other financing sources increased \$1,963,964 to \$43,855,419 from final revenues and other financing sources.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$43,460,460 were increased to \$44,453,078 in the final budget. Actual expenditures and other uses of \$43,777,049 were \$676,029 lower than final appropriations due to the School District's budget practices.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2025, the School District had \$40,199,814 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right-to-use assets. This entire amount is reported in governmental activities.

The following table shows June 30, 2025 balances compared to June 30, 2024.

**Capital Assets at June 30  
(Net of Depreciation/Amortization)**

|                                         | <u>Governmental Activities</u> |                      |
|-----------------------------------------|--------------------------------|----------------------|
|                                         | <u>2025</u>                    | <u>2024</u>          |
| Land                                    | \$ 1,679,701                   | \$ 1,679,701         |
| Land improvements                       | 1,710,606                      | 2,031,442            |
| Buildings and improvements              | 33,416,875                     | 34,832,351           |
| Furniture and equipment                 | 2,432,714                      | 2,811,745            |
| Vehicles                                | 735,186                        | 731,478              |
| Intangible right-to-use assets - Leases | 224,732                        | 329,073              |
| Intangible right-to-use assets - SBITAs | <u>-</u>                       | <u>24,694</u>        |
| Total                                   | <u>\$ 40,199,814</u>           | <u>\$ 42,440,484</u> |

The capital assets decreased due to current year depreciation of \$2,553,068 and disposals exceeding current year additions of \$312,398.

See Note 8 to the basic financial statements for detail on the School District's capital assets.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

***Debt Administration***

At June 30, 2025 the School District had \$35,525,744 in general obligation bonds, \$264,485 in leases outstanding, and \$706,112 in notes payable - finance purchases. Of this total, \$2,721,978 is due within one year and \$33,774,363 is due in greater than one year.

The following table summarizes the bonds and lease payable obligations outstanding.

**Outstanding Debt, at Year End**

|                                  | Governmental<br>Activities<br><u>2025</u> | Governmental<br>Activities<br><u>2024</u> |
|----------------------------------|-------------------------------------------|-------------------------------------------|
| General Obligation Bonds         | \$ 32,360,000                             | \$ 34,765,000                             |
| Premiums                         | 1,830,033                                 | 2,249,547                                 |
| Capital Appreciation Bonds       | 351,906                                   | 352,257                                   |
| Accreted interest                | 983,805                                   | 805,538                                   |
| Leases payable                   | 264,485                                   | 376,330                                   |
| Notes payable - finance purchase | <u>706,112</u>                            | <u>1,035,550</u>                          |
| Total                            | <u>\$ 36,496,341</u>                      | <u>\$ 39,584,222</u>                      |

The School District maintained ratings of Aa3 and AA- with Moody's Investor Services and Standard & Poor's, respectively.

See Note 9 to the basic financial statements for detail on the School District's debt administration.

**For the Future**

During the 2024–2025 fiscal year, the District experienced several significant events that materially affected its financial position and operational structure. The Fall 2024 Five-Year Forecast projected deficit fund balances beginning in Fiscal Year 2025 and continuing through Fiscal Year 2029.

Based on the financial projections presented in November 2022, the Vandalia-Butler City School District initiated budget reductions to prevent placement under Fiscal Oversight by the Ohio Department of Education and Workforce. In February 2023, the District submitted a *Fiscal Oversight Written Plan* outlining corrective measures.

The District previously experienced two unsuccessful levy attempts incorporated into the financial forecast: a 1% earned income tax proposal in May 2023 and a 4.0-mill, five-year emergency property tax levy in November 2023. Following these outcomes, the District implemented a reconfiguration of its elementary facilities as follows:

| <b>Building</b>              | <b>Grade Levels</b>       |
|------------------------------|---------------------------|
| Helke Early Learning Center* | Preschool – Kindergarten  |
| Demmitt Elementary School    | Grades 1 – 2              |
| Smith Intermediate School*   | Grades 3 – 5              |
| Morton Middle School         | Grades 6 – 8 (no change)  |
| Butler High School           | Grades 9 – 12 (no change) |

(\*Indicates building impacted by reconfiguration.)

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

In addition, the Board of Education approved \$3.2 million in budget reductions. A legal settlement with the City of Vandalia provided \$4.35 million in additional revenue, to be received over Fiscal Years 2024 through 2026. These combined measures allowed the District to maintain a balanced budget and avoid placement under Fiscal Oversight.

Despite these corrective actions, the District anticipates a reduction in state funding of approximately \$460,000 from Fiscal Year 2025 to Fiscal Year 2026, resulting in a projected deficit of less than one percent for FY2026. Forecasted fiscal years 2027 through 2030 indicate increasing deficit spending absent additional revenue or expenditure adjustments.

The District remains committed to prudent financial management and will continue to evaluate cost-saving measures within personnel and purchased services, as well as pursue alternative and supplemental revenue opportunities to ensure long-term fiscal sustainability.

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

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Jordan Shumaker, Treasurer/CFO, Vandalia-Butler City School District, 500 South Dixie Drive, Vandalia, Ohio 45377.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2025

|                                                          | <b>Governmental<br/>Activities</b> |
|----------------------------------------------------------|------------------------------------|
| <b>Assets:</b>                                           |                                    |
| Equity in pooled cash and cash equivalents               | \$ 13,195,790                      |
| Receivables:                                             |                                    |
| Property taxes                                           | 30,014,491                         |
| Payment in lieu of taxes                                 | 7,356,513                          |
| Accrued interest                                         | 23,293                             |
| Intergovernmental                                        | 264,605                            |
| Prepayments                                              | 113,050                            |
| Materials and supplies inventory                         | 5,465                              |
| Inventory held for resale                                | 9,872                              |
| Net OPEB asset                                           | 2,358,970                          |
| Capital assets:                                          |                                    |
| Nondepreciable capital assets                            | 1,679,701                          |
| Depreciable capital assets, net                          | 38,520,113                         |
| Capital assets, net                                      | <u>40,199,814</u>                  |
| Total assets                                             | <u>93,541,863</u>                  |
| <b>Deferred outflows of resources:</b>                   |                                    |
| Unamortized deferred charges on debt refunding           | 2,870,629                          |
| Pension                                                  | 6,461,537                          |
| OPEB                                                     | 1,219,240                          |
| Total deferred outflows of resources                     | <u>10,551,406</u>                  |
| <b>Liabilities:</b>                                      |                                    |
| Accounts payable                                         | 689,086                            |
| Accrued wages and benefits payable                       | 3,077,880                          |
| Compensated absences payable                             | 458,822                            |
| Intergovernmental payable                                | 81,008                             |
| Pension and postemployment benefits payable              | 670,658                            |
| Accrued interest payable                                 | 77,323                             |
| Long-term liabilities:                                   |                                    |
| Due within one year                                      | 4,456,818                          |
| Due in more than one year:                               |                                    |
| Net pension liability                                    | 30,864,219                         |
| Net OPEB liability                                       | 1,407,228                          |
| Other amounts due in more than one year                  | 41,265,081                         |
| Total liabilities                                        | <u>83,048,123</u>                  |
| <b>Deferred inflows of resources:</b>                    |                                    |
| Property taxes levied for the next fiscal year           | 28,606,456                         |
| Payment in lieu of taxes levied for the next fiscal year | 6,106,513                          |
| Pension                                                  | 4,610,057                          |
| OPEB                                                     | 3,840,425                          |
| Total deferred inflows of resources                      | <u>43,163,451</u>                  |
| <b>Net position:</b>                                     |                                    |
| Net investment in capital assets                         | 7,557,907                          |
| Restricted for:                                          |                                    |
| OPEB                                                     | 2,358,970                          |
| Debt service                                             | 2,269,546                          |
| Food service operations                                  | 170,196                            |
| Extracurricular programs                                 | 250,599                            |
| Other purposes                                           | 5,980                              |
| Unrestricted (deficit)                                   | (34,731,503)                       |
| Total net position                                       | <u><u>\$ (22,118,305)</u></u>      |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                              |                      | <b>Program Revenues</b>                   |                                               | <b>Net (Expense)<br/>Revenue and<br/>Changes in<br/>Net Position</b> |
|--------------------------------------------------------------|----------------------|-------------------------------------------|-----------------------------------------------|----------------------------------------------------------------------|
|                                                              | <b>Expenses</b>      | <b>Charges for<br/>Services and Sales</b> | <b>Operating Grants<br/>and Contributions</b> | <b>Governmental<br/>Activities</b>                                   |
| <b>Governmental activities:</b>                              |                      |                                           |                                               |                                                                      |
| Instruction:                                                 |                      |                                           |                                               |                                                                      |
| Regular                                                      | \$ 16,353,982        | \$ 608,806                                | \$ 96,927                                     | \$ (15,648,249)                                                      |
| Special                                                      | 8,531,133            | 156,365                                   | 1,484,093                                     | (6,890,675)                                                          |
| Vocational                                                   | 175,799              | -                                         | 5,975                                         | (169,824)                                                            |
| Other                                                        | 433,234              | 1,369                                     | -                                             | (431,865)                                                            |
| Support services:                                            |                      |                                           |                                               |                                                                      |
| Pupil                                                        | 3,662,106            | -                                         | 713,243                                       | (2,948,863)                                                          |
| Instructional staff                                          | 623,249              | 2,687                                     | 97,151                                        | (523,411)                                                            |
| Board of education                                           | 29,345               | -                                         | -                                             | (29,345)                                                             |
| Administration                                               | 3,107,256            | -                                         | 20,781                                        | (3,086,475)                                                          |
| Fiscal                                                       | 1,300,891            | -                                         | -                                             | (1,300,891)                                                          |
| Business                                                     | 15,734               | -                                         | -                                             | (15,734)                                                             |
| Operations and maintenance                                   | 5,891,533            | 53,878                                    | -                                             | (5,837,655)                                                          |
| Pupil transportation                                         | 2,657,822            | 8,809                                     | 234,544                                       | (2,414,469)                                                          |
| Central                                                      | 1,101,665            | -                                         | -                                             | (1,101,665)                                                          |
| Operation of non-instructional<br>services:                  |                      |                                           |                                               |                                                                      |
| Food service operations                                      | 1,561,656            | 593,515                                   | 870,691                                       | (97,450)                                                             |
| Other non-instructional services                             | 144,157              | 122,221                                   | 40,732                                        | 18,796                                                               |
| Extracurricular activities                                   | 1,333,401            | 454,503                                   | 1,052                                         | (877,846)                                                            |
| Interest                                                     | 1,708,915            | -                                         | -                                             | (1,708,915)                                                          |
| <b>Totals</b>                                                | <b>\$ 48,631,878</b> | <b>\$ 2,002,153</b>                       | <b>\$ 3,565,189</b>                           | <b>(43,064,536)</b>                                                  |
| <b>General revenues:</b>                                     |                      |                                           |                                               |                                                                      |
| Property taxes levied for:                                   |                      |                                           |                                               |                                                                      |
| General purposes                                             |                      |                                           |                                               | 24,362,033                                                           |
| Debt service                                                 |                      |                                           |                                               | 3,084,111                                                            |
| Payments in lieu of taxes                                    |                      |                                           |                                               | 4,856,513                                                            |
| Grants and entitlements not restricted                       |                      |                                           |                                               |                                                                      |
| to specific programs                                         |                      |                                           |                                               | 9,465,533                                                            |
| Investment earnings                                          |                      |                                           |                                               | 652,673                                                              |
| Miscellaneous                                                |                      |                                           |                                               | 532,211                                                              |
| Total general revenues                                       |                      |                                           |                                               | <u>42,953,074</u>                                                    |
| Change in net position                                       |                      |                                           |                                               | (111,462)                                                            |
| Net position at beginning of year,<br>as previously reported |                      |                                           |                                               | (17,204,368)                                                         |
| Restatement - change in accounting principle                 |                      |                                           |                                               | (4,802,475)                                                          |
| <b>Net position at beginning of year, restated</b>           |                      |                                           |                                               | <u>(22,006,843)</u>                                                  |
| <b>Net position at end of year</b>                           |                      |                                           |                                               | <u><u>\$ (22,118,305)</u></u>                                        |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025

|                                                          | General              | Bond<br>Retirement  | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------------------------------|----------------------|---------------------|-----------------------------------|--------------------------------|
| <b>Assets:</b>                                           |                      |                     |                                   |                                |
| Equity in pooled cash<br>and cash equivalents            | \$ 9,321,727         | \$ 3,183,193        | \$ 690,870                        | \$ 13,195,790                  |
| Receivables:                                             |                      |                     |                                   |                                |
| Property taxes                                           | 26,721,405           | 3,293,086           | -                                 | 30,014,491                     |
| Payment in lieu of taxes                                 | 7,356,513            | -                   | -                                 | 7,356,513                      |
| Accrued interest                                         | 23,293               | -                   | -                                 | 23,293                         |
| Intergovernmental                                        | 9,386                | -                   | 255,219                           | 264,605                        |
| Prepayments                                              | 112,054              | -                   | 996                               | 113,050                        |
| Materials and supplies inventory                         | -                    | -                   | 5,465                             | 5,465                          |
| Inventory held for resale                                | -                    | -                   | 9,872                             | 9,872                          |
| Due from other funds                                     | 109,472              | -                   | -                                 | 109,472                        |
| Total assets                                             | <u>\$ 43,653,850</u> | <u>\$ 6,476,279</u> | <u>\$ 962,422</u>                 | <u>\$ 51,092,551</u>           |
| <b>Liabilities:</b>                                      |                      |                     |                                   |                                |
| Accounts payable                                         | \$ 665,574           | \$ -                | \$ 23,512                         | \$ 689,086                     |
| Accrued wages and benefits payable                       | 2,902,662            | -                   | 175,218                           | 3,077,880                      |
| Compensated absences payable                             | 458,822              | -                   | -                                 | 458,822                        |
| Intergovernmental payable                                | 78,614               | -                   | 2,394                             | 81,008                         |
| Pension and postemployment benefits payable              | 630,127              | -                   | 40,531                            | 670,658                        |
| Due to other funds                                       | -                    | -                   | 109,472                           | 109,472                        |
| Total liabilities                                        | <u>4,735,799</u>     | <u>-</u>            | <u>351,127</u>                    | <u>5,086,926</u>               |
| <b>Deferred inflows of resources:</b>                    |                      |                     |                                   |                                |
| Property taxes levied for the next fiscal year           | 25,456,850           | 3,149,606           | -                                 | 28,606,456                     |
| Payment in lieu of taxes levied for the next fiscal year | 6,106,513            | -                   | -                                 | 6,106,513                      |
| Delinquent property tax revenue not available            | 960,168              | 106,343             | -                                 | 1,066,511                      |
| Intergovernmental revenue not available                  | -                    | -                   | 51,934                            | 51,934                         |
| Accrued interest not available                           | 17,305               | -                   | -                                 | 17,305                         |
| Payment in lieu of taxes not available                   | 1,250,000            | -                   | -                                 | 1,250,000                      |
| Total deferred inflows of resources                      | <u>33,790,836</u>    | <u>3,255,949</u>    | <u>51,934</u>                     | <u>37,098,719</u>              |
| <b>Fund balances:</b>                                    |                      |                     |                                   |                                |
| Nonspendable:                                            |                      |                     |                                   |                                |
| Materials and supplies inventory                         | -                    | -                   | 5,465                             | 5,465                          |
| Prepays                                                  | 112,054              | -                   | 996                               | 113,050                        |
| Restricted:                                              |                      |                     |                                   |                                |
| Debt service                                             | -                    | 3,220,330           | -                                 | 3,220,330                      |
| Food service operations                                  | -                    | -                   | 348,444                           | 348,444                        |
| Extracurricular                                          | -                    | -                   | 250,410                           | 250,410                        |
| Other purposes                                           | -                    | -                   | 5,980                             | 5,980                          |
| Assigned:                                                |                      |                     |                                   |                                |
| Student instruction                                      | 580,615              | -                   | -                                 | 580,615                        |
| Student and staff support                                | 814,386              | -                   | -                                 | 814,386                        |
| Other purposes                                           | 93,134               | -                   | -                                 | 93,134                         |
| Unassigned (deficit)                                     | <u>3,527,026</u>     | <u>-</u>            | <u>(51,934)</u>                   | <u>3,475,092</u>               |
| Total fund balances                                      | <u>5,127,215</u>     | <u>3,220,330</u>    | <u>559,361</u>                    | <u>8,906,906</u>               |
| Total liabilities, deferred inflows and fund balances    | <u>\$ 43,653,850</u> | <u>\$ 6,476,279</u> | <u>\$ 962,422</u>                 | <u>\$ 51,092,551</u>           |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2025

|                                                                                                                                                                                                           |              |                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------------------------|
| <b>Total governmental fund balances</b>                                                                                                                                                                   |              | \$ 8,906,906                  |
| <i>Amounts reported for governmental activities on the statement of net position are different because:</i>                                                                                               |              |                               |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.                                                                                   |              | 40,199,814                    |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.                                                                          |              |                               |
| Property taxes receivable                                                                                                                                                                                 | \$ 1,066,511 |                               |
| Payment in lieu of taxes receivable                                                                                                                                                                       | 1,250,000    |                               |
| Accrued interest receivable                                                                                                                                                                               | 17,305       |                               |
| Intergovernmental receivable                                                                                                                                                                              | 51,934       |                               |
| Total                                                                                                                                                                                                     |              | 2,385,750                     |
| Unamortized premiums on bonds issued are not recognized in the funds.                                                                                                                                     |              | (1,830,033)                   |
| Unamortized amounts on refundings are not recognized in the funds.                                                                                                                                        |              | 2,870,629                     |
| Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.                                                                                         |              | (77,323)                      |
| The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds. |              |                               |
| Deferred outflows - pension                                                                                                                                                                               | 6,461,537    |                               |
| Deferred inflows - pension                                                                                                                                                                                | (4,610,057)  |                               |
| Net pension liability                                                                                                                                                                                     | (30,864,219) |                               |
| Deferred outflows - OPEB                                                                                                                                                                                  | 1,219,240    |                               |
| Deferred inflows - OPEB                                                                                                                                                                                   | (3,840,425)  |                               |
| Net OPEB asset                                                                                                                                                                                            | 2,358,970    |                               |
| Net OPEB liability                                                                                                                                                                                        | (1,407,228)  |                               |
| Total                                                                                                                                                                                                     |              | (30,682,182)                  |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.                                                                |              |                               |
| General obligation bonds                                                                                                                                                                                  | (33,695,711) |                               |
| Leases payable                                                                                                                                                                                            | (264,485)    |                               |
| Notes payable - finance purchase                                                                                                                                                                          | (706,112)    |                               |
| Compensated absences                                                                                                                                                                                      | (9,225,558)  |                               |
| Total                                                                                                                                                                                                     |              | (43,891,866)                  |
| <b>Net position of governmental activities</b>                                                                                                                                                            |              | <u><u>\$ (22,118,305)</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                              | <b>General</b>             | <b>Bond<br/>Retirement</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--------------------------------------------------------------|----------------------------|----------------------------|--------------------------------------------|-----------------------------------------|
| <b>Revenues:</b>                                             |                            |                            |                                            |                                         |
| Property taxes                                               | \$ 24,089,487              | \$ 3,051,702               | \$ -                                       | \$ 27,141,189                           |
| Intergovernmental                                            | 10,196,014                 | 396,672                    | 2,561,093                                  | 13,153,779                              |
| Investment earnings                                          | 653,808                    | -                          | -                                          | 653,808                                 |
| Tuition and fees                                             | 749,945                    | -                          | 3,000                                      | 752,945                                 |
| Extracurricular                                              | 114,610                    | -                          | 340,949                                    | 455,559                                 |
| Rental income                                                | 53,878                     | -                          | -                                          | 53,878                                  |
| Charges for services                                         | 146,256                    | -                          | 593,515                                    | 739,771                                 |
| Contributions and donations                                  | -                          | -                          | 1,052                                      | 1,052                                   |
| Payment in lieu of taxes                                     | 6,106,513                  | -                          | -                                          | 6,106,513                               |
| Miscellaneous                                                | 532,211                    | -                          | -                                          | 532,211                                 |
| Total revenues                                               | <u>42,642,722</u>          | <u>3,448,374</u>           | <u>3,499,609</u>                           | <u>49,590,705</u>                       |
| <b>Expenditures:</b>                                         |                            |                            |                                            |                                         |
| Current:                                                     |                            |                            |                                            |                                         |
| Instruction:                                                 |                            |                            |                                            |                                         |
| Regular                                                      | 16,428,650                 | -                          | 96,927                                     | 16,525,577                              |
| Special                                                      | 7,806,346                  | -                          | 776,015                                    | 8,582,361                               |
| Vocational                                                   | 181,310                    | -                          | -                                          | 181,310                                 |
| Other                                                        | 433,454                    | -                          | 1,167                                      | 434,621                                 |
| Support services:                                            |                            |                            |                                            |                                         |
| Pupil                                                        | 3,316,571                  | -                          | 534,687                                    | 3,851,258                               |
| Instructional staff                                          | 650,966                    | -                          | 99,441                                     | 750,407                                 |
| Board of education                                           | 29,797                     | -                          | -                                          | 29,797                                  |
| Administration                                               | 3,124,722                  | -                          | 20,781                                     | 3,145,503                               |
| Fiscal                                                       | 1,279,843                  | -                          | -                                          | 1,279,843                               |
| Business                                                     | 30,161                     | -                          | -                                          | 30,161                                  |
| Operations and maintenance                                   | 4,166,905                  | -                          | -                                          | 4,166,905                               |
| Pupil transportation                                         | 2,600,151                  | -                          | -                                          | 2,600,151                               |
| Central                                                      | 1,134,604                  | -                          | -                                          | 1,134,604                               |
| Operation of non-instructional services:                     |                            |                            |                                            |                                         |
| Food service operations                                      | -                          | -                          | 1,564,763                                  | 1,564,763                               |
| Other non-instructional services                             | 108,714                    | -                          | 40,732                                     | 149,446                                 |
| Extracurricular activities                                   | 921,926                    | -                          | 327,232                                    | 1,249,158                               |
| Debt service:                                                |                            |                            |                                            |                                         |
| Principal retirement                                         | 1,080,721                  | 1,925,562                  | -                                          | 3,006,283                               |
| Interest                                                     | 131,119                    | 1,111,591                  | -                                          | 1,242,710                               |
| Accreted interest on capital appreciation bonds              | -                          | 159,649                    | -                                          | 159,649                                 |
| Total expenditures                                           | <u>43,425,960</u>          | <u>3,196,802</u>           | <u>3,461,745</u>                           | <u>50,084,507</u>                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(783,238)</u>           | <u>251,572</u>             | <u>37,864</u>                              | <u>(493,802)</u>                        |
| <b>Other financing sources (uses):</b>                       |                            |                            |                                            |                                         |
| Transfers in                                                 | 29,582                     | -                          | 1,909                                      | 31,491                                  |
| Transfers (out)                                              | (1,909)                    | -                          | (29,582)                                   | (31,491)                                |
| Total other financing sources (uses)                         | <u>27,673</u>              | <u>-</u>                   | <u>(27,673)</u>                            | <u>-</u>                                |
| Net change in fund balances                                  | (755,565)                  | 251,572                    | 10,191                                     | (493,802)                               |
| <b>Fund balances at beginning of year</b>                    | <u>5,882,780</u>           | <u>2,968,758</u>           | <u>549,170</u>                             | <u>9,400,708</u>                        |
| <b>Fund balances at end of year</b>                          | <u><u>\$ 5,127,215</u></u> | <u><u>\$ 3,220,330</u></u> | <u><u>\$ 559,361</u></u>                   | <u><u>\$ 8,906,906</u></u>              |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**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** \$ (493,802)

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

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

|                                        |             |             |
|----------------------------------------|-------------|-------------|
| Capital asset additions                | \$ 312,398  |             |
| Current year depreciation/amortization | (2,553,068) |             |
| Total                                  |             | (2,240,670) |

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

|                          |             |             |
|--------------------------|-------------|-------------|
| Property taxes           | 304,955     |             |
| Payment in lieu of taxes | (1,250,000) |             |
| Earnings on investments  | (1,135)     |             |
| Intergovernmental        | (124,109)   |             |
| Total                    |             | (1,070,289) |

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

3,006,283

In the statement of activities, interest is accrued on outstanding bonds,  
whereas in governmental funds, an interest expenditure is reported  
when due. The following items resulted in additional interest being  
reported in the statement of activities:

|                                                 |           |           |
|-------------------------------------------------|-----------|-----------|
| Change in accrued interest payable              | 6,829     |           |
| Accreted interest on capital appreciation bonds | (337,916) |           |
| Amortization of bond premiums                   | 419,514   |           |
| Amortization of deferred charges                | (394,983) |           |
| Total                                           |           | (306,556) |

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

|         |           |
|---------|-----------|
| Pension | 3,322,557 |
| OPEB    | 104,739   |

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

|         |             |
|---------|-------------|
| Pension | (1,652,788) |
| OPEB    | 561,618     |

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

(1,342,554)

**Change in net position of governmental activities** \$ (111,462)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

Vandalia-Butler City School District (the "School District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. This Board of Education controls the School District's five school buildings, one bus garage and one board office staffed by 118 non-certified and 201 certified full-time teaching personnel who provide services to 3,025 students and other community members.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities of the School District. The following activities are also included within the reporting entity:

Parochial schools within the School District boundaries - Saint Christopher School is operated through the Cincinnati Catholic Diocese. Current State legislation provides funding to this parochial school. These monies are received and disbursed on behalf of the parochial school by the treasurer of the School District, as directed by the parochial school. The activity of these State monies by the School District is reflected in a special revenue fund for financial reporting purposes.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's Governing Board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; or (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the School District has no component units. The basic financial statements of the reporting entity include only those of the School District (the primary government).

The following entities which perform activities within the School District boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District:

*City of Vandalia* - The city government of Vandalia is a separate body politic and corporate. A mayor and a council are elected independent of any School District relationships and administer the provision of traditional city services. Council acts as the taxing and budgeting authority for city services.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Butler Township* - The township government is also a separate body politic and corporate. A three member Board of Trustees are elected independent of any School District relationships and administers the provision of traditional township services. The Trustees act as the taxing and budgeting authority for township services.

*Parent Teacher Association* - The School District is not involved in the budgeting or management and is not responsible for any debt and has no influence over the organization.

The School District is associated with the Southwestern Ohio Educational Purchasing Council, the Miami Valley Career Technology Center and Metropolitan Educational Technology Association (META) Solutions which are defined as jointly governed organizations, and the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), which is an insurance purchasing pool.

*JOINTLY GOVERNED ORGANIZATIONS*

The following organizations are described due to their relationship to the School District:

*Southwestern Ohio Educational Purchasing Council* - The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing council made up of over 126 school districts in 18 counties. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group.

