



bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

U.S. GRANT JOINT VOCATIONAL SCHOOL DISTRICT
CLERMONT COUNTY

REGULAR AUDIT

FOR THE YEAR ENDED JUNE 30, 2025



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Columbus, Ohio 43215
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Board of Education
U.S. Grant Joint Vocational School District
718 West Plane St
Bethel, OH 45106

We have reviewed the *Independent Auditor's Report* of the U.S. Grant Joint Vocational School District, Clermont 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 U.S. Grant Joint Vocational School District is responsible for compliance with these laws and regulations.

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L Ridenbaugh".

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

February 06, 2026

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U.S. Grant Joint Vocational School District
Clermont County
For the Year Ended June 30, 2025
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INDEPENDENT AUDITOR'S REPORT

U.S. Grant Joint Vocational School District
Clermont County
718 West Plane Street
Bethel, Ohio 45106

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 U.S. Grant Joint Vocational School District, Clermont 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 U.S. Grant Joint Vocational School District, Clermont 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.

Emphasis of Matter

As discussed in Note 20 to the financial statements, during 2025, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 schedules, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
December 23, 2025

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U.S. Grant Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

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

Financial Highlights

Key financial highlights for 2025 are as follows:

- Net position of governmental activities increased \$11,667,980 from 2024.
- General revenues accounted for \$10,653,774 in revenue or 48% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$11,753,457 or 52% of total revenues of \$22,407,231.
- The District had \$10,739,251 in expenses related to governmental activities; \$11,753,457 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$10,653,774 were also used to provide for these programs.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the 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 District, presenting both an aggregate view of the 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 District's most significant funds with all other nonmajor funds presented in total in one column. The General Fund, Miscellaneous State Grants and Career Technical are the major funds of the District.

Government-wide Financial Statements

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

These two statements report the District's *net position* and changes in the net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

U.S. Grant Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

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

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

Fund Financial Statements

The analysis of the District's major fund is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps 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 financial statements.

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

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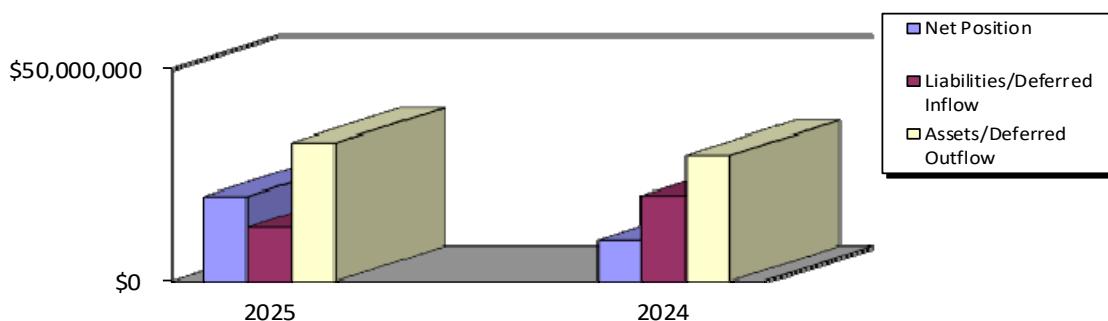
U.S. Grant Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The District as a Whole

As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2025 compared to 2024:

Table 1
Net Position

	Governmental Activities	
	2025	2024
Assets:		
Current and Other Assets	\$20,596,820	\$21,868,523
Net OPEB Asset	483,495	485,525
Capital Assets	9,750,401	5,530,198
Total Assets	<u>30,830,716</u>	<u>27,884,246</u>
Deferred Outflows of Resources:		
OPEB	205,605	209,689
Pension	1,567,093	1,520,931
Total Deferred Outflows of Resources	<u>1,772,698</u>	<u>1,730,620</u>
Liabilities:		
Other Liabilities	1,812,926	9,506,228
Long-Term Liabilities	7,725,549	7,249,240
Total Liabilities	<u>9,538,475</u>	<u>16,755,468</u>
Deferred Inflows of Resources:		
Property Taxes	1,588,320	1,948,067
Revenue in Lieu of Taxes	59,007	0
OPEB	704,674	776,315
Pension	781,900	670,268
Total Deferred Inflows of Resources	<u>3,133,901</u>	<u>3,394,650</u>
Net Position:		
Net Investment in Capital Assets	9,750,401	5,530,198
Restricted	5,711,540	767,658
Unrestricted	4,469,097	3,166,892
Total Net Position	<u>\$19,931,038</u>	<u>\$9,464,748</u>



U.S. Grant Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2025, the District's assets and deferred outflows exceeded liabilities and deferred inflows by \$19,931,038.

At year-end, capital assets represented 32% of total assets. Capital assets include land, construction in progress, buildings and improvements, and equipment. Net investment in capital assets at June 30, 2025, totaled \$9,750,401. These capital assets are used to provide services to the students and are not available for future spending.

A portion of the District's net position, \$5,711,540 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current assets decreased compared to fiscal year 2024 due to a decrease in intergovernmental receivable. Capital assets increased due to current year depreciation expense and disposals not exceeding additions as of June 30, 2025. Total liabilities decreased due to a decrease in unearned revenue.

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

Table 2
Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues:		
Charges for Services and Sales	\$1,369,043	\$1,133,854
Operating Grants and Contributions	\$2,505,986	\$2,011,432
Capital Grants and Contributions	<u>7,878,428</u>	<u>2,125,448</u>
Total Program Revenues	<u>11,753,457</u>	<u>5,270,734</u>
General Revenues:		
Property Taxes	2,812,158	2,521,913
Grants and Entitlements	6,802,959	2,724,670
Other	<u>1,038,657</u>	<u>640,264</u>
Total General Revenues	<u>10,653,774</u>	<u>5,886,847</u>
Total Revenues	<u>22,407,231</u>	<u>11,157,581</u>
Program Expenses:		
Instruction	7,339,975	6,217,815
Support Services:		
Pupil and Instructional Staff	995,662	890,383
School Administrative, General		
Administration, Fiscal and Business	844,768	813,432
Operations and Maintenance	879,747	850,959
Central	<u>221,449</u>	<u>210,959</u>
Operation of Non-Instructional Services	248,109	235,866
Extracurricular Activities	<u>209,541</u>	<u>163,993</u>
Total Program Expenses	<u>10,739,251</u>	<u>9,383,407</u>
Changes in Net Position	11,667,980	1,774,174
Net Position - Beginning of Year, Restated	<u>8,263,058</u>	<u>7,690,574</u>
Net Position - End of Year	<u>\$19,931,038</u>	<u>\$9,464,748</u>

U.S. Grant Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The District revenues came from mainly two sources. Property taxes levied for general purposes, as well as grants and entitlements comprised 43% of the District's revenues for governmental activities.