During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. During fiscal year 2025, the School District paid \$3,712,275 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, at 303 Corporate Center Drive Suite 208, Vandalia, Ohio 45377.

THIS SPACE INTENTIONALLY LEFT BLANK

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Miami Valley Career Technology Center* - The Miami Valley Career Technology Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the fifteen participating school districts' elected boards, which possesses its own budgeting and taxing authority. One member is appointed from the following city and/or exempted village school districts: Carlisle, Miamisburg, Milton-Union, Northmont, Vandalia-Butler, Versailles, Huber Heights, Eaton, Trotwood, Tipp City, and West Carrollton. Three members are appointed from the Montgomery County Educational Service Center, one is appointed from the Miami County Educational Service Center, one from the Darke County Educational Service Center, and one from the Preble County Educational Service Center. To obtain financial information write to the Miami Valley Career Technology Center, at 6800 Hoke Road, Clayton, Ohio 45315.

*Metropolitan Educational Technology Association (META) Solutions* - The School District is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Education Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. During fiscal year 2025, the School District paid META Solutions \$92,422 for services. Financial information can be obtained from META Solutions at 100 Executive Drive, Marion, Ohio 43302.

*INSURANCE PURCHASING POOL*

The School District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP). The GRP's business and affairs are conducted by a fourteen member committee consisting of various EPC representatives that are elected by the general assembly. Either the superintendent or treasurer from each participating school district serves on the general assembly. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**B. Fund Accounting**

The School District'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 School District 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

General fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Bond retirement fund - The Bond Retirement Fund is used to account for resources that are restricted for the payment of general obligations bond principal and interest and certain other long-term obligations when the School District is obligated for the payment. The fund balance of this fund is restricted for debt service.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Other governmental funds of the School District are used to account for:

*Nonmajor special revenue funds* -Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

**C. Basis of Presentation**

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of governmental activities of the School District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 School District. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

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

**D. Measurement Focus**

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

**E. 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 either the modified accrual basis of accounting for governmental funds or the accrual basis of accounting for fiduciary funds. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Revenues - Exchange and Nonexchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On 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 School District, available means expected to be received within 60 days of year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditures requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, investment earnings, tuition, grants, and fees.

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance fiscal year 2026 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 12 and 13 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses and Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for (1) principal and interest on general long-term debt and capital lease obligations, which is recorded when due, and (2) the costs of accumulated unpaid vacation, personal leave and sick leave 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.

**F. Budgetary Process**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary schedules reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary schedules reflect the amounts in the final amended certificate issued during fiscal year 2025.

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

**G. Encumbrances**

Encumbrance accounting is utilized by the School District for all funds in the normal course of operations for purchase orders and contract related expenditures. An encumbrance is a reserve on the available spending authority due to a commitment for a future expenditure and does not represent a liability. On the fund financial statements encumbrances outstanding at fiscal year-end are reported as components of restricted, committed or assigned fund balance for subsequent year expenditures for governmental funds. Encumbrances are reported as part of expenditures on a non-GAAP budgetary basis in the non-GAAP budgetary basis schedule of revenues, expenditures and changes in fund balance.

**H. Cash and Investments**

Cash received by the School District is deposited into one of several bank accounts with individual fund balance integrity maintained in the School District's records. Balances of all funds are maintained in these accounts or are temporarily used to purchase certificates of deposit or investments. All investment earnings accrue to the general fund except those specifically related to those funds deemed appropriate according to Board of Education policy or unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2025 amounts to \$653,808 which includes \$238,107 assigned from other funds.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

The School District records all its investments at fair value. For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

**I. Inventory**

On government-wide financial statements, materials and supplies inventories are presented at cost, inventories held for resale are presented at lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method. At fiscal year end, because materials and supplies inventory are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

Inventory consists of expendable supplies held for consumption, donated food and purchased food.

**J. Capital Assets and Depreciation/Amortization**

All capital assets of the School District are general 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/amortized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Interest incurred during the construction of proprietary fund capital assets is also capitalized. In addition, assets having an estimated useful life of more than one year that are below the capitalization threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

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.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

| <u>Description</u>             | Governmental<br>Activities<br><u>Estimated Lives</u> |
|--------------------------------|------------------------------------------------------|
| Land improvements              | 5 - 20 years                                         |
| Buildings and improvements     | 10 - 50 years                                        |
| Furniture and equipment        | 5 - 20 years                                         |
| Vehicles                       | 7 - 15 years                                         |
| Intangible right-to-use assets | 5 years                                              |

The School District is reporting intangible right-to-use assets related to equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term/subscription or the useful life of the underlying asset.

**K. Interfund Balances**

On the fund financial statements, other receivables related to interfund activity are classified as “due from other funds” and “due to other funds”. These amounts are eliminated in the governmental activities column of the statement of net position.

**L. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepayments in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

**M. Compensated Absences**

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

*Vacation*

The School District’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Sick Leave*

The School District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the School District and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

*Personal Time*

The School District's policy permits employees to accumulate earned but unused personal time, which are eligible for payment at the employee's current pay rate upon separation from employment.

**N. 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 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 capital leases are recognized as a liability on the government-wide financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

**O. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The net position component "net investment in capital assets," consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**P. Fund Balance**

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

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes, but do not meet the criteria to be classified as restricted nor 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 (resolutions) of the School District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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 only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The School District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

**Q. Interfund Transactions**

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

**R. 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.

**S. Bond Issuance Costs/Unamortized Bond Premium and Discount/Deferred Change on Debt Refunding**

On the government-wide financial statements, bond issuance costs are expensed in the year they occur.

Bond premiums are deferred and amortized over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds. Capital appreciation bond discounts are accreted over the term of the bonds.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

For bond refundings resulting in the defeasance of debt reported in the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter and is presented as a deferred outflow of resources on the statement of net position.

On the fund financial statements, issuance costs, and bond premiums are recognized in the current period.

**T. Pensions/Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB liability, net OPEB asset, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB and pension/OPEB expenses, 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.

**U. Fair Value**

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

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

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 improves financial reporting by providing users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the School District.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**B. Deficit Fund Balances**

Fund balances at June 30, 2025 included the following individual fund deficits:

| <u>Nonmajor governmental funds</u> | <u>Deficit</u> |
|------------------------------------|----------------|
| IDEA Part B                        | \$ 13,642      |
| Title I                            | 33,624         |
| Title IV-A                         | 4,668          |

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**C. Restatement of Net Position**

During fiscal year 2025, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "Compensated Absences". The effect of changing the accounting principle is to decrease net position as previously reported. This is displayed where applicable in the financial statements as "restatement - change in accounting principle".

**NOTE 4 - DEPOSITS AND INVESTMENTS**

The School District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the basic financial statements as "equity in pooled cash and cash equivalents". Statutes require the classification of monies held by the School District 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 School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

3. Written repurchase agreements in the securities listed above provided that the fair 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 that 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 items (1) and (2) above 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, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash on Hand**

At fiscal year end, the School District had \$18,200 in undeposited cash on hand which is included on the financial statements of the School District as part of "equity in pooled cash and cash equivalents".

**B. Deposits with Financial Institutions**

At June 30, 2025, the carrying amount of all School District deposits was \$4,813,865 and the bank balance of all School District deposits was \$4,895,736. Of the bank balance, \$250,001 was covered by the FDIC and \$4,645,735 was either covered by the Ohio Pooled Collateral System or exposed to custodial credit as discussed below because those deposits were uninsured and could be uncollateralized.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Custodial credit risk is the risk that, in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the School District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) 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 fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. For fiscal year 2025, the School District's financial institutions were approved for a reduced collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposits of money has been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the FDIC.

**C. Investments**

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

| Measurement/<br><u>Investment type</u> | Measurement<br><u>Value</u> | <u>Investment Maturities</u> |                          |                           |                           |                                  |
|----------------------------------------|-----------------------------|------------------------------|--------------------------|---------------------------|---------------------------|----------------------------------|
|                                        |                             | 6 months or<br><u>less</u>   | 7 to 12<br><u>months</u> | 13 to 18<br><u>months</u> | 19 to 24<br><u>months</u> | Greater than<br><u>24 months</u> |
| <i>Fair Value:</i>                     |                             |                              |                          |                           |                           |                                  |
| FFCB                                   | \$ 481,328                  | \$ -                         | \$ -                     | \$ 198,034                | \$ 181,677                | \$ 101,617                       |
| FHLB                                   | 1,098,864                   | 668,079                      | -                        | 180,622                   | -                         | 250,163                          |
| FHLB DN                                | 128,470                     | -                            | 128,470                  | -                         | -                         | -                                |
| FHLMC                                  | 237,846                     | 237,846                      | -                        | -                         | -                         | -                                |
| U.S. Government money market           | 760,954                     | 760,954                      | -                        | -                         | -                         | -                                |
| U.S. Treasury Notes                    | 1,580,557                   | -                            | 150,529                  | -                         | -                         | 1,430,028                        |
| <i>Amortized Cost:</i>                 |                             |                              |                          |                           |                           |                                  |
| STAR Ohio                              | <u>4,075,706</u>            | <u>4,075,706</u>             | <u>-</u>                 | <u>-</u>                  | <u>-</u>                  | <u>-</u>                         |
| Total                                  | \$ 8,363,725                | \$ 5,742,585                 | \$ 278,999               | \$ 378,656                | \$ 181,677                | \$ 1,781,808                     |

The weighted average maturity of investments is 1.00 years.

The School District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The School District's investments in federal agency securities (FHLB DN, FHLMC, FFCB, FHLB) and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the School District's investment policy limits investment portfolio maturities to five years or less unless matched to specific obligation or debt of the School District.

*Credit Risk:* The School District's investments in commercial paper were rated P-1 by Moody's Investor Services. The School District's investments in federal agency securities were rated AA+ and Aa1 by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. Ohio Law requires that STAR Ohio and the U.S. Government money market maintain the highest rating provided by at least one nationally recognized rating standard rating service. The School District's investment policy does not specifically address credit risk beyond the adherence to all relevant sections of the Ohio Revised Code.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the School District's name. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

*Concentration of Credit Risk:* The School District places no limit on the amount that may be invested in any one issuer other than for commercial paper and banker's acceptances. The following table includes the percentage of each investment type held by the School District at June 30, 2025:

| Measurement/<br><u>Investment type</u> | Measurement<br><u>Value</u> | <u>% to Total</u> |
|----------------------------------------|-----------------------------|-------------------|
| FFCB                                   | \$ 481,328                  | 5.75              |
| FHLB                                   | 1,098,864                   | 13.14             |
| FHLB DN                                | 128,470                     | 1.54              |
| FHLMC                                  | 237,846                     | 2.84              |
| U.S. Government money market           | 760,954                     | 9.10              |
| U.S. Treasury Notes                    | 1,580,557                   | 18.90             |
| <i>Amortized Cost:</i>                 |                             |                   |
| STAR Ohio                              | <u>4,075,706</u>            | <u>48.73</u>      |
| Total                                  | <u>\$ 8,363,725</u>         | <u>100.00</u>     |

**D. Reconciliation of Cash to the Statement of Net Position**

The following is a reconciliation of cash as reported in the note above to cash as reported on the statement of net position as of June 30, 2025:

|                                           |                      |
|-------------------------------------------|----------------------|
| <u>Cash per note</u>                      |                      |
| Carrying amount of deposits               | \$ 4,813,865         |
| Investments                               | 8,363,725            |
| Cash on hand                              | <u>18,200</u>        |
| Total                                     | <u>\$ 13,195,790</u> |
| <u>Cash per statement of net position</u> |                      |
| Governmental activities                   | <u>\$ 13,195,790</u> |

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Due to/from other funds consisted of the following at June 30, 2025, as reported on the fund statement:

| <u>Receivable fund</u> | <u>Payable fund</u>         | <u>Amount</u>     |
|------------------------|-----------------------------|-------------------|
| General fund           | Nonmajor governmental funds | <u>\$ 109,472</u> |

The primary purpose of the amount due to the general fund from the nonmajor governmental fund was to eliminate negative cash balances. The amount will be repaid once cash is received.

Amounts due to/from between governmental funds are eliminated on the government-wide statements.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

- B.** Interfund transfers for the year ended June 30, 2025 as reported on the fund financial statements, consisted of the following:

|                                                     |                  |
|-----------------------------------------------------|------------------|
| <u>Transfer from general fund to:</u>               | <u>Amount</u>    |
| Nonmajor governmental fund                          | \$ 1,909         |
| <u>Tranfers from nonmajor governmental fund to:</u> |                  |
| General fund                                        | 29,582           |
| Total                                               | <u>\$ 31,491</u> |

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16. Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2025 represent the collection of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed values as of January 1, 2024, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2025 represent the collection of calendar year 2024 taxes. Public utility real and personal property taxes received in calendar year 2025 became a lien on December 31, 2023, were levied after April 1, 2024, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The School District receives property taxes from Montgomery County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2025 operations. The amount available as an advance at June 30, 2025 and 2024 were:

|                           | <u>June 30, 2025</u> | <u>June 30, 2024</u> |
|---------------------------|----------------------|----------------------|
| Major governmental funds: |                      |                      |
| General fund              | \$ 304,387           | \$ 1,661,054         |
| Bond retirement fund      | 37,137               | 255,804              |

The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 6 - PROPERTY TAXES - (Continued)**

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

On the accrual basis of accounting, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis of accounting the revenue has been reported as a deferred inflow of resources.

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

|                                                    | 2024 Second<br>Half Collections |                | 2025 First<br>Half Collections |                |
|----------------------------------------------------|---------------------------------|----------------|--------------------------------|----------------|
|                                                    | <u>Amount</u>                   | <u>Percent</u> | <u>Amount</u>                  | <u>Percent</u> |
| Agricultural/residential<br>and other real estate  | \$ 879,352,360                  | 97.41          | \$ 882,255,070                 | 97.07          |
| Public utility personal                            | <u>23,378,270</u>               | <u>2.59</u>    | <u>26,664,440</u>              | <u>2.93</u>    |
| Total                                              | <u>\$ 902,730,630</u>           | <u>100.00</u>  | <u>\$ 908,919,510</u>          | <u>100.00</u>  |
| Tax rate per \$1,000 of<br>assessed valuation for: |                                 |                |                                |                |
| General                                            | \$54.66                         |                | 54.58                          |                |
| Bond retirement                                    | 4.33                            |                | 4.15                           |                |

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2025 consisted of property taxes, payment in lieu of taxes (PILOTs), accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 8 - CAPITAL ASSETS**

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

|                                                         | <u>Balance<br/>06/30/24</u> | <u>Additions</u>      | <u>Deductions</u> | <u>Balance<br/>06/30/25</u> |
|---------------------------------------------------------|-----------------------------|-----------------------|-------------------|-----------------------------|
| <b>Governmental activities:</b>                         |                             |                       |                   |                             |
| <i>Capital assets, not being depreciated/amortized:</i> |                             |                       |                   |                             |
| Land                                                    | \$ 1,679,701                | \$ -                  | \$ -              | \$ 1,679,701                |
| Total capital assets, not being depreciated/amortized   | <u>1,679,701</u>            | <u>-</u>              | <u>-</u>          | <u>1,679,701</u>            |
| <i>Capital assets, being depreciated/amortized:</i>     |                             |                       |                   |                             |
| Land improvements                                       | 6,028,260                   | -                     | -                 | 6,028,260                   |
| Buildings and improvements                              | 61,268,906                  | -                     | -                 | 61,268,906                  |
| Furniture and equipment                                 | 12,420,361                  | 233,933               | (5,345)           | 12,648,949                  |
| Vehicles                                                | 2,930,977                   | 78,465                | -                 | 3,009,442                   |
| Intangible right-to-use assets:                         |                             |                       |                   |                             |
| Lease equipment                                         | 555,593                     | -                     | -                 | 555,593                     |
| SBITAs                                                  | <u>108,560</u>              | <u>-</u>              | <u>(8,136)</u>    | <u>100,424</u>              |
| Total capital assets, being depreciated/amortized       | <u>83,312,657</u>           | <u>312,398</u>        | <u>(13,481)</u>   | <u>83,611,574</u>           |
| <i>Less: accumulated depreciation/amortization:</i>     |                             |                       |                   |                             |
| Land improvements                                       | (3,996,818)                 | (320,836)             | -                 | (4,317,654)                 |
| Buildings and improvements                              | (26,436,555)                | (1,415,476)           | -                 | (27,852,031)                |
| Furniture and equipment                                 | (9,608,616)                 | (612,964)             | 5,345             | (10,216,235)                |
| Vehicles                                                | (2,199,499)                 | (74,757)              | -                 | (2,274,256)                 |
| Intangible right-to-use assets:                         |                             |                       |                   |                             |
| Lease equipment                                         | (226,520)                   | (104,341)             | -                 | (330,861)                   |
| SBITAs                                                  | <u>(83,866)</u>             | <u>(24,694)</u>       | <u>8,136</u>      | <u>(100,424)</u>            |
| Total accumulated depreciation/amortization             | <u>(42,551,874)</u>         | <u>(2,553,068)</u>    | <u>13,481</u>     | <u>(45,091,461)</u>         |
| Governmental activities capital assets, net             | <u>\$ 42,440,484</u>        | <u>\$ (2,240,670)</u> | <u>\$ -</u>       | <u>\$ 40,199,814</u>        |

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

|                                                 |                     |
|-------------------------------------------------|---------------------|
| <u>Instruction:</u>                             |                     |
| Regular                                         | \$ 309,155          |
| Special                                         | 375                 |
| Vocational                                      | 1,041               |
| <u>Support services:</u>                        |                     |
| Instructional staff                             | 86,339              |
| Administration                                  | 21,181              |
| Fiscal                                          | 2,683               |
| Operations and maintenance                      | 1,879,690           |
| Pupil transportation                            | 57,671              |
| <u>Operation of non-instructional services:</u> |                     |
| Food service operations                         | 43,427              |
| Extracurricular activities                      | <u>151,506</u>      |
| Total depreciation/amortization expense         | <u>\$ 2,553,068</u> |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 9 - LONG-TERM OBLIGATIONS**

Due to the implementation of GASB Statement No. 101 (see Note 3 for detail), the District has restated compensated absences as of June 30, 2024 which is reflected in the schedule below. During the fiscal year 2025, the following changes occurred in governmental activities long-term obligations.

|                                 | Restated<br>Balance<br>Outstanding<br><u>June 30, 2024</u> | <u>Additions</u> | <u>Reductions</u> | Balance<br>Outstanding<br><u>June 30, 2025</u> | Amounts<br>Due in<br><u>One Year</u> |
|---------------------------------|------------------------------------------------------------|------------------|-------------------|------------------------------------------------|--------------------------------------|
| <b>Governmental Activities:</b> |                                                            |                  |                   |                                                |                                      |
| 2011 Energy Conservation Bonds  |                                                            |                  |                   |                                                |                                      |
| Current Interest                | \$ 240,000                                                 | \$ -             | \$ (75,000)       | \$ 165,000                                     | \$ 80,000                            |
| Premium                         | 6,161                                                      | -                | (2,551)           | 3,610                                          | -                                    |
| 2014 Refunding Bonds            |                                                            |                  |                   |                                                |                                      |
| Current Interest                | 290,000                                                    | -                | -                 | 290,000                                        | 70,000                               |
| Premium                         | 282,022                                                    | -                | (63,854)          | 218,168                                        | -                                    |
| 2014 Capital Appreciation Bonds | 352                                                        | -                | (343)             | 9                                              | -                                    |
| Accreted Interest               | 77,555                                                     | 27,194           | (99,657)          | 5,092                                          | -                                    |
| Series 2015 Refunding Bonds     |                                                            |                  |                   |                                                |                                      |
| Current Interest                | 1,205,000                                                  | -                | -                 | 1,205,000                                      | 120,000                              |
| Premium                         | 205,209                                                    | -                | (85,038)          | 120,171                                        | -                                    |
| Capital Appreciation Bonds      | 33                                                         | -                | (8)               | 25                                             | 25                                   |
| Accreted Interest               | 151,590                                                    | 177,080          | (59,992)          | 268,678                                        | 268,678                              |

- (Continued)

THIS SPACE INTENTIONALLY LEFT BLANK

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

|                                            | Restated<br>Balance<br>Outstanding<br>June 30, 2024 | Additions           | Reductions            | Balance<br>Outstanding<br>June 30, 2025 | Amounts<br>Due in<br>One Year |
|--------------------------------------------|-----------------------------------------------------|---------------------|-----------------------|-----------------------------------------|-------------------------------|
| <b>Governmental Activities:</b>            |                                                     |                     |                       |                                         |                               |
| General Obligation Bonds:                  |                                                     |                     |                       |                                         |                               |
| Series 2016 Refunding Bonds                |                                                     |                     |                       |                                         |                               |
| Current Interest                           | 515,000                                             | -                   | (65,000)              | 450,000                                 | 70,000                        |
| Premium                                    | 490,586                                             | -                   | (76,455)              | 414,131                                 | -                             |
| Capital Appreciation Bonds                 | 23                                                  | -                   | -                     | 23                                      | -                             |
| Accreted Interest                          | 3,238                                               | 2,452               | -                     | 5,690                                   | -                             |
| Series 2017A Refunding Bonds               |                                                     |                     |                       |                                         |                               |
| Current Interest                           | 945,000                                             | -                   | (945,000)             | -                                       | -                             |
| Premium                                    | 50,761                                              | -                   | (35,829)              | 14,932                                  | -                             |
| Capital Appreciation Bonds                 | 137,875                                             | -                   | -                     | 137,875                                 | 137,875                       |
| Accreted Interest                          | 267,211                                             | 64,135              | -                     | 331,346                                 | 331,346                       |
| Series 2017B Refunding Bonds               |                                                     |                     |                       |                                         |                               |
| Current Interest                           | 5,075,000                                           | -                   | (55,000)              | 5,020,000                               | -                             |
| Premium                                    | 405,722                                             | -                   | (38,949)              | 366,773                                 | -                             |
| Capital Appreciation Bonds                 | 213,974                                             | -                   | -                     | 213,974                                 | 15,016                        |
| Accreted Interest                          | 305,944                                             | 67,055              | -                     | 372,999                                 | 39,984                        |
| Series 2017C Energy Conservation Refunding |                                                     |                     |                       |                                         |                               |
| Current Interest                           | 480,000                                             | -                   | (235,000)             | 245,000                                 | 245,000                       |
| Premium                                    | 19,156                                              | -                   | (13,524)              | 5,632                                   | -                             |
| Series 2017C Refunding Bonds               |                                                     |                     |                       |                                         |                               |
| Current Interest                           | 4,445,000                                           | -                   | (810,000)             | 3,635,000                               | 830,000                       |
| Premium                                    | 403,881                                             | -                   | (74,562)              | 329,319                                 | -                             |
| Series 2021 Refunding Bonds                |                                                     |                     |                       |                                         |                               |
| Current Interest                           | 21,570,000                                          | -                   | (220,000)             | 21,350,000                              | 225,000                       |
| Premium                                    | 385,749                                             | -                   | (28,752)              | 356,997                                 | -                             |
| Total General Obligation Bonds             | <u>38,172,342</u>                                   | <u>337,916</u>      | <u>(2,984,514)</u>    | <u>35,525,744</u>                       | <u>2,432,924</u>              |
| Compensated Absences*                      | 8,054,604                                           | 1,170,954           | -                     | 9,225,558                               | 1,734,840                     |
| Leases                                     | 376,330                                             | -                   | (111,845)             | 264,485                                 | 118,743                       |
| Notes payable - finance purchase           | 1,035,550                                           | -                   | (329,438)             | 706,112                                 | 170,311                       |
| Net pension liability                      | 35,371,559                                          | -                   | (4,507,340)           | 30,864,219                              | -                             |
| Net OPEB liability                         | <u>2,360,722</u>                                    | <u>-</u>            | <u>(953,494)</u>      | <u>1,407,228</u>                        | <u>-</u>                      |
| Total governmental activities              | <u>\$ 85,371,107</u>                                | <u>\$ 1,508,870</u> | <u>\$ (8,886,631)</u> | <u>\$ 77,993,346</u>                    | <u>\$ 4,456,818</u>           |

\*The change in compensated absences liability is presented as a net change.

General Obligation and Refunding Bonds: See Note 9.A - 9.I for details.

Compensated Absences: The School District pays compensated absences primarily from the fund from which the employee is paid.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

Net Pension Liability and Net OPEB Liability/Asset: See Notes 12 and 13 for details. The School District pays obligations related to employee compensation from the fund benefitting from their services which is primarily the general fund.

**A. Series 2011 General Obligation Energy Conservation Bonds**

During fiscal year 2012, the School District issued \$999,833 in general obligation bonds to provide financing for various construction projects to improve energy conservation. The issue is comprised of both current interest bonds, par value \$970,000 and capital appreciation bonds, par value \$29,833. The interest rates on the current interest bonds range from 2.00% - 3.50%. The capital appreciation bonds matured December 1, 2017 (approximate equivalent interest rate 13.50%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2017 was \$65,000.

The following is a summary of the future debt service requirements to maturity for the series 2011 general obligation energy conservation bonds:

| Fiscal Year Ending<br>June 30, | <u>2011 Energy Conservation Bonds</u> |                 |                   |
|--------------------------------|---------------------------------------|-----------------|-------------------|
|                                | <u>Current Interest Bonds</u>         |                 |                   |
|                                | <u>Principal</u>                      | <u>Interest</u> | <u>Total</u>      |
| 2026                           | \$ 80,000                             | \$ 4,374        | \$ 84,374         |
| 2027                           | <u>85,000</u>                         | <u>1,487</u>    | <u>86,487</u>     |
| Total                          | <u>\$ 165,000</u>                     | <u>\$ 5,861</u> | <u>\$ 170,861</u> |

**B. Series 2014 Refunding Bonds**

During fiscal year 2015, the School District issued \$8,094,987 in general obligation bonds to refund \$8,095,000 of the Series 2009 General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. During fiscal year 2025, \$0 of the bonds were refunded by the Series 2021 Refunding Bonds. The balance of the refunded bonds outstanding at June 30, 2025 was \$8,095,000.

The issue is comprised of both current interest bonds, par value \$7,945,000 and capital appreciation bonds, par value \$149,987. The interest rates on the current interest bonds range from 3.50% - 4.00%. The remaining capital appreciation bonds mature December 1, 2020 through December 1, 2033 (approximate equivalent interest rate 66.23436%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds maturing December 1, 2016 through December 1, 2024 are \$100,000 each and the capital appreciation bonds maturing December 1, 2033 is \$875,000. Total accreted interest of \$5,092 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,096,387. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2037. This advance refunding was undertaken to reduce the combined total debt service payments by \$578,414 and resulted in an economic gain of \$338,792.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt service requirements to maturity for the series 2014 refunding bonds:

| Fiscal Year Ending<br>June 30, | <u>2014 Refunding Bonds</u>   |                  |                   |                                   |                   |                   |
|--------------------------------|-------------------------------|------------------|-------------------|-----------------------------------|-------------------|-------------------|
|                                | <u>Current Interest Bonds</u> |                  |                   | <u>Capital Appreciation Bonds</u> |                   |                   |
|                                | <u>Principal</u>              | <u>Interest</u>  | <u>Total</u>      | <u>Principal</u>                  | <u>Interest</u>   | <u>Total</u>      |
| 2026                           | \$ 70,000                     | \$ 8,925         | \$ 78,925         | \$ -                              | \$ -              | \$ -              |
| 2027                           | 70,000                        | 6,475            | 76,475            | -                                 | -                 | -                 |
| 2028                           | 75,000                        | 3,938            | 78,938            | -                                 | -                 | -                 |
| 2029                           | 75,000                        | 1,312            | 76,312            | -                                 | -                 | -                 |
| 2030                           | -                             | -                | -                 | -                                 | -                 | -                 |
| 2031 - 2034                    | -                             | -                | -                 | 9                                 | 874,991           | 875,000           |
| Total                          | <u>\$ 290,000</u>             | <u>\$ 20,650</u> | <u>\$ 310,650</u> | <u>\$ 9</u>                       | <u>\$ 874,991</u> | <u>\$ 875,000</u> |

**C. Series 2015 Refunding Bonds**

During fiscal year 2015, the School District issued \$8,474,996 in general obligation bonds to refund \$8,475,000 of the Series 2009 General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. During fiscal year 2025, \$0 of the bonds were refunded by the Series 2021 Refunding Bonds. The balance of the refunded bonds outstanding at June 30, 2025 was \$8,475,000.

The issue is comprised of both current interest bonds, par value \$8,410,000 and capital appreciation bonds, par value \$64,996. The interest rates on the current interest bonds range from 3.00% - 4.00%. The remaining capital appreciation bonds mature December 1, 2020 through December 1, 2025 (approximate equivalent interest rate 112.41653%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2016 through December 1, 2025 vary from \$60,000 to \$420,000. Total accreted interest of \$268,678 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,150,467. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2032. This advance refunding was undertaken to reduce the combined total debt service payments by \$497,993 and resulted in an economic gain of \$413,663.

The following is a summary of the future debt service requirements to maturity for the series 2015 refunding bonds:

| Fiscal Year Ending<br>June 30, | <u>2015 Refunding Bonds</u>   |                  |                     |                                   |                   |                   |
|--------------------------------|-------------------------------|------------------|---------------------|-----------------------------------|-------------------|-------------------|
|                                | <u>Current Interest Bonds</u> |                  |                     | <u>Capital Appreciation Bonds</u> |                   |                   |
|                                | <u>Principal</u>              | <u>Interest</u>  | <u>Total</u>        | <u>Principal</u>                  | <u>Interest</u>   | <u>Total</u>      |
| 2026                           | \$ 120,000                    | \$ 34,350        | \$ 154,350          | \$ 25                             | \$ 419,975        | \$ 420,000        |
| 2027                           | 1,085,000                     | 16,275           | 1,101,275           | -                                 | -                 | -                 |
| Total                          | <u>\$ 1,205,000</u>           | <u>\$ 50,625</u> | <u>\$ 1,255,625</u> | <u>\$ 25</u>                      | <u>\$ 419,975</u> | <u>\$ 420,000</u> |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

**D. Series 2016 Refunding Bonds**

During fiscal year 2016, the School District issued \$8,329,988 in general obligation bonds to refund \$8,330,000 of the Series 2010A General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. During fiscal year 2025, \$0 of the bonds were refunded by the Series 2021 Refunding Bonds. The balance of the refunded bonds outstanding at June 30, 2025 was \$8,330,000.

The issue is comprised of both current interest bonds, par value \$8,170,000 and capital appreciation bonds, par value \$1,159,988. The interest rates on the current interest bonds range from 0.90% - 4.00%. The remaining capital appreciation bonds mature December 1, 2020 through December 1, 2020 and December 1, 2034 through December 1, 2035 (approximate equivalent interest rate 64.74509%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2015 through December 1, 2035 vary from \$65,000 to \$995,000. Total accreted interest of \$5,690 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,391,361. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2038. This advance refunding was undertaken to reduce the combined total debt service payments by \$771,878 and resulted in an economic gain of \$544,457.

The following is a summary of the future debt service requirements to maturity for the series 2016 refunding bonds:

| Fiscal Year Ending<br>June 30, | 2016 Refunding Bonds   |                  |                   |                            |                     |                     |
|--------------------------------|------------------------|------------------|-------------------|----------------------------|---------------------|---------------------|
|                                | Current Interest Bonds |                  |                   | Capital Appreciation Bonds |                     |                     |
|                                | Principal              | Interest         | Total             | Principal                  | Interest            | Total               |
| 2026                           | \$ 70,000              | \$ 14,000        | \$ 84,000         | \$ -                       | \$ -                | \$ -                |
| 2027                           | 70,000                 | 11,900           | 81,900            | -                          | -                   | -                   |
| 2028                           | 75,000                 | 9,538            | 84,538            | -                          | -                   | -                   |
| 2029                           | 75,000                 | 6,912            | 81,912            | -                          | -                   | -                   |
| 2030                           | 80,000                 | 4,200            | 84,200            | -                          | -                   | -                   |
| 2031 - 2035                    | 80,000                 | 1,400            | 81,400            | 20                         | 994,980             | 995,000             |
| 2036                           | -                      | -                | -                 | 3                          | 319,997             | 320,000             |
| Total                          | <u>\$ 450,000</u>      | <u>\$ 47,950</u> | <u>\$ 497,950</u> | <u>\$ 23</u>               | <u>\$ 1,314,977</u> | <u>\$ 1,315,000</u> |

**E. Series 2017A Refunding Bonds**

During fiscal year 2017, the School District issued \$3,157,875 in general obligation bonds to refund \$3,160,000 of the Series 2009 General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2025 was \$515,000.

The issue is comprised of both current interest bonds, par value \$3,020,000 and capital appreciation bonds, par value \$137,875. The interest rates on the current interest bonds range from 2.00% - 3.50%. The capital appreciation bonds mature December 1, 2025 (approximate equivalent interest rate 15.25%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2025 is \$505,000. Total accreted interest of \$331,346 has been included on the statement of net position.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

The reacquisition price exceeded the net carrying amount of the old debt by \$136,156. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2025. This advance refunding was undertaken to reduce the combined total debt service payments by \$241,471 and resulted in an economic gain of \$219,713.

The following is a summary of the future debt service requirements to maturity for the series 2017A refunding bonds:

| Fiscal Year Ending<br>June 30, | <u>2017A Refunding Bonds</u>      |                   |                   |
|--------------------------------|-----------------------------------|-------------------|-------------------|
|                                | <u>Capital Appreciation Bonds</u> |                   |                   |
|                                | <u>Principal</u>                  | <u>Interest</u>   | <u>Total</u>      |
| 2026                           | \$ 137,875                        | \$ 367,125        | \$ 505,000        |
| Total                          | <u>\$ 137,875</u>                 | <u>\$ 367,125</u> | <u>\$ 505,000</u> |

**F. Series 2017B Refunding Bonds**

During fiscal year 2017, the School District issued \$5,663,974 in general obligation bonds to refund \$5,665,000 of the Series 2010A General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2025 was \$5,665,000.

The issue is comprised of both current interest bonds, par value \$5,450,000 and capital appreciation bonds, par value \$213,974. The interest rates on the current interest bonds range from 1.00% - 3.10%. The capital appreciation bonds mature December 1, 2025 and December 1, 2029 (approximate equivalent interest rate 15.25% and 12.25%, respectively) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2025 and December 1, 2029 are \$55,000 to \$915,000, respectively. Total accreted interest of \$372,999 has been included on the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$430,706. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2034. This advance refunding was undertaken to reduce the combined total debt service payments by \$280,045 and resulted in an economic gain of \$221,363.

The following is a summary of the future debt service requirements to maturity for the series 2017B refunding bonds:

| Fiscal Year Ending<br>June 30, | <u>2017B Refunding Bonds</u>  |                     |                     |                                   |                   |                   |
|--------------------------------|-------------------------------|---------------------|---------------------|-----------------------------------|-------------------|-------------------|
|                                | <u>Current Interest Bonds</u> |                     |                     | <u>Capital Appreciation Bonds</u> |                   |                   |
|                                | <u>Principal</u>              | <u>Interest</u>     | <u>Total</u>        | <u>Principal</u>                  | <u>Interest</u>   | <u>Total</u>      |
| 2026                           | \$ -                          | \$ 174,876          | \$ 174,876          | \$ 15,016                         | \$ 39,984         | \$ 55,000         |
| 2027                           | 55,000                        | 174,050             | 229,050             | -                                 | -                 | -                 |
| 2028                           | 55,000                        | 172,400             | 227,400             | -                                 | -                 | -                 |
| 2029                           | 55,000                        | 170,778             | 225,778             | -                                 | -                 | -                 |
| 2030                           | -                             | 169,895             | 169,895             | 198,958                           | 716,042           | 915,000           |
| 2031 - 2035                    | 4,855,000                     | 375,463             | 5,230,463           | -                                 | -                 | -                 |
| Total                          | <u>\$ 5,020,000</u>           | <u>\$ 1,237,462</u> | <u>\$ 6,257,462</u> | <u>\$ 213,974</u>                 | <u>\$ 756,026</u> | <u>\$ 970,000</u> |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

**G. Series 2017C Energy Conservation Refunding Bonds**

During fiscal year 2018, the School District issued \$1,360,000 in general obligation bonds to refund \$1,365,000 of the Series 2010 Energy Conservation Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2025 was \$250,000.

The issue is comprised of current interest bonds, par value \$1,365,000. The interest rates on the current interest bonds range from 2.00% - 4.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2025.

The reacquisition price exceeded the net carrying amount of the old debt by \$48,613. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2025. This advance refunding was undertaken to reduce the combined total debt service payments by \$44,275 and resulted in an economic gain of \$43,773.

The following is a summary of the future debt service requirements to maturity for the series 2017 energy conservation refunding bonds:

| Fiscal Year Ending<br>June 30, | <u>2017C E.C. Refunding Bonds</u> |                 |                   |
|--------------------------------|-----------------------------------|-----------------|-------------------|
|                                | <u>Current Interest Bonds</u>     |                 |                   |
|                                | <u>Principal</u>                  | <u>Interest</u> | <u>Total</u>      |
| 2026                           | \$ 245,000                        | \$ 4,900        | \$ 249,900        |
| Total                          | <u>\$ 245,000</u>                 | <u>\$ 4,900</u> | <u>\$ 249,900</u> |

**H. Series 2017C Refunding Bonds**

During fiscal year 2018, the School District issued \$8,800,000 in general obligation bonds to refund \$1,590,000 of the Series 2009 General Obligation School Improvement Bonds and \$7,410,000 of the Series 2010A General Obligation School Improvement Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2025 was \$3,800,000.

The issue is comprised of current interest bonds, par value \$8,800,000. The interest rates on the current interest bonds range from 2.00% - 4.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2029.

The reacquisition price exceeded the net carrying amount of the old debt by \$177,870. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2029. This advance refunding was undertaken to reduce the combined total debt service payments by \$470,825 and resulted in an economic gain of \$416,431.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a summary of the future debt service requirements to maturity for the series 2017C refunding bonds:

| Fiscal Year Ending<br>June 30, | <u>2017C Refunding Bonds</u>  |                   |                     |
|--------------------------------|-------------------------------|-------------------|---------------------|
|                                | <u>Current Interest Bonds</u> |                   |                     |
|                                | <u>Principal</u>              | <u>Interest</u>   | <u>Total</u>        |
| 2026                           | \$ 830,000                    | \$ 128,800        | \$ 958,800          |
| 2027                           | 865,000                       | 94,900            | 959,900             |
| 2028                           | 895,000                       | 59,700            | 954,700             |
| 2029                           | 930,000                       | 23,200            | 953,200             |
| 2030                           | <u>115,000</u>                | <u>2,300</u>      | <u>117,300</u>      |
| Total                          | <u>\$ 3,635,000</u>           | <u>\$ 308,900</u> | <u>\$ 3,943,900</u> |

**I. Series 2021 Refunding Bonds**

During fiscal year 2022, the School District issued \$22,170,000 in general obligation bonds to refund \$7,655,000 of the Series 2014 Refunding Bonds, \$7,205,000 of the Series 2015 Refunding Bonds and \$7,460,000 of the Series 2016 Refunding Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2025 was \$22,320,000.

The issue is comprised of current interest bonds, par value \$22,170,000. The interest rates on the current interest bonds range from 1.70% - 4.00%. Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2037.

The reacquisition price exceeded the net carrying amount of the old debt by \$2,549,453. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of December 1, 2037. This advance refunding was undertaken to reduce the combined total debt service payments by \$5,610,752 and resulted in an economic gain of \$4,082,336.

The following is a summary of the future debt service requirements to maturity for the series 2021 refunding bonds:

| Fiscal Year Ending<br>June 30, | <u>2021 Refunding Bonds</u>   |                     |                      |
|--------------------------------|-------------------------------|---------------------|----------------------|
|                                | <u>Current Interest Bonds</u> |                     |                      |
|                                | <u>Principal</u>              | <u>Interest</u>     | <u>Total</u>         |
| 2026                           | \$ 225,000                    | \$ 528,152          | \$ 753,152           |
| 2027                           | 240,000                       | 518,852             | 758,852              |
| 2028                           | 1,360,000                     | 486,852             | 1,846,852            |
| 2029                           | 1,415,000                     | 438,427             | 1,853,427            |
| 2030                           | 1,540,000                     | 404,112             | 1,944,112            |
| 2031 - 2035                    | 7,470,000                     | 1,573,446           | 9,043,446            |
| 2036 - 2038                    | <u>9,100,000</u>              | <u>369,355</u>      | <u>9,469,355</u>     |
| Total                          | <u>\$ 21,350,000</u>          | <u>\$ 4,319,196</u> | <u>\$ 25,669,196</u> |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

**J. Leases Payable**

The School District has entered into lease agreements for the use of right-to-use equipment. Due to the implementation of GASB Statement No. 87, the School District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The School District has entered into lease agreements for copier and postage machine equipment at varying years and terms as follows:

| <u>Lease</u>          | <u>Lease<br/>Commencement<br/>Date</u> | <u>Years</u> | <u>Lease<br/>End<br/>Date</u> | <u>Payment<br/>Method</u> |
|-----------------------|----------------------------------------|--------------|-------------------------------|---------------------------|
| Copier lease          | 2022                                   | 5            | 2027                          | Monthly                   |
| Postage machine lease | 2022                                   | 5            | 2027                          | Monthly                   |

The following is a schedule of future lease payments under the lease agreements:

| <u>Fiscal Year</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total</u>      |
|--------------------|-------------------|------------------|-------------------|
| 2026               | \$ 118,743        | \$ 12,654        | \$ 131,397        |
| 2027               | 124,515           | 5,342            | 129,857           |
| 2028               | <u>21,227</u>     | <u>160</u>       | <u>21,387</u>     |
| Total              | <u>\$ 264,485</u> | <u>\$ 18,156</u> | <u>\$ 282,641</u> |

**K. Notes Payable - Finance Purchase**

During the previous fiscal year, the District entered into a finance purchase agreement for modular classrooms. These finance purchase agreements meet the criteria of a finance purchase which defines it as one which transfers benefits and risks of ownership to the purchaser. Finance purchase payments have been reclassified and are reflected as debt service expenditures in the financial statements for the governmental funds. These expenditures are reported as function expenditures on the budgetary statements.

Capital assets consisting of modular classrooms have been capitalized in the amount of \$1,035,550. This amount represents the present value of the minimum lease payments at the time of the acquisition. Accumulated depreciation as of June 30, 2025 was \$77,667, leaving a current book value of \$957,883. A corresponding liability is recorded in the government-wide financial statements.

The following is a summary of the future debt service requirements to maturity for the notes payable-finance purchase:

| <u>Fiscal Year Ending<br/>June 30,</u> | <u>Notes Payable - Finance Purchase</u> |                  |                   |
|----------------------------------------|-----------------------------------------|------------------|-------------------|
|                                        | <u>Principal</u>                        | <u>Interest</u>  | <u>Total</u>      |
| 2026                                   | \$ 170,311                              | \$ 16,912        | \$ 187,223        |
| 2027                                   | 174,390                                 | 12,833           | 187,223           |
| 2028                                   | <u>361,411</u>                          | <u>13,034</u>    | <u>374,445</u>    |
| Total                                  | <u>\$ 706,112</u>                       | <u>\$ 42,779</u> | <u>\$ 748,891</u> |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

**L. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the School District shall never exceed 9% of the total assessed valuation of the School District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the School District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the School District. The assessed valuation used in determining the School District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the School District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2025 are a voted debt margin of \$52,684,043, including available funds of \$3,183,193, an unvoted debt margin of \$908,920 and an energy conservation debt margin of \$7,770,276.

**NOTE 10 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Employees on an 11- or 12-month basis shall accrue vacation at a rate of 84/100 of a day per month of complete service. After 7 years of service, the vacation rate shall increase to a rate of 1 ¼ days per month for employees on a 12-month basis. After 13 years of service, the vacation rate shall increase to 1 2/3 days per month for employees on a 12-month basis. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on an 11- or 12-month contract do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month with a maximum accrual of 315 days. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum accumulation of 70 paid days for certified employees.

If a certified employee notifies the School District by December 1st of the year in which he or she terminates employment, then a maximum of 75 days may be paid. In addition, the employee shall be paid a stipend equivalent to five (5) days of the employee's per diem rate on the first pay following the employee's final contractual pay from the district. If a certified employee notifies the district in writing by February 1, then only a maximum of 75 days may be paid.

If a classified employee notifies the School District in writing at least 120 days prior to their last day of work their intent to retire, the paid days will be rounded up to the nearest day, not to exceed 75 days. In addition, the employee shall be paid a stipend equivalent to five (5) days of the employee's per diem rate on the first pay following the employee's final contractual pay from the district. If a classified employee only notifies the district in writing 90 days prior to their last day worked, then a maximum of 75 days may be paid.

**B. Insurance Benefits**

Since fiscal year 2018 medical insurance plan year, "premium costs" has been clarified to be relevant to both insurance premiums and HSA deductible contributions. Additionally, the 85% Board paid and 15% employee paid monthly premium copays will be applied to premium costs. Furthermore, the long-standing practice of a 3% maximum annual increase to the Board for insurance premium renewals has been eliminated. Both the Board and participating employees will share in the renewal increase by the same percentages outlined above, 85% Board, 15% Employee.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 11 - RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. For fiscal year 2025, the School District continues to be contracted with Selective Insurance Company for general liability insurance with a \$1,000,000 single occurrence limit and \$3,000,000 aggregate. Selective Insurance Company covers buildings, boiler and machinery with \$10,000 deductible and a \$100,000,000 limit.

Professional liability is protected by Selective Insurance Company with a \$1,000,000 single occurrence limit and \$3,000,000 aggregate and \$5,000 deductible. Vehicles are covered by Selective Insurance Company. Automobile liability has a \$1,000,000 per occurrence liability. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from the previous year.

For fiscal year 2025, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the school district by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings 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 school districts that can meet the GRP's selection criteria. The firm of Hunter Consulting, provides administrative, cost control and actuarial services to the GRP.

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability/Asset***

The net pension liability and the net OPEB liability/asset reported on the statement of net position represents a liability or asset to employees for pensions and OPEB, respectively.

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 pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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 13 for the required OPEB disclosures.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the year is included in pension and postemployment benefits payable on both the accrual and modified accrual bases of accounting.

***Plan Description - School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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% and with a floor of 0%. 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% cost-of-living adjustment (COLA) for calendar year 2024.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the School District is required to contribute 14.00% 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 10.00% for plan members and 14.00% 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 14.00%. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$859,509 for fiscal year 2025. Of this amount, \$40,640 is reported as pension and postemployment benefits payable.

***Plan Description - State Teachers Retirement System (STRS)***

Plan Description - Licensed teachers and other faculty members participate in STRS, a cost-sharing multiple-employer public employee retirement 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 website at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (CO) 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 Aug. 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 Aug. 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.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The DC Plan allows members to place all of their member contributions and 11.09% of the 14% 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% of the 14% 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% of the 14% member rate is deposited into the member's DC account and the remaining 2% 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 50 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 fiscal year 2025 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2025, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$2,463,048 for fiscal year 2025. Of this amount, \$414,960 is reported as pension and postemployment benefits payable.

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

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Following is information related to the proportionate share and pension expense:

|                                                                  | <u>SERS</u>          | <u>STRS</u>          | <u>Total</u>  |
|------------------------------------------------------------------|----------------------|----------------------|---------------|
| Proportion of the net pension liability prior measurement date   | 0.139908200%         | 0.128353800%         |               |
| Proportion of the net pension liability current measurement date | <u>0.135553100%</u>  | <u>0.124365170%</u>  |               |
| Change in proportionate share                                    | <u>-0.004355100%</u> | <u>-0.003988630%</u> |               |
| Proportionate share of the net pension liability                 | \$ 6,934,351         | \$ 23,929,868        | \$ 30,864,219 |
| Pension expense                                                  | \$ 551,218           | \$ 1,101,570         | \$ 1,652,788  |

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

|                                                                                                                   | <u>SERS</u>         | <u>STRS</u>         | <u>Total</u>        |
|-------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>Deferred outflows of resources</b>                                                                             |                     |                     |                     |
| Differences between expected and actual experience                                                                | \$ 264,748          | \$ 1,506,958        | \$ 1,771,706        |
| Changes of assumptions                                                                                            | 62,033              | 1,102,819           | 1,164,852           |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | 120,766             | 81,656              | 202,422             |
| Contributions subsequent to the measurement date                                                                  | <u>859,509</u>      | <u>2,463,048</u>    | <u>3,322,557</u>    |
| Total deferred outflows of resources                                                                              | <u>\$ 1,307,056</u> | <u>\$ 5,154,481</u> | <u>\$ 6,461,537</u> |
|                                                                                                                   | <u>SERS</u>         | <u>STRS</u>         | <u>Total</u>        |
| <b>Deferred inflows of resources</b>                                                                              |                     |                     |                     |
| Differences between expected and actual experience                                                                | \$ -                | \$ 13,103           | \$ 13,103           |
| Net difference between projected and actual earnings on pension plan investments                                  | 433,741             | 2,057,481           | 2,491,222           |
| Changes of assumptions                                                                                            | -                   | 830,107             | 830,107             |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | <u>161,162</u>      | <u>1,114,463</u>    | <u>1,275,625</u>    |
| Total deferred inflows of resources                                                                               | <u>\$ 594,903</u>   | <u>\$ 4,015,154</u> | <u>\$ 4,610,057</u> |

\$3,322,557 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

|                             | SERS                | STRS                  | Total                 |
|-----------------------------|---------------------|-----------------------|-----------------------|
| Fiscal Year Ending June 30: |                     |                       |                       |
| 2026                        | \$ (326,470)        | \$ (1,710,218)        | \$ (2,036,688)        |
| 2027                        | 419,270             | 1,927,393             | 2,346,663             |
| 2028                        | (112,615)           | (876,412)             | (989,027)             |
| 2029                        | (127,541)           | (664,484)             | (792,025)             |
| Total                       | <u>\$ (147,356)</u> | <u>\$ (1,323,721)</u> | <u>\$ (1,471,077)</u> |

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment 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. Future benefits for all current plan members were projected through 2137.

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

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

|                                              | June 30, 2024                                                                                                 | June 30, 2023                                                                                                 |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Inflation                                    | 2.40%                                                                                                         | 2.40%                                                                                                         |
| Future salary increases, including inflation | 3.25% to 13.58%                                                                                               | 3.25% to 13.58%                                                                                               |
| COLA or ad hoc COLA                          | 2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement | 2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement |
| Investment rate of return                    | 7.00% net of system expenses                                                                                  | 7.00% net of system expenses                                                                                  |
| Discount rate                                | 7.00%                                                                                                         | 7.00%                                                                                                         |
| Actuarial cost method                        | Entry age normal (level percent of payroll)                                                                   | Entry age normal (level percent of payroll)                                                                   |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

In 2024, mortality rates were based on the following:

**Service Retirement:** PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

**Disabled Retirement:** PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

**Contingent Survivor:** PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates 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% for males and set forward 2 years and adjusted 81.35% 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% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. Ohio Revised Code Section 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. 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:

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

**Discount Rate** - Total pension liability for 2024 was calculated using the discount rate of 7.00%. 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%. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return, 7.00%. 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%.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

- Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the 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%), or one percentage point higher (8.00%) than the current rate.

|                                                                       | 1% Decrease   | Current<br>Discount Rate | 1% Increase  |
|-----------------------------------------------------------------------|---------------|--------------------------|--------------|
| School District's proportionate share<br>of the net pension liability | \$ 10,608,595 | \$ 6,934,351             | \$ 3,840,833 |

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 and June 30, 2023, actuarial valuations are presented below:

|                                      | June 30, 2024                                             | June 30, 2023                                             |
|--------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Inflation                            | 2.50%                                                     | 2.50%                                                     |
| Projected salary increases           | Varies by service from 2.50% to 8.50%                     | Varies by service from 2.50% to 8.50%                     |
| Investment rate of return            | 7.00%, net of investment<br>expenses, including inflation | 7.00%, net of investment<br>expenses, including inflation |
| Discount rate of return              | 7.00%                                                     | 7.00%                                                     |
| Payroll increases                    | 3.00%                                                     | 3.00%                                                     |
| Cost-of-living adjustments<br>(COLA) | 0%, effective July 1, 2017                                | 0%, effective July 1, 2017                                |

For the June 30, 2024 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% 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% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the prior measurement date, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% 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% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

| Asset Class          | Target<br>Allocation* | Long-Term Expected<br>Real 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 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% 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 the rates described previously. 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% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table represents the proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00%, as well as what the 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%) or one percentage point higher (8.00%) than the current assumption:

|                                                                       | 1% Decrease   | Current<br>Discount Rate | 1% Increase   |
|-----------------------------------------------------------------------|---------------|--------------------------|---------------|
| School District's proportionate share<br>of the net pension liability | \$ 38,603,071 | \$ 23,929,868            | \$ 11,518,859 |

**Assumption and Benefit Changes Since the Prior Measurement Date** - The discount rate remained at 7.00% for June 30, 2024 valuation.

Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

See Note 12 for a description of the net OPEB liability (asset).

***Plan Description - School Employees Retirement System (SERS)***

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

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). 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% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2025, SERS did not allocate any employer contributions to post-employment 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% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the School District's surcharge obligation was \$104,739.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$104,739 for fiscal year 2025. Of this amount, \$104,739 is reported as pension and postemployment benefits payable.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Plan Description - State Teachers Retirement System (STRS)***

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

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

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

***Net OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

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

Following is information related to the proportionate share and OPEB expense:

|                                          | SERS                 | STRS                 | Total          |
|------------------------------------------|----------------------|----------------------|----------------|
| Proportion of the net OPEB               |                      |                      |                |
| liability/asset prior measurement date   | 0.143295900%         | 0.128353800%         |                |
| Proportion of the net OPEB               |                      |                      |                |
| liability/asset current measurement date | <u>0.138167300%</u>  | <u>0.124365170%</u>  |                |
| Change in proportionate share            | <u>-0.005128600%</u> | <u>-0.003988630%</u> |                |
| Proportionate share of the net           |                      |                      |                |
| OPEB liability                           | \$ 1,407,228         | \$ -                 | \$ 1,407,228   |
| Proportionate share of the net           |                      |                      |                |
| OPEB asset                               | \$ -                 | \$ (2,358,970)       | \$ (2,358,970) |
| OPEB expense                             | \$ (81,083)          | \$ (480,535)         | \$ (561,618)   |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

|                                                                                                                      | SERS                | STRS                | Total               |
|----------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|---------------------|
| <b>Deferred outflows of resources</b>                                                                                |                     |                     |                     |
| Differences between expected and actual experience                                                                   | \$ -                | \$ 102,549          | \$ 102,549          |
| Net difference between projected and actual earnings on OPEB plan investments                                        | 6,872               | -                   | 6,872               |
| Changes of assumptions                                                                                               | 603,983             | 290,357             | 894,340             |
| Difference between employer contributions and proportionate share of contributions/<br>change in proportionate share | 75,938              | 34,802              | 110,740             |
| Contributions subsequent to the measurement date                                                                     | <u>104,739</u>      | <u>-</u>            | <u>104,739</u>      |
| Total deferred outflows of resources                                                                                 | <u>\$ 791,532</u>   | <u>\$ 427,708</u>   | <u>\$ 1,219,240</u> |
|                                                                                                                      | SERS                | STRS                | Total               |
| <b>Deferred inflows of resources</b>                                                                                 |                     |                     |                     |
| Differences between expected and actual experience                                                                   | \$ 1,517,361        | \$ 254,219          | \$ 1,771,580        |
| Net difference between projected and actual earnings on OPEB plan investments                                        | -                   | 101,286             | 101,286             |
| Changes of assumptions                                                                                               | 646,428             | 1,063,878           | 1,710,306           |
| Difference between employer contributions and proportionate share of contributions/<br>change in proportionate share | <u>257,253</u>      | <u>-</u>            | <u>257,253</u>      |
| Total deferred inflows of resources                                                                                  | <u>\$ 2,421,042</u> | <u>\$ 1,419,383</u> | <u>\$ 3,840,425</u> |

\$104,739 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/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 as follows:

|                             | SERS                  | STRS                | Total                 |
|-----------------------------|-----------------------|---------------------|-----------------------|
| Fiscal Year Ending June 30: |                       |                     |                       |
| 2026                        | \$ (417,177)          | \$ (351,477)        | \$ (768,654)          |
| 2027                        | (318,947)             | (153,879)           | (472,826)             |
| 2028                        | (242,601)             | (198,792)           | (441,393)             |
| 2029                        | (205,464)             | (184,783)           | (390,247)             |
| 2030                        | (203,397)             | (148,791)           | (352,188)             |
| Thereafter                  | <u>(346,663)</u>      | <u>46,047</u>       | <u>(300,616)</u>      |
| Total                       | <u>\$ (1,734,249)</u> | <u>\$ (991,675)</u> | <u>\$ (2,725,924)</u> |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Actuarial Assumptions - SERS***

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

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

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

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

|                                                                                               | June 30, 2024                                           | June 30, 2023                                           |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| Inflation                                                                                     | 2.40%                                                   | 2.40%                                                   |
| Future salary increases, including inflation                                                  | 3.25% to 13.58%                                         | 3.25% to 13.58%                                         |
| Investment rate of return                                                                     | 7.00% net of investment<br>expense, including inflation | 7.00% net of investment<br>expense, including inflation |
| Actuarial cost method                                                                         | Entry Age Normal (Level<br>Percent of Payroll)          | Entry Age Normal (Level<br>Percent of Payroll)          |
| Fiduciary net position is projected to be depleted                                            | 2059                                                    | 2048                                                    |
| Municipal bond index rate                                                                     | 3.93%                                                   | 3.86%                                                   |
| Single equivalent interest rate, net of plan<br>investment expense, including price inflation | 4.88%                                                   | 4.27%                                                   |
| Medical trend assumption                                                                      | 7.00 to 4.40%                                           | 6.75 to 4.40%                                           |

In 2024, the following mortality assumptions were used:

**Healthy Retirees** - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

**Disabled Retirees** - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

**Contingent Survivors** - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

**Actives** - PUB-2010 General Amount Weighted Below Median Employee mortality table.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**Mortality Projection** - Mortality rates are projected using a fully generational projection with Scale MP-2020.

In the prior measurement date, the following mortality assumptions were used:

**Healthy Retirees** - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.

**Disabled Retirees** - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

**Contingent Survivors** - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

**Actives** - PUB-2010 General Amount Weighted Below Median Employee mortality table.

**Mortality Projection** - 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 on plan assets of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent five-year experience study was performed for the period covering 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%, 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:

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

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88%. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27%. 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% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position is 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% at June 30, 2024 and 3.86% at June 30, 2023.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the proportionate share of the net OPEB liability, what the proportionate share of the 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 the proportionate share of the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 5.00%) and higher (8.00% decreasing to 7.00%) than the current rate (7.00% decreasing to 6.00%).

|                                                                    | <u>1% Decrease</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase</u> |
|--------------------------------------------------------------------|--------------------|----------------------------------|--------------------|
| School District's proportionate share<br>of the net OPEB liability | \$ 1,876,488       | \$ 1,407,228                     | \$ 1,034,337       |

|                                                                    | <u>1% Decrease</u> | <u>Current<br/>Trend Rate</u> | <u>1% Increase</u> |
|--------------------------------------------------------------------|--------------------|-------------------------------|--------------------|
| School District's proportionate share<br>of the net OPEB liability | \$ 951,233         | \$ 1,407,228                  | \$ 2,006,595       |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 actuarial valuation, compared with June 30, 2023 actuarial valuation, are presented below:

|                                 | June 30, 2024                                          |          | June 30, 2023                                          |          |
|---------------------------------|--------------------------------------------------------|----------|--------------------------------------------------------|----------|
| Projected salary increases      | Varies by service from 2.50% to 8.50%                  |          | Varies by service from 2.50% to 8.50%                  |          |
| Investment rate of return       | 7.00%, net of investment expenses, including inflation |          | 7.00%, net of investment expenses, including inflation |          |
| Payroll increases               | 3.00%                                                  |          | 3.00%                                                  |          |
| Discount rate of return         | 7.00%                                                  |          | 7.00%                                                  |          |
| Blended discount rate of return | N/A                                                    |          | N/A                                                    |          |
| Health care cost trends         |                                                        |          |                                                        |          |
|                                 | Initial                                                | Ultimate | Initial                                                | Ultimate |
| Medical                         |                                                        |          |                                                        |          |
| Pre-Medicare                    | 7.50%                                                  | 3.94%    | 7.50%                                                  | 4.14%    |
| Medicare                        | -112.22%                                               | 3.94%    | -10.94%                                                | 4.14%    |
| Prescription Drug               |                                                        |          |                                                        |          |
| Pre-Medicare                    | 8.00%                                                  | 3.94%    | -11.95%                                                | 4.14%    |
| Medicare                        | -15.14%                                                | 3.94%    | 1.33%                                                  | 4.14%    |

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

For the June 30, 2024 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% 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% 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.

For the prior measurement date, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% 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% 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.

***Assumption Changes Since the Prior Measurement Date*** - The discount rate remained unchanged at 7.00% for the June 30, 2024 valuation.

***Benefit Term Changes Since the Prior Measurement Date*** - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

| Asset Class          | Target<br>Allocation* | Long-Term Expected<br>Real 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 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total OPEB liability was 7.00% 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 those 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 rate investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB asset as of June 30, 2024, calculated using the current period discount rate assumption of 7.00%, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the proportionate share of 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  | Current<br>Discount Rate | 1% Increase  |
|----------------------------------------------------------------|--------------|--------------------------|--------------|
| School District's proportionate share<br>of the net OPEB asset | \$ 1,917,998 | \$ 2,358,970             | \$ 2,742,711 |
|                                                                | 1% Decrease  | Current<br>Trend Rate    | 1% Increase  |
| School District's proportionate share<br>of the net OPEB asset | \$ 2,768,632 | \$ 2,358,970             | \$ 1,866,297 |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 14 - CONTINGENCIES**

**A. Grants**

The School District receives significant financial assistance from numerous federal, State and local agencies in the form of grants. The disbursement 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 School District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the School District.

**B. Litigation**

A lawsuit is pending against the School District. In the opinion of the School District's Legal Counsel, no liability is anticipated in excess of insurance coverage.

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. As of the date of this report, ODEW has not finalized the impact of enrollment adjustments to the June 30, 2025 Foundation funding for the School District; therefore, the financial statement impact is not determinable at this time. ODEW and management believe this will result in either a receivable to or liability of the School District.

**NOTE 15 - SET-ASIDES**

The School District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

|                                             | <u>Capital<br/>Improvements</u> |
|---------------------------------------------|---------------------------------|
| Set-aside balance June 30, 2024             | \$ -                            |
| Current year set-aside requirement          | 665,867                         |
| Prior year offset from bond proceeds        | <u>(665,867)</u>                |
| Total                                       | <u>\$ -</u>                     |
| Balance carried forward to fiscal year 2026 | <u>\$ -</u>                     |
| Set-aside balance June 30, 2025             | <u>\$ -</u>                     |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 15 - SET-ASIDES - (Continued)**

During fiscal years 1984, 2009, 2011 and 2012, the School District issued a total of \$60,405,462 in capital related school improvement bonds. These proceeds may be used to reduce capital acquisition below zero for future years. The amount presented for Prior Year Offset from Bond Proceeds is limited to an amount needed to reduce the reserve for capital improvement to \$0. The School District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$49,641,959 at June 30, 2025.

**NOTE 16 - OTHER COMMITMENTS**

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the School District's commitments for encumbrances in the governmental funds were as follows:

| <u>Fund</u>                       | <u>Year-End<br/>Encumbrances</u> |
|-----------------------------------|----------------------------------|
| General fund                      | \$ 15,416                        |
| Other nonmajor governmental funds | <u>281,590</u>                   |
| Total                             | <u>\$ 297,006</u>                |

**NOTE 17 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

The City of Vandalia and Butler Township provide tax abatements through two programs - Enterprise Zone Agreements and Community Reinvestment Area (CRA) Agreements. Under the agreements, various businesses receive the abatement of property taxes to bring jobs and economic development to the City and Township. The agreement affects the property tax receipts collected and distributed to the School District. Under the agreements, the School District property taxes were reduced by \$6,942,642 during fiscal year 2025.

**NOTE 18 - COVID-19**

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

THIS PAGE IS INTENTIONALLY LEFT BLANK

## REQUIRED SUPPLEMENTARY INFORMATION

**VANDALIA BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                    | <u>Budgeted Amounts</u>    |                            | <u>Actual Amounts</u>      | <u>Variance with</u>       |
|----------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                    | <u>Original</u>            | <u>Final</u>               | <u>Budgetary</u>           | <u>Final Budget -</u>      |
|                                                    |                            |                            | <u>Basis</u>               | <u>over (under)</u>        |
|                                                    |                            |                            |                            | <u>Actual Amounts</u>      |
| Budgetary revenues and other financing sources     | \$ 43,793,157              | \$ 41,891,455              | \$ 43,855,419              | \$ 1,963,964               |
| Budgetary expenditures and other financing uses    | <u>43,460,460</u>          | <u>44,453,078</u>          | <u>43,777,049</u>          | <u>(676,029)</u>           |
| Net change in fund balance                         | 332,697                    | (2,561,623)                | 78,370                     | 2,639,993                  |
| <b>Budgetary fund balance at beginning of year</b> | 6,192,651                  | 6,192,651                  | 6,192,651                  | -                          |
| <b>Prior year encumbrances appropriated</b>        | <u>964,873</u>             | <u>964,873</u>             | <u>964,873</u>             | <u>-</u>                   |
| <b>Budgetary fund balance at end of year</b>       | <u><u>\$ 7,490,221</u></u> | <u><u>\$ 4,595,901</u></u> | <u><u>\$ 7,235,894</u></u> | <u><u>\$ 2,639,993</u></u> |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY AND  
SCHOOL DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

| <b>Fiscal<br/>Year (1)</b> | <b>School District's<br/>Proportion<br/>of the Net<br/>Pension Liability</b> | <b>School District's<br/>Proportionate<br/>Share of the Net<br/>Pension Liability</b> | <b>School District's<br/>Covered<br/>Payroll</b> | <b>School District's<br/>Proportionate<br/>Share of the Net<br/>Pension Liability as<br/>a Percentage of its<br/>Covered Payroll</b> | <b>Plan Fiduciary<br/>Net Position as a<br/>Percentage of the<br/>Total Pension<br/>Liability</b> |
|----------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 2025                       | 0.135553100%                                                                 | \$ 6,934,351                                                                          | \$ 5,788,686                                     | 119.79%                                                                                                                              | 78.52%                                                                                            |
| 2024                       | 0.139908200%                                                                 | 7,730,648                                                                             | 5,382,629                                        | 143.62%                                                                                                                              | 76.06%                                                                                            |
| 2023                       | 0.134534000%                                                                 | 7,276,645                                                                             | 4,266,193                                        | 170.57%                                                                                                                              | 75.82%                                                                                            |
| 2022                       | 0.136997200%                                                                 | 5,054,799                                                                             | 4,885,714                                        | 103.46%                                                                                                                              | 82.86%                                                                                            |
| 2021                       | 0.135717300%                                                                 | 8,976,628                                                                             | 5,360,593                                        | 167.46%                                                                                                                              | 68.55%                                                                                            |
| 2020                       | 0.137983100%                                                                 | 8,255,771                                                                             | 4,783,585                                        | 172.59%                                                                                                                              | 70.85%                                                                                            |
| 2019                       | 0.127442200%                                                                 | 7,298,851                                                                             | 4,332,207                                        | 168.48%                                                                                                                              | 71.36%                                                                                            |
| 2018                       | 0.132511600%                                                                 | 7,917,275                                                                             | 4,243,500                                        | 186.57%                                                                                                                              | 69.50%                                                                                            |
| 2017                       | 0.134238800%                                                                 | 9,825,042                                                                             | 4,166,921                                        | 235.79%                                                                                                                              | 62.98%                                                                                            |
| 2016                       | 0.137002300%                                                                 | 7,817,484                                                                             | 4,124,484                                        | 189.54%                                                                                                                              | 69.16%                                                                                            |

| <b>Fiscal<br/>Year</b> | <b>Contractually<br/>Required<br/>Contributions</b> | <b>Contributions in<br/>Relation to the<br/>Contractually<br/>Required<br/>Contributions</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>School District's<br/>Covered<br/>Payroll</b> | <b>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll</b> |
|------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------|
| 2025                   | \$ 859,509                                          | \$ (859,509)                                                                                 | \$ -                                            | \$ 6,139,350                                     | 14.00%                                                              |
| 2024                   | 810,416                                             | (810,416)                                                                                    | -                                               | 5,788,686                                        | 14.00%                                                              |
| 2023                   | 753,568                                             | (753,568)                                                                                    | -                                               | 5,382,629                                        | 14.00%                                                              |
| 2022                   | 597,267                                             | (597,267)                                                                                    | -                                               | 4,266,193                                        | 14.00%                                                              |
| 2021                   | 684,000                                             | (684,000)                                                                                    | -                                               | 4,885,714                                        | 14.00%                                                              |
| 2020                   | 750,483                                             | (750,483)                                                                                    | -                                               | 5,360,593                                        | 14.00%                                                              |
| 2019                   | 645,784                                             | (645,784)                                                                                    | -                                               | 4,783,585                                        | 13.50%                                                              |
| 2018                   | 584,848                                             | (584,848)                                                                                    | -                                               | 4,332,207                                        | 13.50%                                                              |
| 2017                   | 594,090                                             | (594,090)                                                                                    | -                                               | 4,243,500                                        | 14.00%                                                              |
| 2016                   | 583,369                                             | (583,369)                                                                                    | -                                               | 4,166,921                                        | 14.00%                                                              |

(1) Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY AND  
SCHOOL DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

| <b>Fiscal<br/>Year (1)</b> | <b>School District's<br/>Proportion<br/>of the Net<br/>Pension Liability</b> | <b>School District's<br/>Proportionate<br/>Share of the Net<br/>Pension Liability</b> | <b>School District's<br/>Covered<br/>Payroll</b> | <b>School District's<br/>Proportionate<br/>Share of the Net<br/>Pension Liability as<br/>a Percentage of its<br/>Covered Payroll</b> | <b>Plan Fiduciary<br/>Net Position as a<br/>Percentage of the<br/>Total Pension<br/>Liability</b> |
|----------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 2025                       | 0.124365170%                                                                 | \$ 23,929,868                                                                         | \$ 17,228,093                                    | 138.90%                                                                                                                              | 82.55%                                                                                            |
| 2024                       | 0.128353800%                                                                 | 27,640,911                                                                            | 17,396,964                                       | 158.88%                                                                                                                              | 80.02%                                                                                            |
| 2023                       | 0.129497270%                                                                 | 28,787,407                                                                            | 16,833,664                                       | 171.01%                                                                                                                              | 78.88%                                                                                            |
| 2022                       | 0.131968116%                                                                 | 16,873,310                                                                            | 16,527,257                                       | 102.09%                                                                                                                              | 87.78%                                                                                            |
| 2021                       | 0.129795560%                                                                 | 31,405,907                                                                            | 15,778,207                                       | 199.05%                                                                                                                              | 75.48%                                                                                            |
| 2020                       | 0.127574270%                                                                 | 28,212,283                                                                            | 15,189,143                                       | 185.74%                                                                                                                              | 77.40%                                                                                            |
| 2019                       | 0.123314500%                                                                 | 27,114,090                                                                            | 14,043,979                                       | 193.07%                                                                                                                              | 77.31%                                                                                            |
| 2018                       | 0.118874600%                                                                 | 28,238,916                                                                            | 13,321,464                                       | 211.98%                                                                                                                              | 75.30%                                                                                            |
| 2017                       | 0.118621290%                                                                 | 39,706,121                                                                            | 12,198,150                                       | 325.51%                                                                                                                              | 66.80%                                                                                            |
| 2016                       | 0.119288820%                                                                 | 32,967,941                                                                            | 12,445,793                                       | 264.89%                                                                                                                              | 72.10%                                                                                            |

| <b>Fiscal<br/>Year</b> | <b>Contractually<br/>Required<br/>Contributions</b> | <b>Contributions in<br/>Relation to the<br/>Contractually<br/>Required<br/>Contributions</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>School District's<br/>Covered<br/>Payroll</b> | <b>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll</b> |
|------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------|
| 2025                   | \$ 2,463,048                                        | \$ (2,463,048)                                                                               | \$ -                                            | \$ 17,593,200                                    | 14.00%                                                              |
| 2024                   | 2,411,933                                           | (2,411,933)                                                                                  | -                                               | 17,228,093                                       | 14.00%                                                              |
| 2023                   | 2,435,575                                           | (2,435,575)                                                                                  | -                                               | 17,396,964                                       | 14.00%                                                              |
| 2022                   | 2,356,713                                           | (2,356,713)                                                                                  | -                                               | 16,833,664                                       | 14.00%                                                              |
| 2021                   | 2,313,816                                           | (2,313,816)                                                                                  | -                                               | 16,527,257                                       | 14.00%                                                              |
| 2020                   | 2,208,949                                           | (2,208,949)                                                                                  | -                                               | 15,778,207                                       | 14.00%                                                              |
| 2019                   | 2,126,480                                           | (2,126,480)                                                                                  | -                                               | 15,189,143                                       | 14.00%                                                              |
| 2018                   | 1,966,157                                           | (1,966,157)                                                                                  | -                                               | 14,043,979                                       | 14.00%                                                              |
| 2017                   | 1,865,005                                           | (1,865,005)                                                                                  | -                                               | 13,321,464                                       | 14.00%                                                              |
| 2016                   | 1,707,741                                           | (1,707,741)                                                                                  | -                                               | 12,198,150                                       | 14.00%                                                              |

(1) Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY AND  
SCHOOL DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST NINE AND TEN FISCAL YEARS

| <b>Fiscal<br/>Year (1) (2)</b> | <b>School District's<br/>Proportion<br/>of the Net<br/>OPEB Liability</b> | <b>School District's<br/>Proportionate<br/>Share of the Net<br/>OPEB Liability</b> | <b>School District's<br/>Covered<br/>Payroll</b> | <b>School District's<br/>Proportionate<br/>Share of the Net<br/>OPEB Liability as<br/>a Percentage of its<br/>Covered Payroll</b> | <b>Plan Fiduciary<br/>Net Position as a<br/>Percentage of the<br/>Total OPEB<br/>Liability</b> |
|--------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| 2025                           | 0.138167300%                                                              | \$ 1,407,228                                                                       | \$ 5,788,686                                     | 24.31%                                                                                                                            | 44.50%                                                                                         |
| 2024                           | 0.143295900%                                                              | 2,360,722                                                                          | \$ 5,382,629                                     | 43.86%                                                                                                                            | 30.02%                                                                                         |
| 2023                           | 0.137504300%                                                              | 1,930,575                                                                          | 4,266,193                                        | 45.25%                                                                                                                            | 30.34%                                                                                         |
| 2022                           | 0.140445400%                                                              | 2,658,044                                                                          | 4,885,714                                        | 54.40%                                                                                                                            | 24.08%                                                                                         |
| 2021                           | 0.140855400%                                                              | 3,061,249                                                                          | 5,360,593                                        | 57.11%                                                                                                                            | 18.17%                                                                                         |
| 2020                           | 0.141004000%                                                              | 3,545,954                                                                          | 4,783,585                                        | 74.13%                                                                                                                            | 15.57%                                                                                         |
| 2019                           | 0.130030100%                                                              | 3,607,386                                                                          | 4,332,207                                        | 83.27%                                                                                                                            | 13.57%                                                                                         |
| 2018                           | 0.133796100%                                                              | 3,590,736                                                                          | 4,243,500                                        | 84.62%                                                                                                                            | 12.46%                                                                                         |
| 2017                           | 0.135246940%                                                              | 3,855,038                                                                          | 4,166,921                                        | 92.52%                                                                                                                            | 11.49%                                                                                         |

| <b>Fiscal<br/>Year</b> | <b>Contractually<br/>Required<br/>Contributions</b> | <b>Contributions in<br/>Relation to the<br/>Contractually<br/>Required<br/>Contributions</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>School District's<br/>Covered<br/>Payroll</b> | <b>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll</b> |
|------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------|
| 2025                   | \$ 104,739                                          | \$ (104,739)                                                                                 | \$ -                                            | \$ 6,139,350                                     | 1.71%                                                               |
| 2024                   | 99,556                                              | (99,556)                                                                                     | -                                               | 5,788,686                                        | 1.72%                                                               |
| 2023                   | 101,137                                             | (101,137)                                                                                    | -                                               | 5,382,629                                        | 1.88%                                                               |
| 2022                   | 89,502                                              | (89,502)                                                                                     | -                                               | 4,266,193                                        | 2.10%                                                               |
| 2021                   | 86,453                                              | (86,453)                                                                                     | -                                               | 4,885,714                                        | 1.77%                                                               |
| 2020                   | 90,592                                              | (90,592)                                                                                     | -                                               | 5,360,593                                        | 1.69%                                                               |
| 2019                   | 108,102                                             | (108,102)                                                                                    | -                                               | 4,783,585                                        | 2.26%                                                               |
| 2018                   | 95,195                                              | (95,195)                                                                                     | -                                               | 4,332,207                                        | 2.20%                                                               |
| 2017                   | 69,811                                              | (69,811)                                                                                     | -                                               | 4,243,500                                        | 1.65%                                                               |
| 2016                   | 65,049                                              | (65,049)                                                                                     | -                                               | 4,166,921                                        | 1.56%                                                               |

(1) Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF  
THE NET OPEB LIABILITY/(ASSET) AND  
SCHOOL DISTRICT OPEB CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST NINE AND TEN FISCAL YEARS

| <b>Fiscal<br/>Year (1) (2)</b> | <b>School District's<br/>Proportion<br/>of the Net OPEB<br/>Liability/(Asset)</b> | <b>School District's<br/>Proportionate<br/>Share of the Net<br/>OPEB<br/>Liability/(Asset)</b> | <b>School District's<br/>Covered<br/>Payroll</b> | <b>School District's<br/>Proportionate<br/>Share of the Net<br/>OPEB<br/>Liability/(Asset) as<br/>a Percentage of its<br/>Covered Payroll</b> | <b>Plan Fiduciary<br/>Net Position as a<br/>Percentage of the<br/>Total OPEB<br/>Liability/(Asset)</b> |
|--------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| 2025                           | 0.124365170%                                                                      | \$ (2,358,970)                                                                                 | \$ 17,228,093                                    | 13.69%                                                                                                                                        | 158.01%                                                                                                |
| 2024                           | 0.128353800%                                                                      | (2,496,304)                                                                                    | 17,396,964                                       | 14.35%                                                                                                                                        | 168.52%                                                                                                |
| 2023                           | 0.129497270%                                                                      | (3,353,115)                                                                                    | 16,833,664                                       | 19.92%                                                                                                                                        | 230.73%                                                                                                |
| 2022                           | 0.131968116%                                                                      | (2,782,440)                                                                                    | 16,527,257                                       | 16.84%                                                                                                                                        | 174.73%                                                                                                |
| 2021                           | 0.129795560%                                                                      | (2,281,156)                                                                                    | 15,778,207                                       | 14.46%                                                                                                                                        | 182.10%                                                                                                |
| 2020                           | 0.127574270%                                                                      | (2,112,936)                                                                                    | 15,189,143                                       | 13.91%                                                                                                                                        | 174.74%                                                                                                |
| 2019                           | 0.123314500%                                                                      | (1,981,538)                                                                                    | 14,043,979                                       | -14.11%                                                                                                                                       | 176.00%                                                                                                |
| 2018                           | 0.118874600%                                                                      | 4,638,048                                                                                      | 13,321,464                                       | 34.82%                                                                                                                                        | 47.10%                                                                                                 |
| 2017                           | 0.118621290%                                                                      | 6,343,897                                                                                      | 12,198,150                                       | 52.01%                                                                                                                                        | 37.30%                                                                                                 |

| <b>Fiscal<br/>Year</b> | <b>Contractually<br/>Required<br/>Contributions</b> | <b>Contributions in<br/>Relation to the<br/>Contractually<br/>Required<br/>Contributions</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>School District's<br/>Covered<br/>Payroll</b> | <b>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll</b> |
|------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------|
| 2025                   | \$ -                                                | \$ -                                                                                         | \$ -                                            | \$ 17,593,200                                    | 0.00%                                                               |
| 2024                   | -                                                   | -                                                                                            | -                                               | 17,228,093                                       | 0.00%                                                               |
| 2023                   | -                                                   | -                                                                                            | -                                               | 17,396,964                                       | 0.00%                                                               |
| 2022                   | -                                                   | -                                                                                            | -                                               | 16,833,664                                       | 0.00%                                                               |
| 2021                   | -                                                   | -                                                                                            | -                                               | 16,527,257                                       | 0.00%                                                               |
| 2020                   | -                                                   | -                                                                                            | -                                               | 15,778,207                                       | 0.00%                                                               |
| 2019                   | -                                                   | -                                                                                            | -                                               | 15,189,143                                       | 0.00%                                                               |
| 2018                   | -                                                   | -                                                                                            | -                                               | 14,043,979                                       | 0.00%                                                               |
| 2017                   | -                                                   | -                                                                                            | -                                               | 13,321,464                                       | 0.00%                                                               |
| 2016                   | -                                                   | -                                                                                            | -                                               | 12,198,150                                       | 0.00%                                                               |

(1) Amounts presented for each fiscal year were determined as of the School District's measurement date which is the prior year-end.