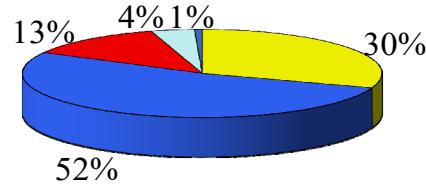
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service.

Property taxes made up 13% of governmental activities for the District in fiscal year 2025. The District's reliance upon tax revenues is demonstrated in the following graph:

Governmental Activities
Revenue Sources

Revenue Sources	2025	Percentage
General Grants	\$ 6,802,959	30%
Program Revenues	11,753,457	52%
General Tax Revenues	2,812,158	13%
Investment Earnings	876,693	4%
Other Revenues	161,964	1%
Total Revenue Sources	\$ 22,407,231	100%



Instruction comprises 68% of governmental program expenses. Support services expenses were 28% of governmental program expenses. All other expenses were 4%.

Revenues increased from the prior year mainly due to an increase in grants and entitlements revenue. Investment earnings increased from the prior year. Total Expenses increased due to changes related to net pension liability and other post employment benefits liability.

Governmental Activities

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

U.S. Grant Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction	\$7,339,975	\$6,217,815	\$4,001,558	(\$1,379,880)
Support Services:				
Pupil and Instructional Staff	995,662	890,383	(851,338)	(759,277)
School Administrative, General				
Administration, Fiscal and Business	844,768	813,432	(844,768)	(813,432)
Operations and Maintenance	879,747	850,959	(876,034)	(801,410)
Central	221,449	210,959	(221,449)	(210,959)
Operation of Non-Instructional Services	248,109	235,866	(27,691)	(20,328)
Extracurricular Activities	209,541	163,993	(166,072)	(127,387)
Total Expenses	<u>\$10,739,251</u>	<u>\$9,383,407</u>	<u>\$1,014,206</u>	<u>(\$4,112,673)</u>

The District's Funds

Information about the District's major funds is presented in the Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$22,399,920 and expenditures and other financing uses of \$15,654,926. The net change in fund balances for the year was an increase of \$6,744,994.

General Fund: Fund balance at June 30, 2025 was \$11,371,205 including \$9,686,623 of unassigned balance. Fund balance increased from the prior year due to revenues exceeding expenditures.

Miscellaneous State Grants Fund: Fund balance at June 30, 2025 was \$0. No change from prior year due to total revenues equaling total expenses.

Career and Technical Construction Fund: Fund balance at June 30, 2025 was \$4,937,493. Fund balance increased from the prior year due to revenues exceeding expenditures.

General Fund Budgeting Highlights

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

During the course of fiscal year 2025, the District amended its general fund budget. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, the original budget basis revenue was \$8,704,654 when compared to final budget estimates of \$10,091,433. For the General Fund, the original budget basis expenditures were \$9,409,052 compared to final budget estimates of \$10,474,961.

The District's ending unobligated actual fund balance for the general fund was \$7,960,449.

U.S. Grant Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal 2025, the District had invested \$9,750,401 in land, construction in progress, buildings and improvements, and equipment. Table 4 shows fiscal 2025 balances compared to 2024:

Table 4
Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities	
	2025	2024
Land	\$100,000	\$100,000
Construction in Progress	3,331,261	450,505
Buildings and Improvements	3,227,437	3,416,650
Equipment	<u>3,091,703</u>	<u>1,563,043</u>
Total Net Capital Assets	<u><u>\$9,750,401</u></u>	<u><u>\$5,530,198</u></u>

The overall increase in capital assets is due to current year depreciation expense and disposals being less than current year additions.

See Note 6 to the basic financial statements for further details on the District's capital assets.

Debt

At June 30, 2025, the District had no outstanding debt.

See Note 7 to the basic financial statements for further details on the District's other long term liabilities.

For the Future

The District is grateful for the legislature's continuation of the Fair School Funding Plan for fiscal years 2026 and 2027. The increased phase-in percentages, as well as, increased enrollment have strengthened the District's financial position. Future state funding will be monitored closely as the original intent of the Fair School Funding Plan, such as updating the base cost inputs each year, has not been followed.

Grant Career Center has expanded the types of programs offered in fiscal year 2026 with the addition of Construction Technology in a satellite program at New Richmond High School. In addition, the Career Discovery program that was piloted with Williamsburg in fiscal year 2025 has been expanded to New Richmond and Bethel-Tate in fiscal year 2026. For fiscal year 2026, the enrollment across all programs currently stands at 578, an increase of 58 FTEs (11%) over the prior year. Considering the substantial influence of enrollment on state funding, the District's five-year forecast will be revised to accommodate any changes.

The construction of a new 15,000 sq./ft. Metal Fabrication and Advanced Manufacturing building is projected to be completed by February 2026. The project is primarily funded with an \$8.5 million grant received from the State of Ohio. This building will allow for expansion of the Metal Fabrication and the Advanced Manufacturing programs.

**U.S. Grant Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)**

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at U.S. Grant Joint Vocational School District, 718 W. Plane Street, Bethel, Ohio 45106.