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 1 - BUDGETARY PROCESS**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis is as follows:

**Net Change in Fund Balance**

|                                         | <u>General fund</u> |
|-----------------------------------------|---------------------|
| Budget basis                            | \$ 78,370           |
| Net adjustment for revenue accruals     | (1,328,050)         |
| Net adjustment for expenditure accruals | (520,058)           |
| Net adjustment for other sources/uses   | (292,210)           |
| Funds budgeted elsewhere                | 103,236             |
| Adjustments for encumbrances            | <u>1,203,147</u>    |
| GAAP Basis                              | <u>\$ (755,565)</u> |

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the uniform school supplies fund, the public school support fund and the latchkey fund.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**PENSION**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- For fiscal year 2023, SERS changed from a Cost of Living Adjustment (COLA) of 2.0% to 2.5%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) 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, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50% - 18.20% to 3.25% - 13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

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

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2025.

*Changes in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

*Change in assumptions:*

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) 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, (f) 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, (g) 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 changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) 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, (f) 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, (g) 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, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50% - 5.00% to a range of 5.375% - 4.75% and Pre-Medicare were changed from a range of 7.50% - 5.00% to a range of 7.25% - 4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375% - 4.75% to a range of 5.25% - 4.75% and Pre-Medicare were changed from a range of 7.25% - 4.75% to a range of 7.00% - 4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50% - 18.20% to 3.25% - 13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.
- For fiscal year 2024, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.69% to 3.86%, (b) single equivalent interest rate when from 4.08% to 4.27% and (c) medical trend assumptions went from 7.00% to 4.40% to 6.75% to 4.40%.
- For fiscal year 2025, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.86% to 3.93%, (b) single equivalent interest rate when from 4.27% to 4.88% and (c) medical trend assumptions went from 6.75% to 4.40% to 7.00% to 4.40%.

**STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO**

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the non-Medicare subsidy percentage from 1.944% to 1.984% 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, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2025.

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)," (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)" and (b) decrease in health care cost trend rates from 6.00% - 11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate; and prescription drug Medicare from (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to - 6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from - 6.69% initial - 4.00% ultimate down to - 16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 16.18% initial - 4.00% ultimate to - 68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to - 5.47% initial - 3.94% ultimate.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from - 68.78% initial - 3.94% ultimate to - 10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to - 11.95% initial - 4.14% ultimate; and prescription drug Medicare from - 5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.
- For fiscal year 2025, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: medical Pre-Medicare from 7.50% initial - 4.14% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 10.94% initial - 4.14% ultimate to - 112.22% initial - 3.94% ultimate; prescription drug Pre-Medicare from - 11.95% initial - 4.14% ultimate to 8.00% initial - 3.94% ultimate; and prescription drug Medicare from 1.33% initial - 4.14% ultimate to - 15.14% initial - 3.94% ultimate.



COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTARY INFORMATION

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**MAJOR FUNDS**

**General Fund**

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio. A budgetary statement for the general fund is presented as part of the required supplementary information. The level of detail presented in that schedule is the same as the legal level of budgetary control; therefore, a separate additional schedule is not presented.

Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis)

**Uniform School Supply Fund**

A fund to account for the purchase and reimbursement of consumable supplies (workbooks) used by the students as a supplemental learning tool.

**Public School Support Fund**

A fund provided to account for special local revenue sources such as vending machine receipts. Revenues are used to fund special events and purchase achievement awards.

**Latchkey Fund**

A fund established to account for the tuition received and expenses made in securing an after-school latchkey program for students of the School District.

**Other Major Funds**

**Bond Retirement Fund**

The bond retirement fund is used to account for the accumulation of resources for resources that are restricted for the payment of general obligations bond principal and interest and certain other long-term obligations when the School District is obligated for the payment. The fund balance of this fund is restricted for debt service.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                    | <u>Budgeted<br/>Amounts</u> | <u>Actual Amounts</u>      | <u>Variance with</u>                                      |
|----------------------------------------------------|-----------------------------|----------------------------|-----------------------------------------------------------|
|                                                    | <u>Final</u>                | <u>Budgetary<br/>Basis</u> | <u>Final Budget -<br/>over (under)<br/>Actual Amounts</u> |
| <b>Uniform School Supply Fund</b>                  |                             |                            |                                                           |
| Budgetary revenues and other financing sources     | \$ 245,884                  | \$ 247,658                 | \$ 1,774                                                  |
| Budgetary expenditures and other financing uses    | <u>216,387</u>              | <u>187,298</u>             | <u>(29,089)</u>                                           |
| Net change in fund balances                        | 29,497                      | 60,360                     | 30,863                                                    |
| <b>Budgetary fund balance at beginning of year</b> | 438,512                     | 438,512                    | -                                                         |
| <b>Prior year encumbrances appropriated</b>        | <u>7,547</u>                | <u>7,547</u>               | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>       | <u><u>\$ 475,556</u></u>    | <u><u>\$ 506,419</u></u>   | <u><u>\$ 30,863</u></u>                                   |
| <b>Public School Support Fund</b>                  |                             |                            |                                                           |
| Budgetary revenues and other financing sources     | \$ 190,367                  | \$ 191,165                 | \$ 798                                                    |
| Budgetary expenditures and other financing uses    | <u>193,670</u>              | <u>176,707</u>             | <u>(16,963)</u>                                           |
| Net change in fund balances                        | (3,303)                     | 14,458                     | 17,761                                                    |
| <b>Budgetary fund balance at beginning of year</b> | 327,780                     | 327,780                    | -                                                         |
| <b>Prior year encumbrances appropriated</b>        | <u>2,188</u>                | <u>2,188</u>               | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>       | <u><u>\$ 326,665</u></u>    | <u><u>\$ 344,426</u></u>   | <u><u>\$ 17,761</u></u>                                   |
| <b>Latchkey Fund</b>                               |                             |                            |                                                           |
| Budgetary revenues and other financing sources     | \$ 119,726                  | \$ 122,221                 | \$ 2,495                                                  |
| Budgetary expenditures and other financing uses    | <u>127,270</u>              | <u>113,204</u>             | <u>(14,066)</u>                                           |
| Net change in fund balances                        | (7,544)                     | 9,017                      | 16,561                                                    |
| <b>Budgetary fund balance at beginning of year</b> | <u>79,521</u>               | <u>79,521</u>              | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>       | <u><u>\$ 71,977</u></u>     | <u><u>\$ 88,538</u></u>    | <u><u>\$ 16,561</u></u>                                   |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                    | <u>Budgeted<br/>Amounts</u> | <u>Actual Amounts</u>      | <u>Variance with</u>                                      |
|----------------------------------------------------|-----------------------------|----------------------------|-----------------------------------------------------------|
|                                                    | <u>Final</u>                | <u>Budgetary<br/>Basis</u> | <u>Final Budget -<br/>over (under)<br/>Actual Amounts</u> |
| <b>Bond Retirement Fund</b>                        |                             |                            |                                                           |
| Budgetary revenues and other financing sources     | \$ 3,667,041                | \$ 3,667,041               | \$ -                                                      |
| Budgetary expenditures and other financing uses    | <u>3,196,802</u>            | <u>3,196,802</u>           | <u>-</u>                                                  |
| Net change in fund balances                        | 470,239                     | 470,239                    | -                                                         |
| <b>Budgetary fund balance at beginning of year</b> | <u>2,712,954</u>            | <u>2,712,954</u>           | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>       | <u><u>\$ 3,183,193</u></u>  | <u><u>\$ 3,183,193</u></u> | <u><u>\$ -</u></u>                                        |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**COMBINING STATEMENTS - NONMAJOR FUNDS**

**Nonmajor Special Revenue Funds**

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. The term proceeds of specific revenue sources establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

**Food Service Fund**

A fund to account for all transactions that are restricted to the provision of food service operations for the School District.

**Special Trust Fund**

A fund used to account for revenues and expenditures that are committed of the Gilbery Scholarship.

**Student Managed Activities Fund**

A fund provided to account for those student activity programs which are run by students. Most expenditures are restricted to include costs for student clubs.

**Athletics Fund**

A fund provided to account for those student activity programs which charge admission. Most expenditures are restricted to include referee and security compensations, equipment and supplies needed to run a successful athletic program

**Race to the Top Fund**

A fund used to account for revenues that are restricted to provide for either a new program or expansion of an existing program to support initiatives in the following areas: standards and assessments; using data to improve instruction; great teachers and leaders; and turning around the lowest achieving schools.

**Elementary and Secondary School Emergency Relief (ESSER) Fund**

This fund accounts for grants received from the federal government to provide emergency relief to school districts related to the COVID-19 pandemic.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**COMBINING STATEMENTS - NONMAJOR FUNDS**

**Nonmajor Special Revenue Funds (Continued)**

**Special Education Fund**

This fund accounts for federal funds that are restricted for the full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

**Title I Fund**

A fund that is restricted to provide financial assistance to State and Local educational agencies to meet the special needs of educationally deprived children.

**Title IV-A Fund**

This fund is to account for Federal money restricted for providing students with a well-rounded education, supporting safe and healthy students and supporting the effective use of technology.

**Preschool Handicapped Grant Fund**

A fund that is restricted to provide for the education of handicapped children ages three through five, and account for the monies received and expended for the purpose of this grant.

**Title II-A Fund**

A fund that is restricted for monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

**Miscellaneous Federal Grants Fund**

A fund that is restricted for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere.



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2025

|                                                       | <b>Food<br/>Service</b> | <b>Special<br/>Trust</b> | <b>Student<br/>Managed<br/>Activities</b> | <b>Athletics</b>  | <b>Special<br/>Education</b> |
|-------------------------------------------------------|-------------------------|--------------------------|-------------------------------------------|-------------------|------------------------------|
| <b>Assets:</b>                                        |                         |                          |                                           |                   |                              |
| Equity in pooled cash and cash equivalents            | \$ 433,104              | \$ 5,980                 | \$ 113,796                                | \$ 137,990        | \$ -                         |
| Due from other governments                            | -                       | -                        | -                                         | -                 | 130,797                      |
| Prepayments                                           | 807                     | -                        | 189                                       | -                 | -                            |
| Materials and supplies inventory                      | 5,465                   | -                        | -                                         | -                 | -                            |
| Inventory held for resale                             | 9,872                   | -                        | -                                         | -                 | -                            |
| Total assets                                          | <u>\$ 449,248</u>       | <u>\$ 5,980</u>          | <u>\$ 113,985</u>                         | <u>\$ 137,990</u> | <u>\$ 130,797</u>            |
| <b>Liabilities:</b>                                   |                         |                          |                                           |                   |                              |
| Accounts payable                                      | \$ 18                   | \$ -                     | \$ -                                      | \$ 1,376          | \$ 14,545                    |
| Accrued wages and benefits                            | 74,151                  | -                        | -                                         | -                 | 44,341                       |
| Due to other governments                              | 928                     | -                        | -                                         | -                 | 643                          |
| Pension and postemployment benefits payable           | 19,435                  | -                        | -                                         | -                 | 11,452                       |
| Due to other funds                                    | -                       | -                        | -                                         | -                 | 59,816                       |
| Total liabilities                                     | <u>94,532</u>           | <u>-</u>                 | <u>-</u>                                  | <u>1,376</u>      | <u>130,797</u>               |
| <b>Deferred inflows of resources:</b>                 |                         |                          |                                           |                   |                              |
| Intergovernmental revenue not available               | -                       | -                        | -                                         | -                 | 13,642                       |
| Total deferred inflows of resources                   | <u>-</u>                | <u>-</u>                 | <u>-</u>                                  | <u>-</u>          | <u>13,642</u>                |
| <b>Fund balances:</b>                                 |                         |                          |                                           |                   |                              |
| Nonspendable:                                         |                         |                          |                                           |                   |                              |
| Materials and supplies inventory                      | 5,465                   | -                        | -                                         | -                 | -                            |
| Prepayments                                           | 807                     | -                        | 189                                       | -                 | -                            |
| Restricted:                                           |                         |                          |                                           |                   |                              |
| Food service operations                               | 348,444                 | -                        | -                                         | -                 | -                            |
| Extracurricular activities                            | -                       | -                        | 113,796                                   | 136,614           | -                            |
| Other purposes                                        | -                       | 5,980                    | -                                         | -                 | -                            |
| Unassigned (deficit)                                  | -                       | -                        | -                                         | -                 | (13,642)                     |
| Total fund balances (deficits)                        | <u>354,716</u>          | <u>5,980</u>             | <u>113,985</u>                            | <u>136,614</u>    | <u>(13,642)</u>              |
| Total liabilities, deferred inflows and fund balances | <u>\$ 449,248</u>       | <u>\$ 5,980</u>          | <u>\$ 113,985</u>                         | <u>\$ 137,990</u> | <u>\$ 130,797</u>            |

| <b>Title I</b>    | <b>Title IV-A</b> | <b>Title II-A</b> | <b>Total<br/>Nonmajor<br/>Special Revenue<br/>Funds</b> |
|-------------------|-------------------|-------------------|---------------------------------------------------------|
| \$ -              | \$ -              | \$ -              | \$ 690,870                                              |
| 101,384           | 16,540            | 6,498             | 255,219                                                 |
| -                 | -                 | -                 | 996                                                     |
| -                 | -                 | -                 | 5,465                                                   |
| -                 | -                 | -                 | 9,872                                                   |
| <u>\$ 101,384</u> | <u>\$ 16,540</u>  | <u>\$ 6,498</u>   | <u>\$ 962,422</u>                                       |
| \$ -              | \$ 7,573          | \$ -              | \$ 23,512                                               |
| 56,726            | -                 | -                 | 175,218                                                 |
| 823               | -                 | -                 | 2,394                                                   |
| 9,644             | -                 | -                 | 40,531                                                  |
| 34,191            | 8,967             | 6,498             | 109,472                                                 |
| <u>101,384</u>    | <u>16,540</u>     | <u>6,498</u>      | <u>351,127</u>                                          |
| 33,624            | 4,668             | -                 | 51,934                                                  |
| <u>33,624</u>     | <u>4,668</u>      | <u>-</u>          | <u>51,934</u>                                           |
| -                 | -                 | -                 | 5,465                                                   |
| -                 | -                 | -                 | 996                                                     |
| -                 | -                 | -                 | 348,444                                                 |
| -                 | -                 | -                 | 250,410                                                 |
| -                 | -                 | -                 | 5,980                                                   |
| (33,624)          | (4,668)           | -                 | (51,934)                                                |
| <u>(33,624)</u>   | <u>(4,668)</u>    | <u>-</u>          | <u>559,361</u>                                          |
| <u>\$ 101,384</u> | <u>\$ 16,540</u>  | <u>\$ 6,498</u>   | <u>\$ 962,422</u>                                       |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                              | <b>Food<br/>Service</b> | <b>Special<br/>Trust</b> | <b>Student<br/>Managed<br/>Activities</b> | <b>Athletics</b>  | <b>Race to<br/>the Top</b> |
|--------------------------------------------------------------|-------------------------|--------------------------|-------------------------------------------|-------------------|----------------------------|
| <b>Revenues:</b>                                             |                         |                          |                                           |                   |                            |
| Intergovernmental                                            | \$ 870,691              | \$ -                     | \$ -                                      | \$ -              | \$ -                       |
| Tuition and fees                                             | -                       | -                        | 3,000                                     | -                 | -                          |
| Extracurricular                                              | -                       | -                        | 52,098                                    | 288,851           | -                          |
| Charges for services                                         | 593,515                 | -                        | -                                         | -                 | -                          |
| Contributions and donations                                  | -                       | 1,052                    | -                                         | -                 | -                          |
| Total revenues                                               | <u>1,464,206</u>        | <u>1,052</u>             | <u>55,098</u>                             | <u>288,851</u>    | <u>-</u>                   |
| <b>Expenditures:</b>                                         |                         |                          |                                           |                   |                            |
| Current:                                                     |                         |                          |                                           |                   |                            |
| Instruction:                                                 |                         |                          |                                           |                   |                            |
| Regular                                                      | -                       | -                        | -                                         | -                 | -                          |
| Special                                                      | -                       | -                        | -                                         | -                 | -                          |
| Other                                                        | -                       | -                        | 1,167                                     | -                 | -                          |
| Support services:                                            |                         |                          |                                           |                   |                            |
| Pupil                                                        | -                       | -                        | -                                         | -                 | -                          |
| Instructional staff                                          | -                       | -                        | 2,290                                     | -                 | -                          |
| Administration                                               | -                       | -                        | -                                         | -                 | -                          |
| Operation of non-instructional services:                     |                         |                          |                                           |                   |                            |
| Food service operations                                      | 1,564,763               | -                        | -                                         | -                 | -                          |
| Other non-instructional services                             | -                       | -                        | -                                         | -                 | -                          |
| Extracurricular activities                                   | -                       | 1,000                    | 43,499                                    | 282,733           | -                          |
| Total expenditures                                           | <u>1,564,763</u>        | <u>1,000</u>             | <u>46,956</u>                             | <u>282,733</u>    | <u>-</u>                   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(100,557)</u>        | <u>52</u>                | <u>8,142</u>                              | <u>6,118</u>      | <u>-</u>                   |
| <b>Other financing sources (uses):</b>                       |                         |                          |                                           |                   |                            |
| Transfers in                                                 | -                       | -                        | 1,909                                     | -                 | -                          |
| Transfers (out)                                              | -                       | -                        | (28,532)                                  | -                 | (1,050)                    |
| Total other financing sources (uses)                         | <u>-</u>                | <u>-</u>                 | <u>(26,623)</u>                           | <u>-</u>          | <u>(1,050)</u>             |
| Net change in fund balances                                  | (100,557)               | 52                       | (18,481)                                  | 6,118             | (1,050)                    |
| <b>Fund balances (deficits) at beginning of year</b>         | <u>455,273</u>          | <u>5,928</u>             | <u>132,466</u>                            | <u>130,496</u>    | <u>1,050</u>               |
| <b>Fund balances (deficits) at end of year</b>               | <u>\$ 354,716</u>       | <u>\$ 5,980</u>          | <u>\$ 113,985</u>                         | <u>\$ 136,614</u> | <u>\$ -</u>                |