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U.S. Grant Joint Vocational School District

Statement of Net Position

June 30, 2025

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$17,380,056
Restricted Cash and Investments	218,570
Equity in Pooled Cash and Investments with Fiscal Agent	27,819
Receivables (Net):	
Taxes	2,854,077
Accounts	3,997
Interest	51,815
Intergovernmental	59,007
Prepays	1,479
Nondepreciable Capital Assets	3,431,261
Depreciable Capital Assets, Net	6,319,140
Net OPEB Asset	<u>483,495</u>
Total Assets	<u>30,830,716</u>
Deferred Outflows of Resources:	
Pension	1,567,093
OPEB	<u>205,605</u>
Total Deferred Outflows of Resources	<u>1,772,698</u>
Liabilities:	
Accounts Payable	86,989
Accrued Wages and Benefits	598,226
Contracts Payable	857,189
Retainage Payable	194,514
Unearned Revenue	48,189
Matured Bonds Payable	25,000
Matured Interest Payable	2,819
Long-Term Liabilities:	
Due Within One Year	174,559
Due In More Than One Year:	
Net Pension Liability	6,041,619
Net OPEB Liability	219,400
Other Amounts	<u>1,289,971</u>
Total Liabilities	<u>9,538,475</u>
Deferred Inflows of Resources:	
Property Taxes	1,588,320
Revenue in Lieu of Taxes	59,007
OPEB	704,674
Pension	<u>781,900</u>
Total Deferred Inflows of Resources	<u>3,133,901</u>
Net Position:	
Net Investment in Capital Assets	9,750,401
Restricted for:	
Debt Service	37,066
Classroom Facilities	4,937,493
Food Service	61,948
Net OPEB Asset	483,495
Other Purposes	191,538
Unrestricted	<u>4,469,097</u>
Total Net Position	<u><u>\$19,931,038</u></u>

See accompanying notes to the basic financial statements.

U.S. Grant Joint Vocational School District
 Statement of Activities
 For the Fiscal Year Ended June 30, 2025

			Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction:					
Regular	\$423,221	\$211,691	\$0	\$0	(\$211,530)
Special	601,219	0	23,186	0	(578,033)
Vocational	4,492,888	29,984	1,673,117	7,878,428	5,088,641
Adult/Continuing	1,732,444	999,943	525,184	0	(207,317)
Other	90,203	0	0	0	(90,203)
Support Services:					
Pupil	559,709	0	144,324	0	(415,385)
Instructional Staff	435,953	0	0	0	(435,953)
General Administration	82,310	0	0	0	(82,310)
School Administration	351,242	0	0	0	(351,242)
Fiscal	411,216	0	0	0	(411,216)
Operations and Maintenance	879,747	0	3,713	0	(876,034)
Central	221,449	0	0	0	(221,449)
Operation of Non-Instructional Services	248,109	83,956	136,462	0	(27,691)
Extracurricular Activities	209,541	43,469	0	0	(166,072)
Totals	\$10,739,251	\$1,369,043	\$2,505,986	\$7,878,428	1,014,206

General Revenues:

Property Taxes Levied for:	
General Purposes	2,812,158
Grants and Entitlements, Not Restricted	6,802,959
Revenue in Lieu of Taxes	52,555
Investment Earnings	876,693
Other Revenues	109,409
 Total General Revenues	 10,653,774
 Change in Net Position	 11,667,980
 Net Position - Beginning of Year, as Previously Reported	 9,464,748
 Change in Accounting Principle	 (1,201,690)
 Net Position Beginning of Year, Restated	 8,263,058
 Net Position - End of Year	 \$19,931,038

See accompanying notes to the basic financial statements.

U.S. Grant Joint Vocational School District

Balance Sheet

Governmental Funds

June 30, 2025

	General	Miscellaneous State Grants	Career Technical	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$9,909,171	\$939,175	\$5,791,659	\$740,051	\$17,380,056
Restricted Cash and Investments	24,056	0	194,514	0	218,570
Equity in Pooled Cash and Investments with Fiscal Agent	0	0	0	27,819	27,819
Receivables (Net):					
Taxes	2,854,077	0	0	0	2,854,077
Accounts	3,997	0	0	0	3,997
Interest	51,815	0	0	0	51,815
Intergovernmental	59,007	0	0	0	59,007
Interfund	856,991	0	0	0	856,991
Prepays	1,479	0	0	0	1,479
Total Assets	13,760,593	939,175	5,986,173	767,870	21,453,811
Liabilities:					
Accounts Payable	52,534	33,995	0	460	86,989
Accrued Wages and Benefits	598,226	0	0	0	598,226
Contracts Payable	3,023	0	854,166	0	857,189
Retainage Payable	0	0	194,514	0	194,514
Unearned Revenue	0	48,189	0	0	48,189
Interfund Payable	0	856,991	0	0	856,991
Matured Bonds Payable	0	0	0	25,000	25,000
Matured Interest Payable	0	0	0	2,819	2,819
Total Liabilities	653,783	939,175	1,048,680	28,279	2,669,917
Deferred Inflows of Resources:					
Property Taxes	1,660,506	0	0	0	1,660,506
Revenue in Lieu of Taxes	59,007	0	0	0	59,007
Investment Earnings	16,092	0	0	0	16,092
Total Deferred Inflows of Resources	1,735,605	0	0	0	1,735,605
Fund Balances:					
Nonspendable	1,479	0	0	0	1,479
Restricted	0	0	4,937,493	290,552	5,228,045
Committed	82,836	0	0	0	82,836
Assigned	1,600,267	0	0	449,039	2,049,306
Unassigned	9,686,623	0	0	0	9,686,623
Total Fund Balances	11,371,205	0	4,937,493	739,591	17,048,289
Total Liabilities, Deferred Inflows and Fund Balances	\$13,760,593	\$939,175	\$5,986,173	\$767,870	\$21,453,811

See accompanying notes to the basic financial statements.

U.S. Grant Joint Vocational School District
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2025

Total Governmental Fund Balance \$17,048,289

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

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

Capital assets used in the operation of Governmental Funds	9,750,401
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Property Taxes	72,186
Interest	<u>16,092</u>
	88,278

Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.

Compensated Absences	(1,464,530)
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Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	1,567,093
Deferred inflows of resources related to pensions	(781,900)
Deferred outflows of resources related to OPEB	205,605
Deferred inflows of resources related to OPEB	<u>(704,674)</u>
	286,124

Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.

Net OPEB Asset	483,495
Net Pension Liability	(6,041,619)
Net OPEB Liability	<u>(219,400)</u>
	(5,777,524)

Net Position of Governmental Activities	<u>\$19,931,038</u>
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See accompanying notes to the basic financial statements.

U.S. Grant Joint Vocational School District
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Governmental Funds
 For the Fiscal Year Ended June 30, 2025

	General	Miscellaneous State Grants	Career Technical	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$2,812,471	\$0	\$0	\$0	\$2,812,471
Tuition and Fees	1,209,325	0	0	2,309	1,211,634
Investment Earnings	865,366	0	0	100	865,466
Intergovernmental	6,875,840	1,969,376	8,106,539	235,616	17,187,371
Extracurricular Activities	0	0	0	43,469	43,469
Charges for Services	29,984	0	0	83,956	113,940
Revenue in Lieu of Taxes	52,555	0	0	0	52,555
Other Revenues	51,116	0	0	58,295	109,411
Total Revenues	11,896,657	1,969,376	8,106,539	423,745	22,396,317
Expenditures:					
Current:					
Instruction:					
Regular	305,589	0	0	0	305,589
Special	645,357	22,800	0	0	668,157
Vocational	4,460,899	1,411,305	30,351	114,546	6,017,101
Adult/Continuing	1,256,723	516,446	0	0	1,773,169
Other	87,741	1,049	0	0	88,790
Support Services:					
Pupil	634,226	14,125	0	0	648,351
Instructional Staff	497,405	0	0	0	497,405
General Administration	83,824	0	0	0	83,824
School Administration	405,102	0	0	0	405,102
Fiscal	443,384	0	0	0	443,384
Operations and Maintenance	864,184	3,651	0	0	867,835
Central	230,699	0	0	0	230,699
Operation of Non-Instructional Services	0	0	0	248,109	248,109
Extracurricular Activities	165,174	0	0	50,362	215,536
Capital Outlay	23,180	0	3,138,695	0	3,161,875
Total Expenditures	10,103,487	1,969,376	3,169,046	413,017	15,654,926
Excess of Revenues Over (Under) Expenditures	1,793,170	0	4,937,493	10,728	6,741,391
Other Financing Sources (Uses):					
Proceeds from Sale of Capital Assets	3,603	0	0	0	3,603
Total Other Financing Sources (Uses)	3,603	0	0	0	3,603
Net Change in Fund Balance	1,796,773	0	4,937,493	10,728	6,744,994
Fund Balance - Beginning of Year, as previously presented	9,574,432	0	0	728,863	10,303,295
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	0	0	0	0	0
Fund Balance - Beginning of Year, as adjusted or restated	9,574,432	0	0	728,863	10,303,295
Fund Balance - End of Year	\$11,371,205	\$0	\$4,937,493	\$739,591	\$17,048,289

See accompanying notes to the basic financial statements.

U.S. Grant Joint Vocational School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2025

Net Change in Fund Balance - Total Governmental Funds \$6,744,994

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

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

Capital assets used in governmental activities	5,014,238
Depreciation Expense	<u>(634,781)</u>
	4,379,457

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss. (159,254)

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

District pension contributions	785,798
Pension expense	<u>(337,216)</u>
District OPEB contributions	5,346
OPEB expense	<u>170,863</u>
	624,791

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

Delinquent Property Taxes	(313)
Interest	<u>11,227</u>
	10,914

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

Compensated Absences	67,078
Change in Net Position of Governmental Activities	<u>\$11,667,980</u>

See accompanying notes to the basic financial statements.

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

Note 1 – Description of the District

U.S. Grant Joint Vocational School District (the “District”) is organized pursuant to Section 3311.18 of the Ohio Revised Code. The District is a stand-alone government as they do not have a separately elected governing body and are not a component unit of another government. The District operates under a five-member Board of Education, which is not directly elected. The Board of Education is comprised of appointed members of other elected boards from Bethel-Tate, Felicity-Franklin, and Williamsburg local school districts, as well as New Richmond Exempted Village School District. The District provides educational services as authorized by State statute and/or federal guidelines.

The District was established in 1973 through the cooperation of all school districts involved. The District serves an area of approximately 40.43 square miles. It is located in Clermont County, and serves the local school districts of Bethel-Tate, Felicity-Franklin, and Williamsburg, as well as New Richmond Exempted Village School District. During the fiscal year ended June 30, 2025, the District was staffed by 8 non-certificated full-time employees, 34 certificated full-time teaching personnel, 2 full-time academic counselors, 1 full-time work-based learning coordinator, and 8 administrators who provide services to students and other community members. The District currently operates one instructional building and Satellite programs housed at two of the four associate schools, Bethel-Tate and New Richmond EVSD.

Reporting Entity

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

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

The District is associated with two jointly governed organizations, one risk sharing pools, and two insurance purchasing pools. These organizations are:

Jointly Governed Organizations:

Unified Purchasing Cooperative of the Ohio River Valley

Hamilton Clermont Cooperative Information Technology Center

Risk Sharing Pool:

Schools of Ohio Risk Sharing Authority, Inc.

Insurance Purchasing Pools:

Ohio School Boards Association Workers’ Compensation Group Rating Plan

Clermont County Insurance Consortium

These organizations are presented in Notes 13, 14, and 15.

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

Note 2 – Summary of Significant Accounting Policies

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

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

Measurement Focus

Government-wide Financial Statements

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

The private purpose trust is reported using the economic resources measurement focus.

Fund Accounting

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

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

Governmental Funds

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

General Fund - The general fund is used to account for all financial resources except those required to be accounted for 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.

Miscellaneous State Grants Fund - The miscellaneous state grants fund is used to account for other state grants, not required to be accounted for in another fund.

Career Technical Construction Fund - The career technical fund is used for capital improvements to construct 15,124 of new space and renovate 7,638 of existing space.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District doesn't have any Fiduciary Funds.