| Elementary and<br>Secondary School<br>Emergency Relief | Special<br>Education | Title I     | Title IV-A | Preschool<br>Handicapped<br>Grant | Title II-A | Total<br>Nonmajor<br>Special Revenue<br>Funds |
|--------------------------------------------------------|----------------------|-------------|------------|-----------------------------------|------------|-----------------------------------------------|
| \$ 209,515                                             | \$ 813,039           | \$ 513,929  | \$ 37,900  | \$ 13,723                         | \$ 102,296 | \$ 2,561,093                                  |
| -                                                      | -                    | -           | -          | -                                 | -          | 3,000                                         |
| -                                                      | -                    | -           | -          | -                                 | -          | 340,949                                       |
| -                                                      | -                    | -           | -          | -                                 | -          | 593,515                                       |
| -                                                      | -                    | -           | -          | -                                 | -          | 1,052                                         |
| 209,515                                                | 813,039              | 513,929     | 37,900     | 13,723                            | 102,296    | 3,499,609                                     |
| 78,636                                                 | -                    | -           | 18,291     | -                                 | -          | 96,927                                        |
| 1,703                                                  | 295,670              | 464,919     | -          | 13,723                            | -          | 776,015                                       |
| -                                                      | -                    | -           | -          | -                                 | -          | 1,167                                         |
| 10,227                                                 | 513,078              | -           | 11,382     | -                                 | -          | 534,687                                       |
| -                                                      | -                    | -           | -          | -                                 | 97,151     | 99,441                                        |
| -                                                      | -                    | 20,781      | -          | -                                 | -          | 20,781                                        |
| -                                                      | -                    | -           | -          | -                                 | -          | 1,564,763                                     |
| -                                                      | 4,520                | 26,137      | 4,930      | -                                 | 5,145      | 40,732                                        |
| -                                                      | -                    | -           | -          | -                                 | -          | 327,232                                       |
| 90,566                                                 | 813,268              | 511,837     | 34,603     | 13,723                            | 102,296    | 3,461,745                                     |
| 118,949                                                | (229)                | 2,092       | 3,297      | -                                 | -          | 37,864                                        |
| -                                                      | -                    | -           | -          | -                                 | -          | 1,909                                         |
| -                                                      | -                    | -           | -          | -                                 | -          | (29,582)                                      |
| -                                                      | -                    | -           | -          | -                                 | -          | (27,673)                                      |
| 118,949                                                | (229)                | 2,092       | 3,297      | -                                 | -          | 10,191                                        |
| (118,949)                                              | (13,413)             | (35,716)    | (7,965)    | -                                 | -          | 549,170                                       |
| \$ -                                                   | \$ (13,642)          | \$ (33,624) | \$ (4,668) | \$ -                              | \$ -       | \$ 559,361                                    |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                    | <u>Budgeted<br/>Amounts</u> | <u>Actual Amounts</u>      | <u>Variance with</u>                                      |
|----------------------------------------------------|-----------------------------|----------------------------|-----------------------------------------------------------|
|                                                    | <u>Final</u>                | <u>Budgetary<br/>Basis</u> | <u>Final Budget -<br/>over (under)<br/>Actual Amounts</u> |
| <b>Food Service Fund</b>                           |                             |                            |                                                           |
| Budgetary revenues and other financing sources     | \$ 1,375,468                | \$ 1,377,858               | \$ 2,390                                                  |
| Budgetary expenditures and other financing uses    | <u>1,595,922</u>            | <u>1,482,532</u>           | <u>(113,390)</u>                                          |
| Net change in fund balances                        | (220,454)                   | (104,674)                  | 115,780                                                   |
| <b>Budgetary fund balance at beginning of year</b> | 525,427                     | 525,427                    | -                                                         |
| <b>Prior year encumbrances appropriated</b>        | <u>7,389</u>                | <u>7,389</u>               | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>       | <u><u>\$ 312,362</u></u>    | <u><u>\$ 428,142</u></u>   | <u><u>\$ 115,780</u></u>                                  |
| <b>Special Trust Fund</b>                          |                             |                            |                                                           |
| Budgetary revenues and other financing sources     | \$ 1,000                    | \$ 1,052                   | \$ 52                                                     |
| Budgetary expenditures and other financing uses    | <u>1,000</u>                | <u>1,000</u>               | <u>-</u>                                                  |
| Net change in fund balances                        | -                           | 52                         | 52                                                        |
| <b>Budgetary fund balance at beginning of year</b> | <u>5,928</u>                | <u>5,928</u>               | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>       | <u><u>\$ 5,928</u></u>      | <u><u>\$ 5,980</u></u>     | <u><u>\$ 52</u></u>                                       |
| <b>Student Managed Activity Fund</b>               |                             |                            |                                                           |
| Budgetary revenues and other financing sources     | \$ 63,069                   | \$ 63,069                  | \$ -                                                      |
| Budgetary expenditures and other financing uses    | <u>127,842</u>              | <u>84,309</u>              | <u>(43,533)</u>                                           |
| Net change in fund balances                        | (64,773)                    | (21,240)                   | 43,533                                                    |
| <b>Budgetary fund balance at beginning of year</b> | 128,932                     | 128,932                    | -                                                         |
| <b>Prior year encumbrances appropriated</b>        | <u>3,334</u>                | <u>3,334</u>               | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>       | <u><u>\$ 67,493</u></u>     | <u><u>\$ 111,026</u></u>   | <u><u>\$ 43,533</u></u>                                   |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                    | <u>Budgeted<br/>Amounts</u> | <u>Actual Amounts</u>      | <u>Variance with</u>                                      |
|----------------------------------------------------|-----------------------------|----------------------------|-----------------------------------------------------------|
|                                                    | <u>Final</u>                | <u>Budgetary<br/>Basis</u> | <u>Final Budget -<br/>over (under)<br/>Actual Amounts</u> |
| <b>Athletics Fund</b>                              |                             |                            |                                                           |
| Budgetary revenues and other financing sources     | \$ 287,451                  | \$ 288,851                 | \$ 1,400                                                  |
| Budgetary expenditures and other financing uses    | <u>326,057</u>              | <u>290,643</u>             | <u>(35,414)</u>                                           |
| Net change in fund balances                        | (38,606)                    | (1,792)                    | 36,814                                                    |
| <b>Budgetary fund balance at beginning of year</b> | 118,419                     | 118,419                    | -                                                         |
| <b>Prior year encumbrances appropriated</b>        | <u>13,594</u>               | <u>13,594</u>              | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>       | <u><u>\$ 93,407</u></u>     | <u><u>\$ 130,221</u></u>   | <u><u>\$ 36,814</u></u>                                   |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                              | <u>Budgeted<br/>Amounts</u> | <u>Actual Amounts</u>      | <u>Variance with</u>                                      |
|--------------------------------------------------------------|-----------------------------|----------------------------|-----------------------------------------------------------|
|                                                              | <u>Final</u>                | <u>Budgetary<br/>Basis</u> | <u>Final Budget -<br/>over (under)<br/>Actual Amounts</u> |
| <b>Race to the Top Fund</b>                                  |                             |                            |                                                           |
| Budgetary expenditures and other financing uses              | \$ 1,050                    | \$ 1,050                   | \$ -                                                      |
| Net change in fund balances                                  | (1,050)                     | (1,050)                    | -                                                         |
| <b>Budgetary fund balance at beginning of year</b>           | <u>1,050</u>                | <u>1,050</u>               | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>                 | <u><u>\$ -</u></u>          | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>                                        |
| <b>ESSER Fund</b>                                            |                             |                            |                                                           |
| Budgetary revenues and other financing sources               | \$ 269,333                  | \$ 269,333                 | \$ -                                                      |
| Budgetary expenditures and other financing uses              | <u>147,187</u>              | <u>147,187</u>             | <u>-</u>                                                  |
| Net change in fund balances                                  | 122,146                     | 122,146                    | -                                                         |
| <b>Budgetary fund balance (deficit) at beginning of year</b> | <u>(122,146)</u>            | <u>(122,146)</u>           | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>                 | <u><u>\$ -</u></u>          | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>                                        |
| <b>Special Education Fund</b>                                |                             |                            |                                                           |
| Budgetary revenues and other financing sources               | \$ 1,026,645                | \$ 816,106                 | \$ (210,539)                                              |
| Budgetary expenditures and other financing uses              | <u>961,622</u>              | <u>828,404</u>             | <u>(133,218)</u>                                          |
| Net change in fund balances                                  | 65,023                      | (12,298)                   | (77,321)                                                  |
| <b>Budgetary fund balance (deficit) at beginning of year</b> | <u>(137,358)</u>            | <u>(137,358)</u>           | <u>-</u>                                                  |
| <b>Prior year encumbrances appropriated</b>                  | <u>72,335</u>               | <u>72,335</u>              | <u>-</u>                                                  |
| <b>Budgetary fund balance (deficit) at end of year</b>       | <u><u>\$ -</u></u>          | <u><u>\$ (77,321)</u></u>  | <u><u>\$ (77,321)</u></u>                                 |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                              | <u>Budgeted<br/>Amounts</u> | <u>Actual Amounts</u>      | <u>Variance with</u>                                      |
|--------------------------------------------------------------|-----------------------------|----------------------------|-----------------------------------------------------------|
|                                                              | <u>Final</u>                | <u>Budgetary<br/>Basis</u> | <u>Final Budget -<br/>over (under)<br/>Actual Amounts</u> |
| <b>Title I Fund</b>                                          |                             |                            |                                                           |
| Budgetary revenues and other financing sources               | \$ 672,452                  | \$ 548,321                 | \$ (124,131)                                              |
| Budgetary expenditures and other financing uses              | <u>616,267</u>              | <u>526,327</u>             | <u>(89,940)</u>                                           |
| Net change in fund balances                                  | 56,185                      | 21,994                     | (34,191)                                                  |
| <b>Budgetary fund balance (deficit) at beginning of year</b> | (73,194)                    | (73,194)                   | -                                                         |
| <b>Prior year encumbrances appropriated</b>                  | <u>17,009</u>               | <u>17,009</u>              | <u>-</u>                                                  |
| <b>Budgetary fund balance (deficit) at end of year</b>       | <u><u>\$ -</u></u>          | <u><u>\$ (34,191)</u></u>  | <u><u>\$ (34,191)</u></u>                                 |
| <b>Title IV-A Fund</b>                                       |                             |                            |                                                           |
| Budgetary revenues and other financing sources               | \$ 92,565                   | \$ 33,958                  | \$ (58,607)                                               |
| Budgetary expenditures and other financing uses              | <u>84,751</u>               | <u>42,935</u>              | <u>(41,816)</u>                                           |
| Net change in fund balances                                  | 7,814                       | (8,977)                    | (16,791)                                                  |
| <b>Budgetary fund balance (deficit) at beginning of year</b> | (17,297)                    | (17,297)                   | -                                                         |
| <b>Prior year encumbrances appropriated</b>                  | <u>9,483</u>                | <u>9,483</u>               | <u>-</u>                                                  |
| <b>Budgetary fund balance (deficit) at end of year</b>       | <u><u>\$ -</u></u>          | <u><u>\$ (16,791)</u></u>  | <u><u>\$ (16,791)</u></u>                                 |
| <b>Preschool Handicapped Grant Fund</b>                      |                             |                            |                                                           |
| Budgetary revenues and other financing sources               | \$ 13,723                   | \$ 13,723                  | \$ -                                                      |
| Budgetary expenditures and other financing uses              | <u>13,723</u>               | <u>13,723</u>              | <u>-</u>                                                  |
| Net change in fund balances                                  | -                           | -                          | -                                                         |
| <b>Budgetary fund balance at beginning of year</b>           | <u>-</u>                    | <u>-</u>                   | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>                 | <u><u>\$ -</u></u>          | <u><u>\$ -</u></u>         | <u><u>\$ -</u></u>                                        |
| <b>Title II-A Fund</b>                                       |                             |                            |                                                           |
| Budgetary revenues and other financing sources               | \$ 185,270                  | \$ 116,134                 | \$ (69,136)                                               |
| Budgetary expenditures and other financing uses              | <u>165,270</u>              | <u>104,632</u>             | <u>(60,638)</u>                                           |
| Net change in fund balances                                  | 20,000                      | 11,502                     | (8,498)                                                   |
| <b>Budgetary fund balance (deficit) at beginning of year</b> | (23,774)                    | (23,774)                   | -                                                         |
| <b>Prior year encumbrances appropriated</b>                  | <u>3,774</u>                | <u>3,774</u>               | <u>-</u>                                                  |
| <b>Budgetary fund balance (deficit) at end of year</b>       | <u><u>\$ -</u></u>          | <u><u>\$ (8,498)</u></u>   | <u><u>\$ (8,498)</u></u>                                  |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                                    | <u>Budgeted<br/>Amounts</u> | <u>Actual Amounts</u>      | <u>Variance with</u>                                      |
|----------------------------------------------------|-----------------------------|----------------------------|-----------------------------------------------------------|
|                                                    | <u>Final</u>                | <u>Budgetary<br/>Basis</u> | <u>Final Budget -<br/>over (under)<br/>Actual Amounts</u> |
| <b>Miscellaneous Federal Grants Fund</b>           |                             |                            |                                                           |
| Budgetary revenues and other financing sources     | \$ -                        | \$ (769)                   | \$ (769)                                                  |
| Budgetary expenditures and other financing uses    | <u>102,924</u>              | <u>102,924</u>             | <u>-</u>                                                  |
| Net change in fund balances                        | (102,924)                   | (103,693)                  | (769)                                                     |
| <b>Budgetary fund balance at beginning of year</b> | 619                         | 619                        | -                                                         |
| <b>Prior year encumbrances appropriated</b>        | <u>103,074</u>              | <u>103,074</u>             | <u>-</u>                                                  |
| <b>Budgetary fund balance at end of year</b>       | <u><u>\$ 769</u></u>        | <u><u>\$ -</u></u>         | <u><u>\$ (769)</u></u>                                    |

## STATISTICAL SECTION



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

**STATISTICAL SECTION**

This part of the Vandalia-Butler City School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the School District's overall financial health.

**Table of Contents**

**Pages**

**Financial Trends**

These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

**102-111**

**Revenue Capacity**

These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.

**112-117**

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

**118-124**

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

**125-126**

**Operating Information**

These schedules contain service and capital asset data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

**127-130**

**Sources:** Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year. Fiscal year 2015 was the School District's first year implementation of GASB 68/71. Fiscal year 2018 was the School District's first year implementation of GASB 75. Fiscal year 2020 was the School District's first year implementation of GASB 84.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
GOVERNMENTAL ACTIVITIES*

|                                  | <u>2025</u>                   | <u>2024</u>                   | <u>2023</u>                   | <u>2022</u>                   |
|----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Governmental activities</b>   |                               |                               |                               |                               |
| Net investment in capital assets | \$ 7,557,907                  | \$ 6,927,412                  | \$ 6,499,091                  | \$ 5,393,449                  |
| Restricted for:                  |                               |                               |                               |                               |
| Debt service                     | 2,269,546                     | 2,159,147                     | 1,863,965                     | 1,584,403                     |
| Capital projects                 | -                             | -                             | -                             | -                             |
| Other purposes                   | 2,785,745                     | 3,153,040                     | 1,353,066                     | 540,595                       |
| Unrestricted (deficit)           | <u>(34,731,503)</u>           | <u>(29,443,967)</u>           | <u>(31,614,411)</u>           | <u>(26,773,193)</u>           |
| Total Net Position               | <u><u>\$ (22,118,305)</u></u> | <u><u>\$ (17,204,368)</u></u> | <u><u>\$ (21,898,289)</u></u> | <u><u>\$ (19,254,746)</u></u> |

**Source:** School District financial records.

- (1) Amount restated to to the implementation of  
    GASB Statement No. 75 and a restatement of capital assets.
- (2) Amount restated to to the implementation of  
    GASB Statement No. 84.
- (3) Amounts restated due to revaluation of School District capital assets

| <b>2021</b>            | <b>2020 (3)</b>        | <b>2019 (2)</b>        | <b>2018</b>            | <b>2017 (1)</b>        | <b>2016</b>            |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 1,505,596           | \$ 1,829,026           | \$ (1,650,343)         | \$ (1,190,028)         | \$ (1,987,524)         | \$ (1,597,889)         |
| 3,643,784              | 3,111,473              | 2,239,434              | 1,857,724              | 1,409,866              | 1,415,459              |
| -                      | -                      | -                      | -                      | 31,712                 | 31,712                 |
| 146,082                | 356,547                | 186,069                | 253,155                | 312,766                | 381,085                |
| (28,433,764)           | (25,823,021)           | (20,663,363)           | (22,113,644)           | (38,459,896)           | (29,951,139)           |
| <u>\$ (23,138,302)</u> | <u>\$ (20,525,975)</u> | <u>\$ (19,888,203)</u> | <u>\$ (21,192,793)</u> | <u>\$ (38,693,076)</u> | <u>\$ (29,720,772)</u> |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
GOVERNMENTAL ACTIVITIES*

|                                         | <u>2025</u>       | <u>2024</u>       | <u>2023</u>       | <u>2022</u>       |
|-----------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Expenses</b>                         |                   |                   |                   |                   |
| Governmental activities:                |                   |                   |                   |                   |
| Instruction                             |                   |                   |                   |                   |
| Regular                                 | \$ 16,353,982     | \$ 16,620,048     | \$ 18,179,589     | \$ 15,611,715     |
| Special                                 | 8,531,133         | 7,733,748         | 8,692,494         | 7,226,547         |
| Vocational                              | 175,799           | 106,065           | 136,663           | 125,321           |
| Other                                   | 433,234           | 521,697           | 909,479           | 1,294,829         |
| Support services:                       |                   |                   |                   |                   |
| Pupil                                   | 3,662,106         | 4,572,395         | 3,925,289         | 3,565,496         |
| Instructional staff                     | 623,249           | 634,338           | 696,723           | 699,555           |
| Board of education                      | 29,345            | 23,294            | 26,153            | 32,568            |
| Administration                          | 3,107,256         | 2,747,468         | 2,925,170         | 2,479,487         |
| Business and Fiscal                     | 1,316,625         | 1,233,263         | 1,405,844         | 1,348,830         |
| Operations and maintenance              | 5,891,533         | 3,294,776         | 3,339,134         | 3,563,826         |
| Pupil transportation                    | 2,657,822         | 2,647,115         | 2,662,415         | 2,364,991         |
| Central                                 | 1,101,665         | 1,110,148         | 617,444           | 703,622           |
| Operation of non-instructional services | 1,705,813         | 1,680,276         | 1,570,704         | 1,762,733         |
| Extracurricular activities              | 1,333,401         | 1,243,758         | 1,329,124         | 1,189,758         |
| Interest                                | 1,708,915         | 1,322,465         | 1,355,332         | 1,552,918         |
| Total expenses                          | <u>48,631,878</u> | <u>45,490,854</u> | <u>47,771,557</u> | <u>43,522,196</u> |
| <b>Program Revenues</b>                 |                   |                   |                   |                   |
| Charges for services:                   |                   |                   |                   |                   |
| Instruction:                            |                   |                   |                   |                   |
| Regular                                 | 608,806           | 654,019           | 552,555           | 582,840           |
| Special                                 | 156,365           | 188,428           | 120,194           | 158,728           |
| Other                                   | 1,369             | -                 | -                 | -                 |
| Support services:                       |                   |                   |                   |                   |
| Instructional staff                     | 2,687             | 2,326             | 3,535             | 1,471             |
| Administration                          | -                 | -                 | 452               | -                 |
| Business and fiscal                     | -                 | -                 | -                 | -                 |
| Operations and maintenance              | 53,878            | 45,450            | 42,970            | 43,934            |
| Pupil transportation                    | 8,809             | 6,110             | 3,780             | 6,440             |
| Central                                 | -                 | -                 | -                 | -                 |
| Operation of non-instructional services | 715,736           | 737,009           | 881,920           | 400,613           |
| Extracurricular activities              | 454,503           | 477,299           | 513,952           | 517,912           |
| Total charges for services              | <u>2,002,153</u>  | <u>2,110,641</u>  | <u>2,119,358</u>  | <u>1,711,938</u>  |

|    | 2021       |    | 2020       |    | 2019       |    | 2018       |    | 2017       |    | 2016       |
|----|------------|----|------------|----|------------|----|------------|----|------------|----|------------|
| \$ | 17,212,979 | \$ | 16,515,590 | \$ | 12,328,864 | \$ | 6,031,402  | \$ | 13,377,481 | \$ | 12,254,585 |
|    | 8,393,203  |    | 8,395,743  |    | 7,039,547  |    | 4,375,068  |    | 6,126,422  |    | 5,938,086  |
|    | 150,145    |    | 107,357    |    | 140,457    |    | 51,188     |    | 124,191    |    | 111,072    |
|    | 2,384,163  |    | 1,687,482  |    | 1,714,263  |    | 1,646,675  |    | 2,031,034  |    | 1,422,141  |
|    | 3,819,912  |    | 3,735,732  |    | 2,995,156  |    | 1,348,970  |    | 2,267,876  |    | 2,466,891  |
|    | 906,198    |    | 759,882    |    | 769,204    |    | 706,095    |    | 1,520,003  |    | 759,097    |
|    | 17,157     |    | 44,929     |    | 29,071     |    | 17,802     |    | 48,292     |    | 21,332     |
|    | 2,891,491  |    | 2,715,437  |    | 2,311,084  |    | 1,044,199  |    | 2,339,318  |    | 2,215,861  |
|    | 1,317,225  |    | 1,385,901  |    | 1,200,311  |    | 828,075    |    | 1,210,506  |    | 1,191,085  |
|    | 3,524,410  |    | 3,219,040  |    | 2,617,297  |    | 2,308,914  |    | 2,819,726  |    | 2,448,628  |
|    | 2,103,386  |    | 2,246,347  |    | 2,398,335  |    | 2,122,766  |    | 1,990,006  |    | 1,767,904  |
|    | 1,421,672  |    | 616,392    |    | 541,737    |    | 479,474    |    | 562,886    |    | 565,096    |
|    | 1,616,927  |    | 1,748,174  |    | 1,715,447  |    | 1,251,517  |    | 1,944,001  |    | 1,656,622  |
|    | 938,289    |    | 1,162,413  |    | 969,830    |    | 575,219    |    | 1,039,167  |    | 734,797    |
|    | 1,643,143  |    | 1,770,477  |    | 2,018,582  |    | 2,370,917  |    | 2,491,622  |    | 2,641,845  |
|    | 48,340,300 |    | 46,110,896 |    | 38,789,185 |    | 25,158,281 |    | 39,892,531 |    | 36,195,042 |
|    | 482,924    |    | 532,979    |    | 429,091    |    | 888,320    |    | 437,030    |    | 768,088    |
|    | 173,416    |    | 257,739    |    | 288,929    |    | 158,949    |    | 124,115    |    | 339,986    |
|    | -          |    | -          |    | -          |    | -          |    | -          |    | -          |
|    | -          |    | 1,260      |    | -          |    | -          |    | -          |    | 13,324     |
|    | -          |    | -          |    | -          |    | -          |    | -          |    | -          |
|    | -          |    | -          |    | -          |    | -          |    | 2          |    | -          |
|    | 48,388     |    | 65,183     |    | 43,477     |    | 27,963     |    | 23,317     |    | 40,892     |
|    | 5,145      |    | 4,700      |    | 5,625      |    | 3,930      |    | -          |    | 6,692      |
|    | 3,365      |    | -          |    | -          |    | -          |    | 8,077      |    | -          |
|    | 282,052    |    | 738,855    |    | 925,662    |    | 887,679    |    | 898,195    |    | 853,036    |
|    | 254,305    |    | 355,532    |    | 257,875    |    | 296,037    |    | 431,735    |    | 369,209    |
|    | 1,249,595  |    | 1,956,248  |    | 1,950,659  |    | 2,262,878  |    | 1,922,471  |    | 2,391,227  |

- Continued

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*CHANGES IN NET POSITION - (Continued)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
GOVERNMENTAL ACTIVITIES*

|                                                             | <b>2025</b>                | <b>2024</b>                | <b>2023</b>                  | <b>2022</b>                |
|-------------------------------------------------------------|----------------------------|----------------------------|------------------------------|----------------------------|
| Operating grants and contributions:                         |                            |                            |                              |                            |
| Instruction:                                                |                            |                            |                              |                            |
| Regular                                                     | 96,927                     | 73,815                     | 588,225                      | 425,300                    |
| Special                                                     | 1,484,093                  | 1,486,379                  | 1,459,779                    | 1,452,385                  |
| Vocational                                                  | 5,975                      | 4,050                      | 1,775                        | 1,017                      |
| Support services:                                           |                            |                            |                              |                            |
| Pupil                                                       | 713,243                    | 1,267,508                  | 1,260,537                    | 1,277,244                  |
| Instructional staff                                         | 97,151                     | 81,316                     | 108,770                      | 39,087                     |
| Administration                                              | 20,781                     | 32,315                     | 30,883                       | 29,057                     |
| Business and fiscal                                         | -                          | -                          | -                            | -                          |
| Operations and maintenance                                  | -                          | -                          | 783,167                      | 521,616                    |
| Pupil transportation                                        | 234,544                    | 696,517                    | 189,959                      | 162,392                    |
| Central                                                     | -                          | -                          | 86,517                       | 16,200                     |
| Operation of non-instructional services                     | 911,423                    | 912,868                    | 792,793                      | 1,812,176                  |
| Extracurricular activities                                  | 1,052                      | 1,066                      | -                            | 1,420                      |
| Total operating grants and contributions                    | <u>3,565,189</u>           | <u>4,555,834</u>           | <u>5,302,405</u>             | <u>5,737,894</u>           |
| Capital grants and contributions:                           |                            |                            |                              |                            |
| Support services:                                           |                            |                            |                              |                            |
| Administration                                              | -                          | -                          | -                            | -                          |
| Operations and maintenance                                  | -                          | 499,231                    | -                            | -                          |
| Total capital grants and contributions                      | <u>-</u>                   | <u>499,231</u>             | <u>-</u>                     | <u>-</u>                   |
| Total program revenues                                      | <u>5,567,342</u>           | <u>7,165,706</u>           | <u>7,421,763</u>             | <u>7,449,832</u>           |
| <b>Net (Expense)</b>                                        |                            |                            |                              |                            |
| Governmental activities                                     | <u>\$ (43,064,536)</u>     | <u>\$ (38,325,148)</u>     | <u>\$ (40,349,794)</u>       | <u>\$ (36,072,364)</u>     |
| <b>General Revenues</b>                                     |                            |                            |                              |                            |
| Property taxes levied for:                                  |                            |                            |                              |                            |
| General purposes                                            | \$ 24,362,033              | \$ 24,439,595              | \$ 23,219,036                | \$ 26,616,932              |
| Debt service                                                | 3,084,111                  | 3,247,726                  | 3,169,152                    | 3,613,663                  |
| Payment in lieu of taxes                                    | 4,856,513                  | 3,914,500                  | 2,960,865                    | 1,973,871                  |
| Grants and entitlements not restricted to specific programs | 9,465,533                  | 10,262,478                 | 7,429,024                    | 7,323,534                  |
| Investment earnings                                         | 652,673                    | 694,173                    | 333,903                      | (102,653)                  |
| Miscellaneous                                               | 532,211                    | 460,597                    | 594,271                      | 530,573                    |
| Total governmental activities                               | <u>42,953,074</u>          | <u>43,019,069</u>          | <u>37,706,251</u>            | <u>39,955,920</u>          |
| <b>Change in Net Position</b>                               |                            |                            |                              |                            |
| Governmental activities                                     | <u><u>\$ (111,462)</u></u> | <u><u>\$ 4,693,921</u></u> | <u><u>\$ (2,643,543)</u></u> | <u><u>\$ 3,883,556</u></u> |

**Source:** School District financial records.

| 2021            | 2020            | 2019            | 2018            | 2017            | 2016            |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 616,806         | 161,325         | 10,949          | 20,495          | 8,569           | 8,900           |
| 1,753,156       | 1,688,657       | 1,700,204       | 1,908,875       | 1,515,558       | 1,621,160       |
| 18,083          | 18,083          | 17,940          | 16,949          | 13,261          | 17,441          |
| 602,811         | 392,341         | 449,630         | 326,875         | 119,168         | 99,339          |
| 224,406         | 116,779         | 73,165          | 158,866         | 915,047         | 94,537          |
| 33,746          | 32,538          | 44,084          | 6,320           | 36,548          | 43,315          |
| 6,895           | 11,707          | 7,358           | 10,372          | 10,177          | 10,544          |
| 110,241         | -               | -               | -               | 4               | 1,548           |
| 71,655          | 66,785          | 131,401         | 144,614         | 123,143         | 88,362          |
| 375,237         | -               | -               | -               | -               | -               |
| 943,765         | 583,805         | 750,917         | 725,073         | 815,055         | 730,195         |
| 1,444           | 1,752           | 1,268           | 117,412         | 56,885          | 68,622          |
| 4,758,245       | 3,073,772       | 3,186,916       | 3,435,851       | 3,613,415       | 2,783,963       |
| -               | -               | -               | 771,561         | -               | -               |
| -               | -               | -               | -               | -               | -               |
| -               | -               | -               | 771,561         | -               | -               |
| 6,007,840       | 5,030,020       | 5,137,575       | 6,470,290       | 5,535,886       | 5,175,190       |
| \$ (42,332,460) | \$ (41,080,876) | \$ (33,651,610) | \$ (18,687,991) | \$ (34,356,645) | \$ (31,019,852) |
| \$ 24,703,900   | \$ 22,625,203   | \$ 21,485,989   | \$ 23,263,208   | \$ 22,529,610   | \$ 21,680,644   |
| 3,502,138       | 3,249,587       | 2,853,391       | 3,091,288       | 3,188,974       | 3,059,501       |
| 2,700,173       | 2,430,288       | 912,238         | 988,861         | 1,115,807       | 1,058,075       |
| 7,855,009       | 7,578,719       | 8,628,293       | 8,453,593       | 8,943,941       | 9,145,686       |
| 33,244          | 526,074         | 641,559         | 213,996         | 147,363         | 170,691         |
| 925,669         | 325,629         | 313,457         | 177,328         | 154,072         | 29,777          |
| 39,720,133      | 36,735,500      | 34,834,927      | 36,188,274      | 36,079,767      | 35,144,374      |
| \$ (2,612,327)  | \$ (4,345,376)  | \$ 1,183,317    | \$ 17,500,283   | \$ 1,723,122    | \$ 4,124,522    |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

|                                    | <u>2025</u>         | <u>2024</u>         | <u>2023</u>         | <u>2022</u>          |
|------------------------------------|---------------------|---------------------|---------------------|----------------------|
| General Fund:                      |                     |                     |                     |                      |
| Nonspendable                       | \$ 112,054          | \$ 102,159          | \$ 95,245           | \$ 61,270            |
| Assigned                           | 1,488,135           | 851,701             | 1,262,598           | 7,230,908            |
| Unassigned                         | <u>3,527,026</u>    | <u>4,928,920</u>    | <u>3,821,773</u>    | <u>2,098,777</u>     |
| Total general fund                 | <u>\$ 5,127,215</u> | <u>\$ 5,882,780</u> | <u>\$ 5,179,616</u> | <u>\$ 9,390,955</u>  |
| All Other Governmental Funds:      |                     |                     |                     |                      |
| Nonspendable                       | \$ 6,461            | \$ 8,031            | \$ 1,092            | \$ 6,008             |
| Restricted                         | 3,825,164           | 3,685,940           | 3,182,166           | 2,717,786            |
| Committed                          | -                   | -                   | -                   | -                    |
| Unassigned (deficit)               | <u>(51,934)</u>     | <u>(176,043)</u>    | <u>(287,423)</u>    | <u>(45,030)</u>      |
| Total all other governmental funds | <u>\$ 3,779,691</u> | <u>\$ 3,517,928</u> | <u>\$ 2,895,835</u> | <u>\$ 2,678,764</u>  |
| Total governmental funds           | <u>\$ 8,906,906</u> | <u>\$ 9,400,708</u> | <u>\$ 8,075,451</u> | <u>\$ 12,069,719</u> |

**Source:** School District financial records.

**(1)** Amounts have been reclassified to conform to 2020's presentation

Note: The District implemented GASB 84 in fiscal year 2020.

| <b>2021</b>          | <b>2020</b>          | <b>2019 (1)</b>      | <b>2018</b>          | <b>2017</b>          | <b>2016</b>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 76,699            | \$ 76,637            | \$ 75,009            | \$ 95,572            | \$ 69,089            | \$ 25,914            |
| 5,087,916            | 7,774,235            | 7,120,202            | 2,180,009            | 1,863,659            | 1,286,370            |
| 4,259,927            | 2,675,886            | 5,675,368            | 13,285,993           | 12,492,792           | 10,403,109           |
| <u>\$ 9,424,542</u>  | <u>\$ 10,526,758</u> | <u>\$ 12,870,579</u> | <u>\$ 15,561,574</u> | <u>\$ 14,425,540</u> | <u>\$ 11,715,393</u> |
| \$ 4,120             | \$ 4,035             | \$ 3,947             | \$ 1,334             | \$ 4,574             | \$ -                 |
| 4,238,726            | 3,931,883            | 3,549,375            | 3,712,327            | 3,564,274            | 3,293,294            |
| -                    | -                    | 2,886                | 2,618                | 2,735                | 2,631                |
| (164,717)            | (160,736)            | (157,842)            | (46,304)             | (67,745)             | (14,246)             |
| <u>\$ 4,078,129</u>  | <u>\$ 3,775,182</u>  | <u>\$ 3,398,366</u>  | <u>\$ 3,669,975</u>  | <u>\$ 3,503,838</u>  | <u>\$ 3,281,679</u>  |
| <u>\$ 13,502,671</u> | <u>\$ 14,301,940</u> | <u>\$ 16,268,945</u> | <u>\$ 19,231,549</u> | <u>\$ 17,929,378</u> | <u>\$ 14,997,072</u> |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)*

|                                                           | 2025          | 2024          | 2023           | 2022           |
|-----------------------------------------------------------|---------------|---------------|----------------|----------------|
| <b>Revenues</b>                                           |               |               |                |                |
| Property taxes                                            | \$ 27,141,189 | \$ 27,614,755 | \$ 26,600,000  | \$ 30,936,668  |
| Intergovernmental                                         | 13,153,779    | 15,427,857    | 12,527,391     | 13,056,842     |
| Investment earnings                                       | 653,808       | 683,711       | 331,940        | (96,454)       |
| Tuition and fees                                          | 752,945       | 832,596       | 668,251        | 736,387        |
| Extracurricular                                           | 455,559       | 476,625       | 514,939        | 519,383        |
| Rental income                                             | 53,878        | 45,450        | 42,970         | 43,934         |
| Charges for services                                      | 739,771       | 755,970       | 893,198        | 412,234        |
| Contributions and donations                               | 1,052         | 1,066         | 1,310          | 1,420          |
| Payment in lieu of taxes                                  | 6,106,513     | 1,414,500     | 2,960,865      | 2,180,735      |
| Transportation fees                                       | -             | -             | -              | -              |
| Classroom materials and fees                              | -             | -             | -              | -              |
| Contract services                                         | -             | -             | -              | -              |
| Miscellaneous                                             | 532,211       | 460,597       | 594,271        | 535,691        |
| Total revenues                                            | 49,590,705    | 47,713,127    | 45,135,135     | 48,326,840     |
| <b>Expenditures</b>                                       |               |               |                |                |
| Current:                                                  |               |               |                |                |
| Instructional:                                            |               |               |                |                |
| Regular                                                   | 16,525,577    | 15,151,265    | 16,695,352     | 15,962,283     |
| Special                                                   | 8,582,361     | 7,829,687     | 8,824,067      | 7,670,331      |
| Vocational                                                | 181,310       | 106,875       | 169,961        | 135,607        |
| Other                                                     | 434,621       | 521,926       | 909,489        | 1,296,147      |
| Support services:                                         |               |               |                |                |
| Pupil                                                     | 3,851,258     | 4,584,160     | 3,924,066      | 3,715,667      |
| Instructional staff                                       | 750,407       | 670,584       | 842,384        | 717,275        |
| Board of education                                        | 29,797        | 23,379        | 26,155         | 33,217         |
| Administration                                            | 3,145,503     | 2,813,629     | 2,866,630      | 2,679,429      |
| Business and fiscal                                       | 1,310,004     | 1,286,737     | 1,372,770      | 1,424,813      |
| Operations and maintenance                                | 4,166,905     | 3,357,151     | 4,088,340      | 3,658,423      |
| Pupil transportation                                      | 2,600,151     | 2,396,963     | 2,386,741      | 2,551,133      |
| Central                                                   | 1,134,604     | 1,029,059     | 664,227        | 722,189        |
| Operation of non-instructional services                   | 1,714,209     | 1,644,290     | 1,573,544      | 1,807,711      |
| Extracurricular activities                                | 1,249,158     | 1,105,793     | 1,200,711      | 1,105,789      |
| Facilities acquisition and construction                   | -             | 1,235,506     | -              | -              |
| Capital outlay                                            | -             | -             | -              | 555,593        |
| Debt service:                                             |               |               |                |                |
| Principal retirement                                      | 3,006,283     | 2,435,976     | 2,298,695      | 2,122,629      |
| Interest                                                  | 1,242,710     | 1,071,069     | 1,127,407      | 1,004,636      |
| Issuance costs and accretion on CABs                      | 159,649       | 159,371       | 158,870        | 3,557,571      |
| Total expenditures                                        | 50,084,507    | 47,423,420    | 49,129,409     | 50,720,443     |
| Excess (deficiency) of revenues over (under) expenditures | (493,802)     | 289,707       | (3,994,274)    | (2,393,603)    |
| <b>Other Financing Sources (Uses)</b>                     |               |               |                |                |
| Sale of capital assets                                    | -             | -             | -              | -              |
| General obligation and refunding bonds issued             | -             | -             | -              | 22,170,000     |
| Premiums on bonds issued                                  | -             | -             | -              | 462,421        |
| Payment to refunded bond escrow agent                     | -             | -             | -              | (22,226,592)   |
| Inception of capital lease                                | -             | -             | -              | 554,822        |
| Issuance of notes - finance purchase                      | -             | 1,035,550     | -              | -              |
| Transfers in                                              | 31,491        | -             | -              | 63,702         |
| Transfers (out)                                           | (31,491)      | -             | -              | (63,702)       |
| Total other financing sources (uses)                      | -             | 1,035,550     | -              | 960,651        |
| Net change in fund balances                               | \$ (493,802)  | \$ 1,325,257  | \$ (3,994,274) | \$ (1,432,952) |
| Capital expenditures                                      | \$ 312,398    | \$ 1,599,676  | \$ 1,309,664   | \$ 994,709     |
| Debt service as a percentage of noncapital expenditures   | 8.54%         | 7.65%         | 7.16%          | 6.29%          |

**Source:** School District financial records.

| 2021          | 2020           | 2019           | 2018          | 2017          | 2016          |
|---------------|----------------|----------------|---------------|---------------|---------------|
| \$ 27,552,419 | \$ 25,873,592  | \$ 24,411,340  | \$ 26,460,231 | \$ 25,712,380 | \$ 24,756,016 |
| 12,559,100    | 10,697,244     | 11,788,838     | 11,755,277    | 12,377,630    | 11,794,191    |
| 32,814        | 537,901        | 637,410        | 212,402       | 134,355       | 171,205       |
| 656,600       | 618,940        | 544,172        | 873,100       | 388,679       | 934,597       |
| 252,805       | 355,292        | 257,875        | 296,037       | 431,735       | 369,209       |
| 48,388        | 65,183         | 43,477         | 27,963        | 23,313        | 26,284        |
| 291,802       | 463,876        | 560,542        | 549,338       | 538,228       | 529,724       |
| 1,444         | 1,752          | 1,268          | 1,482         | 1,504         | 1,474         |
| 2,493,309     | 2,462,931      | 886,025        | 982,431       | 1,115,807     | 1,058,075     |
| -             | 4,700          | 5,625          | 3,930         | 8,077         | 6,692         |
| -             | 167,552        | 169,207        | 172,069       | 170,867       | 172,327       |
| -             | 280,705        | 369,761        | 340,441       | 361,572       | 352,394       |
| 925,669       | 325,629        | 313,457        | 326,887       | 278,923       | 157,555       |
| 44,814,350    | 41,855,297     | 39,988,997     | 42,001,588    | 41,543,070    | 40,329,743    |
| 15,244,284    | 14,801,342     | 13,713,230     | 12,708,986    | 12,039,942    | 11,546,297    |
| 7,598,569     | 7,645,291      | 7,526,831      | 6,879,502     | 5,664,760     | 5,712,405     |
| 131,899       | 122,433        | 120,602        | 117,921       | 112,788       | 108,019       |
| 2,267,264     | 1,621,779      | 1,661,952      | 1,628,335     | 1,939,047     | 1,353,690     |
| 3,449,064     | 3,357,950      | 3,180,601      | 2,271,563     | 2,123,602     | 2,364,577     |
| 827,174       | 672,653        | 719,626        | 778,688       | 1,446,183     | 593,223       |
| 15,893        | 42,888         | 28,975         | 19,863        | 45,938        | 20,457        |
| 2,551,477     | 2,350,261      | 2,572,845      | 2,286,078     | 2,184,516     | 2,144,769     |
| 1,206,870     | 1,142,986      | 1,305,123      | 1,263,622     | 1,031,064     | 1,057,052     |
| 3,292,087     | 2,845,626      | 2,917,107      | 2,897,464     | 2,681,149     | 2,423,627     |
| 1,991,426     | 1,942,622      | 2,094,628      | 1,801,658     | 1,616,105     | 1,390,849     |
| 1,058,521     | 555,961        | 559,629        | 551,147       | 534,290       | 542,655       |
| 1,489,389     | 1,554,313      | 1,831,148      | 1,780,314     | 1,776,398     | 1,537,080     |
| 845,894       | 1,557,719      | 901,656        | 881,607       | 938,464       | 681,043       |
| -             | -              | 217,305        | 595,235       | 266,095       | -             |
| -             | -              | -              | -             | -             | -             |
| 1,873,350     | 1,075,749      | 1,108,955      | 2,541,040     | 2,401,397     | 2,293,651     |
| 1,553,808     | 1,598,478      | 1,631,793      | 1,700,954     | 1,820,507     | 1,989,341     |
| 216,650       | 934,251        | 999,653        | 212,645       | 205,968       | 223,832       |
| 45,613,619    | 43,822,302     | 43,091,659     | 40,916,622    | 38,828,213    | 35,982,567    |
| (799,269)     | (1,967,005)    | (3,102,662)    | 1,084,966     | 2,714,857     | 4,347,176     |
| -             | -              | 18,785         | 1,397         | 11,481        | 31,868        |
| -             | -              | -              | 10,160,000    | 8,821,849     | 8,329,988     |
| -             | -              | -              | 957,937       | 1,011,087     | 1,662,901     |
| -             | -              | -              | (10,902,129)  | (9,626,968)   | (9,769,057)   |
| -             | -              | -              | -             | -             | -             |
| -             | -              | -              | -             | -             | -             |
| 257,630       | -              | -              | -             | -             | 1,254,388     |
| (257,630)     | -              | -              | -             | -             | (1,254,388)   |
| -             | -              | 18,785         | 217,205       | 217,449       | 255,700       |
| \$ (799,269)  | \$ (1,967,005) | \$ (3,083,877) | \$ 1,302,171  | \$ 2,932,306  | \$ 4,602,876  |
| \$ 56,275     | \$ 661,943     | \$ 360,511     | \$ 630,421    | \$ 358,251    | \$ 50,084     |
| 7.52%         | 6.20%          | 6.41%          | 10.53%        | 10.97%        | 11.92%        |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN COLLECTION (CALENDAR) YEARS*

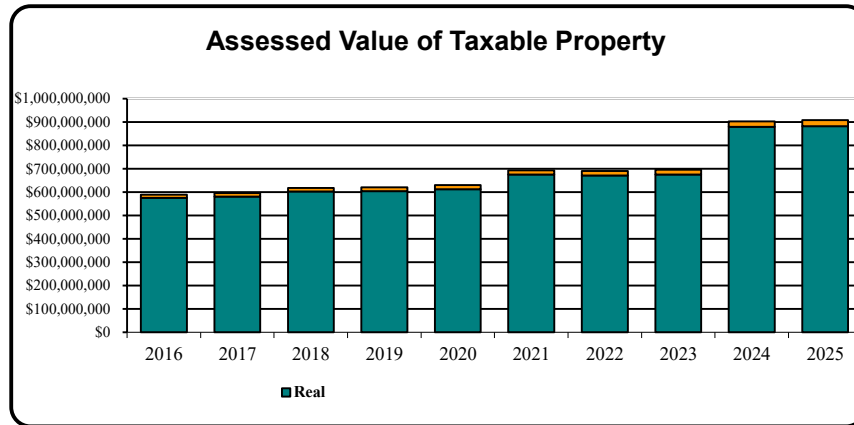
| Collection<br>Year | Real Property                |                              |                              | Tangible Personal Property |                              |
|--------------------|------------------------------|------------------------------|------------------------------|----------------------------|------------------------------|
|                    | Assessed Value               |                              | Estimated<br>Actual<br>Value | Public Utility             |                              |
|                    | Residential/<br>Agricultural | Commercial/<br>Industrial/PU |                              | Assessed<br>Value          | Estimated<br>Actual<br>Value |
| 2025               | \$ 644,611,560               | \$ 237,643,510               | \$ 2,520,728,771             | \$ 26,664,440              | \$ 106,657,760               |
| 2024               | 643,272,480                  | 236,079,880                  | 2,512,435,314                | 23,378,270                 | 93,513,080                   |
| 2023               | 484,443,310                  | 191,407,760                  | 1,931,003,057                | 20,241,070                 | 80,964,280                   |
| 2022               | 484,513,810                  | 187,417,280                  | 1,919,803,114                | 18,986,300                 | 75,945,200                   |
| 2021               | 483,772,340                  | 192,046,000                  | 1,930,909,543                | 17,991,340                 | 71,965,360                   |
| 2020               | 431,768,420                  | 180,298,650                  | 1,748,763,057                | 17,742,140                 | 70,968,560                   |
| 2019               | 432,298,060                  | 171,571,910                  | 1,725,342,771                | 16,567,860                 | 66,271,440                   |
| 2018               | 431,761,520                  | 170,855,370                  | 1,721,762,543                | 15,786,060                 | 63,144,240                   |
| 2017               | 416,049,720                  | 165,186,620                  | 1,660,675,257                | 15,241,160                 | 60,964,640                   |
| 2016               | 413,976,050                  | 161,175,140                  | 1,643,289,114                | 14,375,970                 | 57,503,880                   |

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal. The assessed value of real property (including public utility real property) is 35 percent of estimated true value.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed.

**Source:** Office of the County Auditor, Montgomery County, Ohio

| Assessed Value | Total<br>Estimated<br>Actual<br>Value | Ratio  | Total<br>Direct<br>Rate |
|----------------|---------------------------------------|--------|-------------------------|
| \$ 908,919,510 | \$ 2,627,386,531                      | 34.59% | \$ 58.73                |
| 902,730,630    | 2,605,948,394                         | 34.64% | 58.99                   |
| 696,092,140    | 2,011,967,337                         | 34.60% | 61.35                   |
| 690,917,390    | 1,995,748,314                         | 34.62% | 61.25                   |
| 693,809,680    | 2,002,874,903                         | 34.64% | 61.05                   |
| 629,809,210    | 1,819,731,617                         | 34.61% | 61.70                   |
| 620,437,830    | 1,791,614,211                         | 34.63% | 61.63                   |
| 618,402,950    | 1,784,906,783                         | 34.65% | 61.65                   |
| 596,477,500    | 1,721,639,897                         | 34.65% | 62.48                   |
| 589,527,160    | 1,700,792,994                         | 34.66% | 62.48                   |



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*PRINCIPAL PROPERTY TAX PAYERS  
REAL ESTATE TAX  
CURRENT CALENDAR YEAR AND NINE YEARS AGO*

| Name of Taxpayer               | 2025                  |                                         |
|--------------------------------|-----------------------|-----------------------------------------|
|                                | Assessed Value        | Percent of Real Property Assessed Value |
| Exeter Jackson Land LLC        | \$ 15,007,810         | 1.70%                                   |
| City of Dayton                 | 11,697,940            | 1.33%                                   |
| Dayton STS LLC                 | 4,829,020             | 0.55%                                   |
| Sand Lake Property LLC         | 3,421,250             | 0.39%                                   |
| Sealy Space Drive LLC          | 3,094,920             | 0.35%                                   |
| Realty Income Properties 6 LLC | 2,874,410             | 0.33%                                   |
| 6400 Sand Lake Owner LLC       | 2,747,500             | 0.31%                                   |
| Dayton Webster Street LLC      | 2,619,840             | 0.30%                                   |
| KRF Dayton LLC                 | 2,587,550             | 0.29%                                   |
| Daba LLC                       | 2,257,500             | 0.26%                                   |
| Totals                         | <u>\$ 51,137,740</u>  | <u>5.81%</u>                            |
| Total Assessed Valuation       | <u>\$ 882,255,070</u> |                                         |

| Name of Taxpayer                                  | 2016                  |                                         |
|---------------------------------------------------|-----------------------|-----------------------------------------|
|                                                   | Assessed Value        | Percent of Real Property Assessed Value |
| City of Dayton                                    | \$ 11,739,020         | 2.04%                                   |
| MO Northwoods, LLC                                | 3,320,340             | 0.58%                                   |
| Moor Partners, LLP                                | 2,675,930             | 0.47%                                   |
| Wal-Mart Stores, Inc.                             | 2,437,540             | 0.42%                                   |
| Sand Lake Plaza LLC                               | 2,281,150             | 0.40%                                   |
| Garrett-Ryan, LLC                                 | 1,936,960             | 0.34%                                   |
| A Ray Brown Family Investment Limited Partnership | 1,771,770             | 0.31%                                   |
| Loriday, LLC                                      | 1,770,840             | 0.31%                                   |
| W2005/Fargo Hotels (PoolC) Realty LP              | 1,651,070             | 0.29%                                   |
| Delphi Properties Management, LLC                 | 1,612,800             | 0.28%                                   |
| Totals                                            | <u>\$ 31,197,420</u>  | <u>5.44%</u>                            |
| Total Assessed Valuation                          | <u>\$ 575,151,190</u> |                                         |

Source: Montgomery County Auditor

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*PRINCIPAL PROPERTY TAX PAYERS  
PUBLIC UTILITY TAX  
CURRENT CALENDAR YEAR AND NINE YEARS AGO*

| Name of Taxpayer                | 2025                 |                                          |
|---------------------------------|----------------------|------------------------------------------|
|                                 | Assessed Value       | Percent of Public Utility Assessed Value |
| Dayton Power and Light Co.      | \$ 21,956,940        | 82.35%                                   |
| Vectren Energy Delivery of Ohio | 4,127,150            | 15.48%                                   |
| Total                           | <u>\$ 26,084,090</u> | <u>97.83%</u>                            |
| Total Assessed Valuation        | <u>\$ 26,664,440</u> |                                          |

| Name of Taxpayer                         | 2016                 |                                          |
|------------------------------------------|----------------------|------------------------------------------|
|                                          | Assessed Value       | Percent of Public Utility Assessed Value |
| Dayton Power and Light Co                | \$ 12,476,850        | 86.79%                                   |
| Vectren Energy Delivery of Ohio          | 1,172,080            | 8.15%                                    |
| Pioneer Rural Electric Cooperative, Inc. | 90,680               | 0.63%                                    |
| Buckeye Power, Inc.                      | 1,090                | 0.01%                                    |
| Total                                    | <u>\$ 13,740,700</u> | <u>95.58%</u>                            |
| Total Assessed Valuation                 | <u>\$ 14,375,970</u> |                                          |

Source: Montgomery County Auditor

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUATION)  
LAST TEN COLLECTION (CALENDAR) YEARS (1)  
2016-2025*

| Collection<br>Year | Montgomery<br>County | Dayton Metro<br>Library | Butler<br>Township | City of<br>Vandalia | City of<br>Union | Miami Valley<br>Career Technology<br>Center | Vandalia-Butler<br>City School<br>District |                    |          |
|--------------------|----------------------|-------------------------|--------------------|---------------------|------------------|---------------------------------------------|--------------------------------------------|--------------------|----------|
|                    |                      |                         |                    |                     |                  |                                             | General                                    | Bond<br>Retirement | Total    |
| 2025               | \$ 24.14             | \$ 3.72                 | 20.44              | \$ 4.14             | \$ 22.13         | \$ 3.66                                     | \$ 54.58                                   | \$ 4.15            | \$ 58.73 |
| 2024               | 23.14                | 2.78                    | 20.44              | 4.14                | 23.17            | 3.68                                        | 54.66                                      | 4.33               | 58.99    |
| 2023               | 23.14                | 3.04                    | 20.44              | 4.14                | 22.13            | 3.93                                        | 56.00                                      | 5.35               | 61.35    |
| 2022               | 23.14                | 3.09                    | 20.44              | 4.14                | 22.13            | 3.96                                        | 55.90                                      | 5.35               | 61.25    |
| 2021               | 23.14                | 3.15                    | 20.44              | 4.14                | 22.13            | 3.96                                        | 55.70                                      | 5.35               | 61.05    |
| 2020               | 23.14                | 3.15                    | 20.44              | 4.14                | 22.13            | 4.01                                        | 56.20                                      | 5.50               | 61.70    |
| 2019               | 22.94                | 3.31                    | 20.44              | 4.14                | 17.13            | 4.01                                        | 56.13                                      | 5.50               | 61.63    |
| 2018               | 22.94                | 3.31                    | 20.44              | 4.14                | 17.13            | 2.58                                        | 56.15                                      | 5.50               | 61.65    |
| 2017               | 22.94                | 3.31                    | 16.94              | 4.14                | 17.13            | 2.58                                        | 56.48                                      | 6.00               | 62.48    |
| 2016               | 21.94                | 3.31                    | 16.94              | 4.14                | 17.13            | 2.58                                        | 56.48                                      | 6.00               | 62.48    |

Source: Montgomery County Auditor.

(1) Montgomery County property tax rate records are maintained on a calendar / collection year basis.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*PROPERTY TAX LEVIES AND COLLECTIONS - REAL, PERSONAL, AND PUBLIC UTILITY PROPERTY  
LAST TEN COLLECTION (CALENDAR) YEARS  
2015-2024*

| Collection Year | Current Levy (1) | Current Collection (2) | Percent of Current Levy Collected | Delinquent Collection (4) | Total Collection (2) | Percent of Total Tax Collections to Current Levy (4) | Outstanding Delinquent Taxes (3) | Total Collection As a Percent of Current Levy |
|-----------------|------------------|------------------------|-----------------------------------|---------------------------|----------------------|------------------------------------------------------|----------------------------------|-----------------------------------------------|
| 2024            | \$ 33,163,130    | \$ 31,884,598          | 96.14%                            | \$ 491,181                | \$ 32,375,779        | 97.63%                                               | \$ 548,476                       | 1.65%                                         |
| 2023            | 30,767,226       | 30,320,113             | 98.55%                            | 571,128                   | 30,891,241           | 100.40%                                              | 243,491                          | 0.79%                                         |
| 2022            | 30,511,646       | 30,034,189             | 98.44%                            | 553,167                   | 30,587,356           | 100.25%                                              | 170,925                          | 0.56%                                         |
| 2021            | 30,466,567       | 29,689,750             | 97.45%                            | 602,280                   | 30,292,030           | 99.43%                                               | 382,737                          | 1.26%                                         |
| 2020            | 29,077,375       | 28,329,530             | 97.43%                            | 628,691                   | 28,958,221           | 99.59%                                               | 440,816                          | 1.52%                                         |
| 2019            | 28,671,360       | 28,107,960             | 98.03%                            | 666,960                   | 28,774,920           | 100.36%                                              | 434,396                          | 1.52%                                         |
| 2018            | 28,548,150       | 27,862,011             | 97.60%                            | 628,891                   | 28,490,902           | 99.80%                                               | 485,083                          | 1.70%                                         |
| 2017            | 28,463,390       | 27,797,345             | 97.66%                            | 458,330                   | 28,255,675           | 99.27%                                               | 504,016                          | 1.77%                                         |
| 2016            | 28,201,263       | 27,714,879             | 98.28%                            | 645,864                   | 28,360,743           | 100.57%                                              | 599,675                          | 2.13%                                         |
| 2015            | 27,904,466       | 27,104,246             | 97.13%                            | 688,822                   | 27,793,068           | 99.60%                                               | 593,171                          | 2.13%                                         |

Source: Montgomery County Auditor.

(1) Taxes levied and collected are presented on a cash basis.

(2) State reimbursements of rollback and homestead exemptions are included.

(3) Penalties and interest are included, since by Ohio law they become part of the tax obligation as assessment occurs.