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the District receives value without directly giving equal value

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

in return, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources includes pension and other post employment benefits. These amounts are reported on the government-wide statement of net pension. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 8 and 9.

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

Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as any expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

Equity in Pooled Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the basic financial statements. The District utilizes financial institutions to service bonded debt as principal and interest payments come due. The balance in this account is presented on the financial statements as "Cash and Cash Equivalents with Fiscal Agent" and represents deposits.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

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 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 advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, 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.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2025 amounted to a gain of \$865,366 and \$100 credited to other governmental funds.

Investments of the cash management pool and investments with original maturities three months or less at the time they are purchased by the District are reported as cash equivalents.

Prepaid Items

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

Capital Assets

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

received. The District maintains a capitalization threshold of five thousand dollars (\$5,000). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	5 - 35 years
Equipment	5 - 20 years

Pensions/Other Postemployment Benefits (OPEB)

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

Compensated Absences

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

The government-wide statement of net position reports \$5,711,540 of restricted net position, of which none is restricted by enabling legislation.

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

Interfund Activity

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

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

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

Fund Balance

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

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

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

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

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

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

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

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets represent amounts followed by statute to be set-aside to create a set-aside for budget stabilization (see Note 16), and for retainage held for contractors.

Cash and Cash Equivalents with Fiscal Agent

Cash and Cash Equivalents with Fiscal Agent in the other governmental funds represent equity in pooled cash and investments set aside for possible future payables.

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 governmental funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Estimates

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

Note 3 – Equity in Pooled Cash and Investments

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies – Those monies not required for use within the current five year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to, passbook accounts.

Interim Monies – Those monies which are not needed for immediate use but which will be needed

**U.S. Grant Joint Vocational School District
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before the end of the current period of designation of depositories. Those monies held by the District can be deposited or invested in the following securities:

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

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

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

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2025, \$207,846 of the District's bank balance of \$485,665 was exposed to custodial credit risk because it was uninsured and collateralized.

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

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

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

Investments

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

	Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$451,635	Level 2	0.92
U.S. Treasury Notes	5,237,706	Level 1	1.30
Municipal Bonds	248,545	Level 2	0.16
Federal Farm Credit Bank	198,174	Level 2	1.34
STAR Ohio	10,933,269	N/A	0.08
Money Market Funds	320,243	N/A	0.00
Total Investment	<u>\$17,389,572</u>		
Portfolio Weighted Average Maturity			0.49

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2025. STAR Ohio is reported at its share price (Net Asset value per share). All other investments of the District are valued using quoted market prices.

Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years.

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Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The District's investments in Federal Home Loan Bank, Federal National Mortgage Association, U.S. Treasury Notes, Freddie Mac, and Federal Home Loan Mortgage Corporation were rated AAA by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. Investments in STAROhio were rated AAAm by Standard & Poor's. Money Market Funds were not rated.

Concentration of Credit Risk – The District's investment policy allows investments in Federal Agencies or Instrumentalities, but does not limit the amount in any one issuer. The District invested 3% in Federal Home Loan Bank, 30% in U.S. Treasury Notes, 1% in Municipal Bonds, 1% in Federal Farm Credit Bank, 63% in STAR Ohio, and 2% in Money Market Funds.

Custodial Credit Risk – The risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District's securities are either insured and registered in the name of the District or at least registered in the name of the District.

Note 4 – Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

Tangible personal property tax revenue received during calendar year 2025 (other than public utility property tax) represents the collection of 2024 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2024 were levied after April 1, 2023, on the value as of December 31, 2023. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the

**U.S. Grant Joint Vocational School District
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first payment is due April 30, with the remainder payable by September 20. The District receives property taxes primarily from Clermont County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2026 operations. The amount available for advance can vary based on the date the tax bills are sent.

The County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August and tangible personal property taxes in June and October. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2025. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2025 on the fund statements. The entire amount of delinquent taxes receivable is recognized as a revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflows for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2025, was \$1,193,571 for General Fund and is recognized as revenue.

The assessed value, by property classification, upon which taxes collected in 2025 were based as follows:

	Amount
Tangible and Public Utility Personal	\$90,311,350
Real Estate	<u>1,013,359,680</u>
Total	<u><u>\$1,103,671,030</u></u>

Note 5 – Receivables

Receivables at June 30, 2025, consisted of taxes, accounts, intergovernmental, interfund, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes.

U.S. Grant Joint Vocational School District
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Note 6 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$100,000	\$0	\$0	\$100,000
Construction in Progress	450,505	2,880,756	0	3,331,261
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	8,952,817	90,055	108,624	8,934,248
Equipment	4,029,272	2,043,427	489,786	5,582,913
Totals at Historical Cost	<u>13,532,594</u>	<u>5,014,238</u>	<u>598,410</u>	<u>17,948,422</u>
Less Accumulated Depreciation:				
Buildings and Improvements	5,536,167	222,236	51,592	5,706,811
Equipment	2,466,229	412,545	387,564	2,491,210
Total Accumulated Depreciation	<u>8,002,396</u>	<u>634,781</u>	<u>439,156</u>	<u>8,198,021</u>
Governmental Activities Capital Assets, Net	<u><u>\$5,530,198</u></u>	<u><u>\$4,379,457</u></u>	<u><u>\$159,254</u></u>	<u><u>\$9,750,401</u></u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Special	\$2,701
Vocational	529,038
Other Instruction	1,413
Support Services:	
Instructional Staff	14,820
Fiscal	976
Operations and Maintenance	85,833
Total Depreciation Expense	<u><u>\$634,781</u></u>

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Note 7 – Long-Term Liabilities

The change in the District's long-term obligations during the year consist of the following:

	Restated Beginning Balance	Additions	Deletions	Ending Balance	Due In One Year
Governmental Activities:					
Compensated Absences	\$1,565,177	\$0	\$100,647 (b)	\$1,464,530	\$174,559
Net Pension Liability	6,555,671	0	514,052	6,041,619	0
Net OPEB Liability	<u>330,082</u>	<u>0</u>	<u>110,682</u>	<u>219,400</u>	<u>0</u>
Total Pension/OPEB Liability	6,885,753	0	624,734	6,261,019	0
Total Governmental Activities	<u>\$8,450,930</u>	<u>\$0</u>	<u>\$725,381</u>	<u>\$7,725,549</u>	<u>\$174,559</u>

(a) OPEB for STRS has a Net OPEB asset in the amount of \$483,495 as of June 30, 2025.

(b) -net change

Compensated Absences will be paid from the general, food service and adult basic education funds. The adult basic education fund has been presented as part of the general fund for GAAP reporting purposes. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

Note 8 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description

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

Age and service requirements for retirement are as follows:

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

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

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

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

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benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2024.

Funding Policy

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

The District's contractually required contribution to SERS was \$143,071 for fiscal year 2025. Of this amount \$1,759 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

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

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

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.

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

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

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

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

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

Funding Policy

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

The District's contractually required contribution to STRS was \$642,727 for fiscal year 2025. Of this amount \$63,427 is reported as accrued wages and benefits.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.02222510%	0.02548992%	
Prior Measurement Date	<u>0.02134790%</u>	<u>0.02496450%</u>	
Change in Proportionate Share	<u>0.00087720%</u>	<u>0.00052542%</u>	
Proportionate Share of the Net Pension Liability			
Pension Liability	\$1,136,947	\$4,904,672	\$6,041,619
Pension Expense	\$97,063	\$240,153	\$337,216

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

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$43,408	\$308,866	\$352,274
Changes of assumptions	10,171	226,034	236,205
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	49,724	143,092	192,816
Contributions subsequent to the measurement date	<u>143,071</u>	<u>642,727</u>	<u>785,798</u>
Total Deferred Outflows of Resources	<u>\$246,374</u>	<u>\$1,320,719</u>	<u>\$1,567,093</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$2,686	\$2,686
Changes of assumptions	0	170,139	170,139
Net difference between projected and actual earnings on pension plan investments	71,115	421,702	492,817
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	0	116,258	116,258
Total Deferred Inflows of Resources	<u>\$71,115</u>	<u>\$710,785</u>	<u>\$781,900</u>

\$785,798 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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Fiscal Year Ending June 30:	SERS	STRS	Total
2026	(\$34,666)	(\$356,229)	(\$390,895)
2027	88,393	489,619	578,012
2028	(628)	(85,050)	(85,678)
2029	(20,911)	(81,133)	(102,044)
Total	\$32,188	(\$32,793)	(\$605)

Actuarial Assumptions - SERS

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

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

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

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

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

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

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percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

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

Discount Rate

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

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

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

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$1,739,371	\$1,136,947	\$629,738

Changes Between the Measurement Date and the Report Date

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

Actuarial Assumptions – STRS

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

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

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

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

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

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

* Final target weights reflected at October 1, 2022.

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

Discount Rate

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

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$7,912,096	\$4,904,672	\$2,360,909

Changes Between the Measurement Date and the Report Date

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

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

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to twenty-eight or more years of service at any age from June 1, 2030 through May 1, 2032, with a return to a minimum of thirty-four years of service credit (twenty-nine years or more for reduced retirement benefits) effective June 1, 2032 going forward.

Any effect on the net pension liability is unknown.

Note 9 - Defined Benefit OPEB Plans

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description

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

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

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

Funding Policy

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, no allocation was made to health care. An

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additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the District's surcharge obligation was \$5,346.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$5,346 for fiscal year 2025.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

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

Funding Policy

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

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

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

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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.02154160%	0.02548992%	
Prior Measurement Date	0.02003600%	0.02496450%	
Change in Proportionate Share	<u>0.00150560%</u>	<u>0.00052542%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$219,400	\$0	\$219,400
Net OPEB (Asset)	\$0	(\$483,495)	(\$483,495)
OPEB Expense	(\$61,634)	(\$109,229)	(\$170,863)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$21,020	\$21,020
Changes of assumptions	94,166	59,511	153,677
Net difference between projected and actual earnings on OPEB plan investments	1,071	0	1,071
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	23,725	766	24,491
Contributions subsequent to the measurement date	5,346	0	5,346
Total Deferred Outflows of Resources	<u>\$124,308</u>	<u>\$81,297</u>	<u>\$205,605</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$236,570	\$52,106	\$288,676
Changes of assumptions	100,784	218,053	318,837
Net difference between projected and actual earnings on OPEB plan investments	0	20,760	20,760
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	68,730	7,671	76,401
Total Deferred Inflows of Resources	<u>\$406,084</u>	<u>\$298,590</u>	<u>\$704,674</u>

\$5,346 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Fiscal Year Ending June 30:	SERS	STRS	Total
2026	(\$98,188)	(\$76,300)	(\$174,488)
2027	(60,979)	(33,574)	(94,553)
2028	(34,129)	(42,478)	(76,607)
2029	(28,847)	(39,477)	(68,324)
2030	(28,525)	(32,100)	(60,625)
Thereafter	(36,454)	6,636	(29,818)
Total	(\$287,122)	(\$217,293)	(\$504,415)

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, compared with June 30, 2023, are presented below:

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

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

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

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

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

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

Discount Rate

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

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

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

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	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
District's proportionate share of the net OPEB liability	\$292,562	\$219,400	\$161,263
	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
District's proportionate share of the net OPEB liability	\$148,306	\$219,400	\$312,847

Changes Between the Measurement Date and the Report Date

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

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

* Final target weights reflected at October 1, 2022.

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

Discount Rate

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

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

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

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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net OPEB asset	(\$393,113)	(\$483,495)	(\$562,147)
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	(\$567,460)	(\$483,495)	(\$382,517)

Changes Between the Measurement Date and the Report Date

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

Note 10 – Contingent Liabilities

School Foundation

The District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (ODEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. ODEW adjustments for fiscal year 2025 were finalized on the September 2025 payment which resulted in an additional \$12,018.63 in Foundation funding.

Litigation

The District was not involved in any litigation at year end.