(4) Delinquent Tax Collections are only available by collection year; therefore the percentage of total tax collections to the current levy may exceed 100 percent in some years. The School District will continue to work to get this information in the future.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE  
AND NET BONDED DEBT PER CAPITA  
LAST TEN YEARS  
2016-2025*

| Collection<br>Year | Population (1) | Total<br>Assessed<br>Value (2) | Gross<br>Bonded<br>Debt (3) | Less<br>Restricted for<br>Debt Service | Net<br>Bonded<br>Debt | Ratio of<br>Net Bonded Debt<br>to Assessed Value | Net Bonded Debt<br>Per Capita | Percentage<br>of Personal<br>Income (4) |
|--------------------|----------------|--------------------------------|-----------------------------|----------------------------------------|-----------------------|--------------------------------------------------|-------------------------------|-----------------------------------------|
| 2025               | 23,261         | \$ 908,919,510                 | \$ 35,525,744               | \$ 2,269,546                           | \$ 33,256,198         | 3.66%                                            | \$1,430                       | 3.71%                                   |
| 2024               | 23,161         | 902,730,630                    | 38,172,342                  | 2,159,147                              | 36,013,195            | 3.99%                                            | 1,555                         | 4.35%                                   |
| 2023               | 23,478         | 696,092,140                    | 40,798,940                  | 1,863,965                              | 38,934,975            | 5.59%                                            | 1,658                         | 5.07%                                   |
| 2022               | 23,359         | 690,917,390                    | 43,345,911                  | 1,584,403                              | 41,761,508            | 6.04%                                            | 1,788                         | 5.74%                                   |
| 2021               | 23,478         | 693,809,680                    | 47,100,363                  | 3,145,688                              | 43,954,675            | 6.34%                                            | 1,872                         | 6.23%                                   |
| 2020               | 22,663         | 629,809,210                    | 49,333,075                  | 3,111,473                              | 46,221,602            | 7.34%                                            | 2,040                         | 7.08%                                   |
| 2019               | 22,663         | 620,437,830                    | 51,392,086                  | 2,239,434                              | 49,152,652            | 7.92%                                            | 2,169                         | 7.86%                                   |
| 2018               | 22,947         | 618,402,950                    | 53,203,458                  | 1,857,724                              | 51,345,734            | 8.30%                                            | 2,238                         | 8.48%                                   |
| 2017               | 22,952         | 596,477,500                    | 54,439,174                  | 1,409,866                              | 53,029,308            | 8.89%                                            | 2,310                         | 8.98%                                   |
| 2016               | 22,990         | 589,527,160                    | 55,130,480                  | 1,415,459                              | 53,715,021            | 9.11%                                            | 2,336                         | 8.71%                                   |

Sources:

- (1) Census data for 2020, estimates from the City of Vandalia and Butler Township.
- (2) Montgomery County Auditor, calendar year basis
- (3) Gross Bonded Debt includes premiums and accreted debt associated with the general obligation bonds
- (4) Personal Income reported as in Census data multiplied times the population to yield total personal income



**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*COMPUTATION OF LEGAL DEBT MARGIN  
LAST TEN FISCAL YEARS*

|                                                              | <b>2025</b>           | <b>2024</b>           | <b>2023</b>             | <b>2022</b>             |
|--------------------------------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Tax Valuation                                                | <u>\$ 908,919,510</u> | <u>\$ 902,730,630</u> | <u>\$ 2,605,948,394</u> | <u>\$ 2,011,967,337</u> |
| Debt Limit - 9% of Taxable Valuation                         | <u>81,802,756</u>     | <u>81,245,757</u>     | <u>234,535,355</u>      | <u>181,077,060</u>      |
| Amount of Debt Applicable to Debt Limit                      |                       |                       |                         |                         |
| General obligation bonds                                     | 32,301,906            | 34,397,257            | 36,422,886              | 38,349,016              |
| Less: amount available in debt service                       | <u>(3,183,193)</u>    | <u>(2,968,758)</u>    | <u>(2,561,716)</u>      | <u>(2,161,975)</u>      |
| Amount of Debt Subject to Limit                              | <u>29,118,713</u>     | <u>31,428,499</u>     | <u>33,861,170</u>       | <u>36,187,041</u>       |
| Legal debt margin                                            | <u>\$ 52,684,043</u>  | <u>\$ 49,817,258</u>  | <u>\$ 200,674,185</u>   | <u>\$ 144,890,019</u>   |
| Legal debt margin as a percentage of the debt limit          | 64.40%                | 61.32%                | 85.56%                  | 80.02%                  |
| Energy conservation debt limit - 0.90% of assessed value (1) | 8,180,276             | 8,124,576             | 23,453,536              | 18,107,706              |
| Amount of Debt Subject to Limit                              | <u>410,000</u>        | <u>720,000</u>        | <u>1,025,000</u>        | <u>1,325,000</u>        |
| Unvoted legal debt margin                                    | <u>\$ 7,770,276</u>   | <u>\$ 7,404,576</u>   | <u>\$ 22,428,536</u>    | <u>\$ 16,782,706</u>    |
| Unvoted legal debt margin as a percentage of the debt limit  | 94.99%                | 91.14%                | 95.63%                  | 92.68%                  |
| Unvoted debt limit - 0.10% of taxable valuation (1)          | 908,920               | 902,731               | 2,605,948               | 2,011,967               |
| Amount of Debt Subject to Limit                              | <u>-</u>              | <u>-</u>              | <u>-</u>                | <u>-</u>                |
| Unvoted legal debt margin                                    | <u>\$ 908,920</u>     | <u>\$ 902,731</u>     | <u>\$ 2,605,948</u>     | <u>\$ 2,011,967</u>     |
| Unvoted legal debt margin as a percentage of the debt limit  | 100.00%               | 100.00%               | 100.00%                 | 100.00%                 |

Source: Montgomery County Auditor and School District Financial Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

| <u>2021</u>                             | <u>2020</u>                             | <u>2019</u>                             | <u>2018</u>                             | <u>2017</u>                             | <u>2016</u>                             |
|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
| <u>\$ 1,995,748,314</u>                 | <u>\$ 2,002,874,903</u>                 | <u>\$ 1,819,731,617</u>                 | <u>\$ 1,791,614,211</u>                 | <u>\$ 1,784,906,783</u>                 | <u>\$ 1,721,639,897</u>                 |
| <u>179,617,348</u>                      | <u>180,258,741</u>                      | <u>163,775,846</u>                      | <u>161,245,279</u>                      | <u>160,641,610</u>                      | <u>154,947,591</u>                      |
| <u>40,336,065</u><br><u>(4,058,540)</u> | <u>41,929,415</u><br><u>(3,576,195)</u> | <u>42,740,164</u><br><u>(3,298,137)</u> | <u>43,435,511</u><br><u>(3,386,092)</u> | <u>44,429,085</u><br><u>(3,184,116)</u> | <u>45,799,706</u><br><u>(2,791,154)</u> |
| <u>36,277,525</u>                       | <u>38,353,220</u>                       | <u>39,442,027</u>                       | <u>40,049,419</u>                       | <u>41,244,969</u>                       | <u>43,008,552</u>                       |
| <u>\$ 143,339,823</u>                   | <u>\$ 141,905,521</u>                   | <u>\$ 124,333,819</u>                   | <u>\$ 121,195,860</u>                   | <u>\$ 119,396,641</u>                   | <u>\$ 111,939,039</u>                   |
| 79.80%                                  | 78.72%                                  | 75.92%                                  | 75.16%                                  | 74.32%                                  | 72.24%                                  |
| <u>17,961,735</u>                       | <u>18,025,874</u>                       | <u>16,377,585</u>                       | <u>16,124,528</u>                       | <u>16,064,161</u>                       | <u>15,494,759</u>                       |
| <u>1,610,000</u>                        | <u>1,890,000</u>                        | <u>2,155,000</u>                        | <u>2,415,000</u>                        | <u>2,639,833</u>                        | <u>2,889,833</u>                        |
| <u>\$ 16,351,735</u>                    | <u>\$ 16,135,874</u>                    | <u>\$ 14,222,585</u>                    | <u>\$ 13,709,528</u>                    | <u>\$ 13,424,328</u>                    | <u>\$ 12,604,926</u>                    |
| 91.04%                                  | 89.52%                                  | 86.84%                                  | 85.02%                                  | 83.57%                                  | 81.35%                                  |
| <u>1,995,748</u>                        | <u>2,002,875</u>                        | <u>1,819,732</u>                        | <u>1,791,614</u>                        | <u>1,784,907</u>                        | <u>1,721,640</u>                        |
| <u>-</u>                                | <u>-</u>                                | <u>-</u>                                | <u>-</u>                                | <u>-</u>                                | <u>-</u>                                |
| <u>\$ 1,995,748</u>                     | <u>\$ 2,002,875</u>                     | <u>\$ 1,819,732</u>                     | <u>\$ 1,791,614</u>                     | <u>\$ 1,784,907</u>                     | <u>\$ 1,721,640</u>                     |
| 100.00%                                 | 100.00%                                 | 100.00%                                 | 100.00%                                 | 100.00%                                 | 100.00%                                 |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS*

| Fiscal<br>Year | Governmental Activities            |                  |                                          | Total<br>Primary<br>Government | Per<br>Capita (2) | Ratio of Total<br>Debt Outstanding<br>to Personal Income (2) |
|----------------|------------------------------------|------------------|------------------------------------------|--------------------------------|-------------------|--------------------------------------------------------------|
|                | General<br>Obligation<br>Bonds (1) | Notes<br>Payable | Capital<br>Leases &<br>Leases<br>Payable |                                |                   |                                                              |
| 2025           | \$ 35,525,744                      | \$ 706,112       | \$ 264,485                               | \$ 36,496,341                  | \$ 1,569          | 4.07%                                                        |
| 2024           | 38,172,342                         | 1,035,550        | 376,330                                  | 39,584,222                     | 1,709             | 4.78%                                                        |
| 2023           | 40,798,940                         | -                | 481,677                                  | 41,280,617                     | 1,758             | 5.38%                                                        |
| 2022           | 43,345,911                         | -                | 554,242                                  | 43,900,153                     | 1,879             | 6.03%                                                        |
| 2021           | 47,100,363                         | -                | -                                        | 47,100,363                     | 2,006             | 6.68%                                                        |
| 2020           | 49,333,075                         | -                | -                                        | 49,333,075                     | 2,177             | 7.56%                                                        |
| 2019           | 51,392,086                         | -                | -                                        | 51,392,086                     | 2,268             | 8.22%                                                        |
| 2018           | 53,203,458                         | -                | 153,608                                  | 53,357,066                     | 2,325             | 8.81%                                                        |
| 2017           | 54,439,174                         | -                | 784,646                                  | 55,223,820                     | 2,406             | 9.35%                                                        |
| 2016           | 55,130,480                         | -                | 1,401,045                                | 56,531,525                     | 2,459             | 9.17%                                                        |

Source: School District Records

(1) General obligation bonds include any premiums and accreted debt associated with the general obligation bonds.

(2) Personal Income reported multiplied times the population of to yield total personal income.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2025*

| Governmental Unit                    | Gross General<br>Obligation  | Percent<br>Applicable to<br>District | Amount<br>Applicable to<br>District |
|--------------------------------------|------------------------------|--------------------------------------|-------------------------------------|
| Direct:                              |                              |                                      |                                     |
| Vandalia-Butler City School District | <u>\$ 36,496,341</u>         | 100.00%                              | <u>\$ 36,496,341</u>                |
| Overlapping:                         |                              |                                      |                                     |
| Miami Valley Career Center           | 109,930,000                  | 8.58%                                | 9,431,994                           |
| Dayton Metro Library District        | 112,019,986                  | 8.16%                                | 9,140,831                           |
| City of Dayton                       | 32,810,000                   | 1.09%                                | 357,629                             |
| City of Huber Heights                | 71,151,000                   | 0.01%                                | 7,115                               |
| City of Union                        | <u>240,000</u>               | 19.55%                               | <u>46,920</u>                       |
| Total overlapping                    | <u>\$ 326,150,986</u>        |                                      | <u>\$ 18,984,489</u>                |
| Total direct and overlapping debt    | <u><u>\$ 362,647,327</u></u> |                                      | <u><u>\$ 55,480,830</u></u>         |

Source: Ohio Municipal Advisory Council

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*Ratio of Annual Debt Service Expenditures for  
General Obligation Bonded Debt to Total General Fund Expenditures  
Last Ten Fiscal Years  
2016-2025*

| Fiscal<br>Year | Principal (1) | Interest and<br>Issuance Costs (1) | Total Debt<br>Service | Total<br>General Fund<br>Expenditures | Ratio of Debt Service<br>to General Fund<br>Expenditures |
|----------------|---------------|------------------------------------|-----------------------|---------------------------------------|----------------------------------------------------------|
| 2025           | \$ 2,095,000  | \$ 923,727                         | \$ 3,018,727          | \$ 43,425,960                         | 6.95%                                                    |
| 2024           | 2,185,000     | 998,014                            | 3,183,014             | 39,388,193                            | 8.08%                                                    |
| 2023           | 2,085,000     | 1,066,927                          | 3,151,927             | 40,518,259                            | 7.78%                                                    |
| 2022           | 2,285,000     | 1,399,256                          | 3,684,256             | 39,480,592                            | 9.33%                                                    |
| 2021           | 2,090,000     | 1,553,808                          | 3,643,808             | 37,789,938                            | 9.64%                                                    |
| 2020           | 2,010,000     | 1,598,478                          | 3,608,478             | 37,625,231                            | 9.59%                                                    |
| 2019           | 1,695,000     | 1,598,801                          | 3,293,801             | 36,550,897                            | 9.01%                                                    |
| 2018           | 1,655,000     | 1,832,155                          | 3,487,155             | 34,233,701                            | 10.19%                                                   |
| 2017           | 1,785,000     | 1,882,308                          | 3,667,308             | 31,936,766                            | 11.48%                                                   |
| 2016           | 1,115,000     | 2,108,559                          | 3,223,559             | 30,081,209                            | 10.72%                                                   |

Source: Vandalia-Butler City School District Financial Records.  
(1) Excludes principal and interest paid on tax anticipation notes.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
2016-2025*

| Year | Population (1) | Per Capita<br>Income (2) | Personal<br>Income | School<br>Enrollment (3) | Average Federal<br>Income (4) | Unemployment Rate<br>Montgomery County (5) |
|------|----------------|--------------------------|--------------------|--------------------------|-------------------------------|--------------------------------------------|
| 2025 | 23,261         | \$38,587                 | \$897,572,207      | 3,025                    | \$69,847                      | 5.4%                                       |
| 2024 | 23,161         | 35,767                   | 828,399,487        | 3,055                    | 66,622                        | 3.9%                                       |
| 2023 | 23,478         | 32,692                   | 767,542,776        | 2,878                    | 63,795                        | 4.0%                                       |
| 2022 | 23,359         | 31,146                   | 727,539,414        | 2,983                    | 60,575                        | 5.6%                                       |
| 2021 | 23,478         | 30,034                   | 705,138,252        | 2,935                    | 55,629                        | 6.8%                                       |
| 2020 | 22,663         | 28,807                   | 652,853,041        | 2,935                    | 54,100                        | 8.8%                                       |
| 2019 | 22,663         | 27,602                   | 625,544,126        | 2,975                    | 52,146                        | 4.3%                                       |
| 2018 | 22,947         | 26,392                   | 605,617,224        | 2,912                    | 50,322                        | 4.9%                                       |
| 2017 | 22,952         | 25,734                   | 590,646,768        | 3,065                    | 48,665                        | 4.8%                                       |
| 2016 | 22,990         | 27,254                   | 616,471,350        | 3,071                    | 48,099                        | 5.0%                                       |

Sources:

- (1) Based on US Census and US Census estimates for City of Vandalia and Butler Township.
- (2) U.S. Census Bureau - Montgomery County, 2024 information most recent available.
- (3) Vandalia-Butler City School District Financial Records.
- (4) Social Security Administration National Average Wage Index
- (5) Ohio Department of Job and Family Services - June

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*PRINCIPAL EMPLOYERS (1)  
CURRENT YEAR AND NINE YEARS AGO*

| Employer                                    | 2024                   |      |                                      | 2015                   |      |                                      |
|---------------------------------------------|------------------------|------|--------------------------------------|------------------------|------|--------------------------------------|
|                                             | Number of<br>Employees | Rank | Percentage<br>of Total<br>Employment | Number of<br>Employees | Rank | Percentage<br>of Total<br>Employment |
| GE Aviation (formerly Smiths Aerospace)     | 626                    | 1    | N/A                                  | 488                    | 4    | 0.94%                                |
| Central Transport                           | 541                    | 2    | N/A                                  |                        |      |                                      |
| Vandalia-Butler City School District        | 533                    | 3    | N/A                                  | 504                    | 3    | 0.97%                                |
| All Service Plastic Modeling                | 513                    | 4    | N/A                                  |                        |      |                                      |
| City of Vandalia                            | 405                    | 5    | N/A                                  | 520                    | 2    | 1.00%                                |
| Dayton Freight Lines Inc.                   | 342                    | 6    | N/A                                  | 237                    | 10   | 0.46%                                |
| Beau Townsend Ford/Nissan                   | 328                    | 7    | N/A                                  | 292                    | 8    | 0.56%                                |
| White Castle System Inc.                    | 299                    | 8    | N/A                                  |                        |      |                                      |
| SAIA Burgess LLC                            | 291                    | 9    | N/A                                  | 349                    | 6    | 0.67%                                |
| Kroger Limited Partnership                  | 262                    | 10   | N/A                                  | 347                    | 7    | 0.67%                                |
| CBS Personal Services                       |                        |      |                                      | 1,030                  | 1    | 1.98%                                |
| Delphi Automotive System                    |                        |      |                                      | 458                    | 5    | 0.88%                                |
| Aptalis Pharmatech Inc.                     |                        |      |                                      | 260                    | 9    | 0.50%                                |
| Total                                       | <u>4,140</u>           |      | <u>0.00%</u>                         | <u>4,485</u>           |      | <u>8.63%</u>                         |
| Total Employment within the School District | <u>N/A</u>             |      |                                      | <u>52,836</u>          |      |                                      |

Source: City of Vandalia ACFR as of December 31, 2024.

Number of employees are based on W-2's filed within the City income tax department without direct contact or confirmation from the employers.  
The totals may not include part-time and temporary employees.

(1) - Information not available for Butler Township

N/A - Information not available.

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST TEN FISCAL YEARS*

|                                         | 2025          | 2024          | 2023          | 2022          | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          |
|-----------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Instruction</b>                      |               |               |               |               |               |               |               |               |               |               |
| Classroom Teachers                      | 163.00        | 162.00        | 154.00        | 157.00        | 159.00        | 125.00        | 131.00        | 135.00        | 127.00        | 121.50        |
| Special Education Teachers and Tutors   | 17.00         | 15.00         | 22.00         | 26.00         | 19.00         | 53.00         | 51.00         | 48.00         | 49.00         | 51.00         |
| Educational/Media Aides                 | 15.00         | 18.00         | 23.00         | 26.00         | 26.00         | 40.00         | 33.00         | 35.00         | 43.00         | 43.00         |
| Counselor                               | 7.00          | 8.00          | 8.00          | 6.00          | 7.00          | 7.00          | 7.00          | 7.00          | 6.00          | 6.00          |
| <b>Total Instruction</b>                | <b>202.00</b> | <b>203.00</b> | <b>207.00</b> | <b>215.00</b> | <b>211.00</b> | <b>225.00</b> | <b>222.00</b> | <b>225.00</b> | <b>225.00</b> | <b>221.50</b> |
| <b>Support and Administration</b>       |               |               |               |               |               |               |               |               |               |               |
| Central Office Support/Administrators   | 14.00         | 13.00         | 8.00          | 12.00         | 16.00         | 17.00         | 16.00         | 17.00         | 16.00         | 16.00         |
| Principals                              | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          | 8.00          | 7.00          | 7.00          | 7.00          |
| Clerical Support                        | 26.00         | 24.00         | 18.00         | 18.00         | 15.00         | 20.00         | 20.00         | 17.00         | 17.00         | 17.00         |
| School Resource Officers                | 11.00         | -             | -             | -             | -             | -             | -             | -             | -             | -             |
| Professional Support                    | 10.00         | 10.00         | 8.00          | 11.00         | 9.00          | 9.00          | 9.00          | 5.00          | 5.00          | 5.00          |
| Food Service                            | 27.00         | 24.00         | 25.00         | 25.00         | 27.00         | 28.00         | 32.00         | 32.00         | 31.00         | 31.00         |
| Custodial                               | 17.00         | 18.00         | 15.00         | 15.00         | 14.00         | 15.00         | 17.00         | 15.00         | 14.00         | 14.00         |
| Maintenance and Mechanics               | 4.00          | 3.00          | 5.00          | 5.00          | 4.00          | 4.00          | 3.00          | 3.00          | 3.00          | 3.00          |
| <b>Total Support and Administration</b> | <b>117.00</b> | <b>100.00</b> | <b>87.00</b>  | <b>94.00</b>  | <b>93.00</b>  | <b>101.00</b> | <b>105.00</b> | <b>96.00</b>  | <b>93.00</b>  | <b>93.00</b>  |
| <b>Total Employees</b>                  | <b>319.00</b> | <b>303.00</b> | <b>294.00</b> | <b>309.00</b> | <b>304.00</b> | <b>326.00</b> | <b>327.00</b> | <b>321.00</b> | <b>318.00</b> | <b>314.50</b> |

Source: Fiscal Year October EMIS Reports

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*BUILDING STATISTICS  
LAST TEN FISCAL YEARS*

|                                        | 2025  | 2024  | 2023  | 2022  |
|----------------------------------------|-------|-------|-------|-------|
| <b>Demmitt Elementary School</b>       |       |       |       |       |
| Constructed in 1957                    |       |       |       |       |
| Total Building Square Footage 43,977   |       |       |       |       |
| Total Acres 11                         |       |       |       |       |
| Enrollment Grades 1-2                  | 379   | 367   | 345   | 383   |
| Student Capacity                       | 426   | 426   | 426   | 426   |
| Regular Instruction Classrooms 15      | 16    | 14    | 14    | 15    |
| Regular Instruction Teachers           | 16    | 14    | 14    | 15    |
| Special Instruction Classrooms         | 7     | 12    | 12    | 12    |
| Special Instruction Teachers           | 7     | 12    | 12    | 12    |
| <b>Helke Elementary School</b>         |       |       |       |       |
| Constructed in 1969                    |       |       |       |       |
| Total Building Square Footage 42,456   |       |       |       |       |
| Total Acres 10.5                       |       |       |       |       |
| Enrollment Grades Pre K                | 334   | 425   | 405   | 400   |
| Student Capacity                       | 405   | 405   | 405   | 405   |
| Regular Instruction Classrooms         | 14    | 17    | 16    | 17    |
| Regular Instruction Teachers           | 14    | 17    | 16    | 17    |
| Special Instruction Classrooms         | 4     | 4     | 4     | 3     |
| Special Instruction Teachers           | 4     | 4     | 4     | 3     |
| <b>Morton Middle School</b>            |       |       |       |       |
| Constructed in 2011                    |       |       |       |       |
| Total Building Square Footage 102,100  |       |       |       |       |
| Total Acres 16                         |       |       |       |       |
| Enrollment Grades 6-8                  | 702   | 664   | 718   | 711   |
| Student Capacity                       | 820   | 820   | 820   | 820   |
| Regular Instruction Classrooms         | 33    | 33    | 33    | 33    |
| Regular Instruction Teachers           | 35    | 35    | 35    | 38    |
| Special Instruction Classrooms         | 10    | 10    | 10    | 11    |
| Special Instruction Teachers           | 10    | 10    | 10    | 11    |
| <b>Smith Middle School</b>             |       |       |       |       |
| Constructed in 1969                    |       |       |       |       |
| Total Building Square Footage 66,113   |       |       |       |       |
| Modular Square Footage 7,100           |       |       |       |       |
| Total Acres 84.5                       |       |       |       |       |
| Enrollment Grades 3-5                  | 654   | 435   | 457   | 455   |
| Student Capacity                       | 802   | 511   | 511   | 511   |
| Regular Instruction Classrooms         | 24    | 19    | 19    | 19    |
| Regular Instruction Teachers           | 24    | 19    | 19    | 19    |
| Special Instruction Classrooms         | 10    | 8     | 8     | 8     |
| Special Instruction Teachers           | 10    | 8     | 8     | 8     |
| <b>Butler High School</b>              |       |       |       |       |
| Constructed in 1956, Renovated in 2011 |       |       |       |       |
| Total Building Square Footage 266,000  |       |       |       |       |
| Total Acres 23.8                       |       |       |       |       |
| Enrollment Grades 9-12                 | 956   | 979   | 953   | 932   |
| Student Capacity                       | 1,455 | 1,455 | 1,455 | 1,455 |
| Regular Instruction Classrooms         | 53    | 53    | 55    | 55    |
| Regular Instruction Teachers           | 42    | 42    | 42    | 42    |
| Special Instruction Classrooms         | 11    | 11    | 11    | 11    |
| Special Instruction Teachers           | 11    | 11    | 11    | 11    |

Source: Enrollment Oct Fiscal Year EMIS Report

| 2021  | 2020  | 2019  | 2018  | 2017  | 2016  |
|-------|-------|-------|-------|-------|-------|
| 388   | 422   | 403   | 435   | 519   | 512   |
| 426   | 426   | 426   | 426   | 426   | 426   |
| 15    | 17    | 16    | 16    | 16    | 16    |
| 15    | 17    | 17    | 14    | 14    | 14    |
| 13    | 8     | 7     | 7     | 7     | 7     |
| 13    | 9     | 5     | 9     | 9     | 9     |
| 414   | 381   | 406   | 387   | 388   | 381   |
| 405   | 405   | 405   | 405   | 405   | 405   |
| 17    | 17    | 14    | 14    | 14    | 13    |
| 17    | 17    | 16    | 14    | 14    | 14    |
| 2     | 2     | 2     | 2     | 2     | 2     |
| 3     | 3     | 5     | 4     | 4     | 3     |
| 710   | 710   | 681   | 664   | 679   | 673   |
| 820   | 820   | 820   | 820   | 820   | 820   |
| 33    | 32    | 32    | 32    | 32    | 27    |
| 38    | 36    | 32    | 37    | 37    | 30    |
| 11    | 10    | 10    | 10    | 10    | 10    |
| 11    | 11    | 11    | 11    | 11    | 11    |
| 416   | 453   | 456   | 454   | 440   | 441   |
| 511   | 511   | 511   | 511   | 511   | 511   |
| 18    | 18    | 18    | 18    | 18    | 18    |
| 18    | 18    | 18    | 18    | 18    | 18    |
| 8     | 8     | 11    | 11    | 11    | 11    |
| 8     | 8     | 8     | 14    | 14    | 14    |
| 946   | 973   | 998   | 1,028 | 1,037 | 1,037 |
| 1,455 | 1,455 | 1,455 | 1,455 | 1,455 | 1,455 |
| 55    | 55    | 55    | 55    | 55    | 55    |
| 42    | 42    | 42    | 44    | 44    | 41    |
| 13    | 10    | 11    | 11    | 11    | 11    |
| 13    | 10    | 14    | 11    | 11    | 11    |

**VANDALIA-BUTLER CITY SCHOOL DISTRICT  
MONTGOMERY COUNTY, OHIO**

*OPERATING STATISTICS  
LAST TEN FISCAL YEARS*

| <u>Fiscal<br/>Year</u> | <u>Expenses</u> | <u>Enrollment</u> | <u>Cost<br/>Per Pupil</u> | <u>Percentage<br/>Change</u> | <u>Teaching<br/>Staff</u> | <u>Pupil/<br/>Teacher<br/>Ratio</u> |
|------------------------|-----------------|-------------------|---------------------------|------------------------------|---------------------------|-------------------------------------|
| 2025                   | \$ 48,631,878   | 3,025             | \$ 16,077                 | 7.96%                        | 200                       | 15.1                                |
| 2024                   | 45,490,854      | 3,055             | 14,891                    | -10.29%                      | 202                       | 15.1                                |
| 2023                   | 47,771,557      | 2,878             | 16,599                    | 13.77%                       | 208                       | 13.8                                |
| 2022                   | 43,522,196      | 2,983             | 14,590                    | -11.42%                      | 215                       | 13.9                                |
| 2021                   | 48,340,300      | 2,935             | 16,470                    | 4.83%                        | 215                       | 13.7                                |
| 2020                   | 46,110,896      | 2,935             | 15,711                    | 20.50%                       | 215                       | 13.7                                |
| 2019                   | 38,789,185      | 2,975             | 13,038                    | 50.92%                       | 212                       | 14.0                                |
| 2018                   | 25,158,281      | 2,912             | 8,640                     | -33.62%                      | 202                       | 14.4                                |
| 2017                   | 39,892,531      | 3,065             | 13,016                    | 10.43%                       | 205                       | 15.0                                |
| 2016                   | 36,195,042      | 3,071             | 11,786                    | 4.12%                        | 201                       | 15.3                                |

Source: School District Records.

**This page intentionally left blank.**

# OHIO AUDITOR OF STATE KEITH FABER



**VANDALIA-BUTLER CITY SCHOOL DISTRICT**

**MONTGOMERY COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 4/7/2026**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)