Note 11 – Risk Management

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. By participating in the Schools of Ohio Risk Sharing Authority, Inc. (SORSA) (Note 13), a risk sharing pool, for liability, property, auto and crime insurance, the District has addressed these various types of risk.

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

SORSA, a non-profit corporation, was created to provide affordable liability, property, casualty and crime insurance coverage for its members. The types and amounts of coverage provided by the SORSA are as follows:

Property Coverage:

Total Insured Values - All SORSA Members Aggregate	\$350,000,000
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Crime Coverage (*in any one occurrence*):

Employee Theft Including Faithful Performance of Duty	1,000,000
Forgery or Alteration	1,000,000
On Premises	1,000,000
In Transit	1,000,000
Money Orders and Counterfeit Money	1,000,000
Computer Crime	1,000,000
Computer Program and Electronic Data Restoration Expense	350,000
Funds Transfer Fraud	1,000,000
Social Engineering Fraud	1,000,000
Telecommunication Fraud	200,000

General Liability:

Bodily Injury and Property Damage	15,000,000
Personal and Advertising Injury Limit – Each Offense	15,000,000
Products – Completed Operations Aggregate Limit	15,000,000
General Annual Aggregate	17,000,000
Fire Damage Limit – Any One Event	500,000
Medical Payments	10,000/25,000

Educators' Legal Liability:

Wrongful Acts	15,000,000
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Automobile Liability:

Owned/Leased Vehicles	15,000,000
Hired and Non-owned Liability	Included
Medical Payments	10,000/25,000
Uninsured Motorist	1,000,000
Automobile Physical Damage	Actual Cash Value

Settled claims have not exceeded coverage in any of the past three years. There has been no significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2025, the District participated in a workers compensation program jointly sponsored by the Ohio Association of School Business Officials (OASBO) and the Ohio School Board Association (OSBA), known as SchoolComp. CompManagement, Inc. (CMI) is the program's third party administrator. SchoolComp serves to group its members' risks for the purpose of obtaining a favorable experience rating to determine its premium liability to the Ohio Bureau of Workers' Compensation (OBWC) and the Ohio Workers' Compensation Fund. This may be accomplished through participation in a group rating program or through group retrospective rating. The District has chosen to participate in the group rating program. Participation in SchoolComp is restricted to members who meet enrollment criteria and are jointly in good standing with OASBO and OSBA. OASBO and OSBA are certified sponsors recognized by OBWC.

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

Note 12 – Other Employee Benefits

Life and Accident Insurance

The District provides life insurance and accidental death and dismemberment insurance to full time employees through Anthem Life.

Employee Benefits

For fiscal year 2025, the District participated in the Clermont County Insurance Consortium (the Consortium) (Note 14), an insurance purchasing pool, in order to provide dental, medical, life insurance, and disability benefits to employees, their dependents and designated beneficiaries and to set aside funds for such purposes. The Consortium provides insurance policies in whole or in part through one or more group insurance policies.

Note 13 – Risk Sharing Pool

The District participates in the Schools of Ohio Risk Sharing Authority (SORSA), which was established in 2002 pursuant to Articles of Incorporation filed under Chapter 1702 of the Ohio Revised Code – Nonprofit Corporations and functioning under authority granted by §2744.081 of the Ohio Revised Code. SORSA's purpose is to provide a joint self-insurance pool and to assist member school districts in preventing and reducing losses and injuries to property and persons that might result in claims being made against members of SORSA, their employees or officers. The District paid \$47,435 for these services to SORSA in fiscal year 2025.

A nine-person Board of Directors manages the business and affairs of SORSA and is elected annually by the members of the pool. The Board of Directors consists of superintendents, treasurers, or business managers from the participating school districts. The District works with Neil Coleman Insurance Services Inc., as a liaison between SORSA and the District. SORSA employs an Executive Director, Program Manager, Risk Control Manager, Underwriting Manager, and Claims Manager. Claims are handled in-house by Claims Manager Greg Gilliam. Additional information can be obtained from SORSA, 555 Metro Place North, Suite 645, Dublin, Ohio 43017 or by calling 866-767-7299.

Note 14 – Insurance Purchasing Pools

Ohio School Boards Association Workers' Compensation Group Rating Plan

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

Clermont County Insurance Consortium

The School District is a member of the EPC Benefit Plan Trust (the Plan), an insurance purchasing pool, which is a health trust formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's employees, eligible dependents and designated beneficiaries of such employees.

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

Each member school district pays a monthly premium to the Trust fund for insurance coverage, which is provided by either Anthem Blue Cross or United HealthCare. The Plan is governed by a Trust agreement and a Board of Trustees elected by participating districts. To obtain financial information, write to the Plan at 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

Note 15 – Jointly Governed Organizations

Unified Purchasing Cooperative of the Ohio River Valley

The Unified Purchasing Cooperative of the Ohio River Valley was organized to benefit members with a more economically sound purchasing mechanism for products and services. The Board of Directors is elected from among the active members. Each of the members share in a percentage of equity based on the resources provided. The Hamilton County Educational Service Center is the fiscal agent for the Cooperative. Financial information can be obtained from the Director at 7615 Harrison Avenue, Cincinnati, Ohio 45231-3107.

Hamilton Clermont Cooperative Information Technology Center

The District is a participant in a two county consortium of school districts to operate the Hamilton Clermont Cooperative Information Technology Center (HCC). HCC is an association of public school districts in a geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among other member districts. The Board of HCC consists of one representative from each of the participating members. Complete financial statements for HCC can be obtained from their administrative offices at 7615 Harrison Avenue, Cincinnati, Ohio 45231-3107.

Note 16 – Statutory Set-Asides

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

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

	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>
Set Aside Balance as of June 30, 2024	\$0	\$24,056
Current Year Set Aside Requirements	115,661	0
Qualified Disbursements	(850,455)	0
Total	<u>(\$734,794)</u>	<u>\$24,056</u>
Set-Aside Balance Carried Forward as of June 30, 2025	\$0	\$0
Set-Aside Balance as of June 30, 2025	<u><u>\$0</u></u>	<u><u>\$24,056</u></u>

Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. By resolution, the Board can eliminate

U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

the set-aside in accordance with the Act. As of June 30, 2025, the Board had not acted on the Senate Bill requirements to eliminate the set-aside balance.

Note 17 – Fund Balances

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

Fund Balances	General	Career Technical	Other Governmental Funds	Total
Nonspendable on:				
Prepays	\$1,479	\$0	\$0	\$1,479
Total Nonspendable	1,479	0	0	1,479
Restricted for:				
Debt Service	0	0	37,066	37,066
High School That Work	0	0	75,520	75,520
Food Service	0	0	61,948	61,948
Student Activity	0	0	53,554	53,554
Private Purpose	0	0	62,464	62,464
Career Technical	0	4,937,493	0	4,937,493
Total Restricted	0	4,937,493	290,552	5,228,045
Committed to:				
Termination Benefits	82,836	0	0	82,836
Total Committed	82,836	0	0	82,836
Assigned to:				
Permanent Improvements	0	0	449,039	449,039
Budgetary Resource	259,246	0	0	259,246
Encumbrances	1,337,203	0	0	1,337,203
Public Schools Support Fund	3,818	0	0	3,818
Total Assigned	1,600,267	0	449,039	2,049,306
Unassigned	9,686,623	0	0	9,686,623
Total Fund Balance	\$11,371,205	4,937,493	\$739,591	\$17,048,289

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

Note 18 – Interfund Transactions

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

	Interfund	
	Receivable	Payable
General Fund	\$856,991	\$0
Miscellaneous State Grants	0	856,991
Total All Funds	\$856,991	\$856,991

Interfund balances/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

Note 19 – Related Party Disclosures

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

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

Note 20 – Implementation of New Accounting Principles

New Accounting Principles

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

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

**U.S. Grant Joint Vocational School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025**

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

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

	<u>Government-Wide</u>
	Governmental
	<u>Activities</u>
Net Position-Beginning of Year, as Previously Presented	\$9,464,748
Change in Accounting Principal- Adoption of GASB 101	<u>(1,201,690)</u>
Net Position-Beginning of Year, as Restated or Adjusted	<u><u>\$8,263,058</u></u>

REQUIRED **S**UPPLEMENTARY **I**NFORMATION

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.02222510%	\$1,136,947	\$931,414	122.07%	78.52%
2024	0.02134790%	1,179,581	846,929	139.28%	76.06%
2023	0.02072530%	1,120,985	774,207	144.79%	75.82%
2022	0.02210910%	815,762	763,150	106.89%	82.86%
2021	0.02228160%	1,473,752	781,143	188.67%	68.55%
2020	0.02761440%	1,652,218	947,326	174.41%	70.85%
2019	0.02905630%	1,664,108	935,111	177.96%	71.36%
2018	0.02715100%	1,622,212	910,300	178.21%	69.50%
2017	0.02780340%	2,034,952	1,021,271	199.26%	62.98%
2016	0.02698510%	1,539,796	1,270,288	121.22%	69.16%

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

See accompanying notes to the required supplementary information.

US Grant JVSD

Required Supplementary Information

Schedule of the District's Contributions for Net Pension Liability

School Employees Retirement System of Ohio

Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$143,071	(\$143,071)	\$0	\$1,021,936	14.00%
2024	130,398	(130,398)	0	931,414	14.00%
2023	118,570	(118,570)	0	846,929	14.00%
2022	108,389	(108,389)	0	774,207	14.00%
2021	106,841	(106,841)	0	763,150	14.00%
2020	109,360	(109,360)	0	781,143	14.00%
2019	127,889	(127,889)	0	947,326	13.50%
2018	126,240	(126,240)	0	935,111	13.50%
2017	127,442	(127,442)	0	910,300	14.00%
2016	142,978	(142,978)	0	1,021,271	14.00%

See accompanying notes to the required supplementary information.

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.02548992%	\$4,904,672	\$4,044,971	121.25%	82.55%
2024	0.02496450%	5,376,090	3,854,521	139.47%	80.02%
2023	0.02434509%	5,411,944	3,490,379	155.05%	78.88%
2022	0.02571281%	3,287,614	3,565,286	92.21%	87.78%
2021	0.02681418%	6,488,077	3,663,400	177.11%	75.48%
2020	0.02765567%	6,115,885	3,625,264	168.70%	77.40%
2019	0.02910125%	6,398,712	3,663,850	174.64%	77.30%
2018	0.29348610%	6,971,825	3,609,700	193.14%	75.30%
2017	0.02988555%	10,003,595	3,487,307	286.86%	66.80%
2016	0.03247727%	8,975,767	3,722,836	241.10%	72.10%

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

See accompanying notes to the required supplementary information.

US Grant JVSD
 Required Supplementary Information
 Schedule of the District's Contributions for Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$642,727	(\$642,727)	\$0	\$4,590,907	14.00%
2024	566,296	(566,296)	0	4,044,971	14.00%
2023	539,633	(539,633)	0	3,854,521	14.00%
2022	488,653	(488,653)	0	3,490,379	14.00%
2021	499,140	(499,140)	0	3,565,286	14.00%
2020	512,876	(512,876)	0	3,663,400	14.00%
2019	507,537	(507,537)	0	3,625,264	14.00%
2018	512,939	(512,939)	0	3,663,850	14.00%
2017	505,358	(505,358)	0	3,609,700	14.00%
2016	488,223	(488,223)	0	3,487,307	14.00%

See accompanying notes to the required supplementary information.

US Grant JVSD

Required Supplementary Information

Schedule of the District's Proportionate Share of the Net OPEB Liability

School Employees Retirement System of Ohio

Last Nine Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.02154160%	\$219,400	\$931,414	23.56%	44.50%
2024	0.02003600%	330,082	846,929	38.97%	30.02%
2023	0.01977470%	277,639	774,207	35.86%	30.34%
2022	0.02083430%	394,306	763,150	51.67%	24.08%
2021	0.02077750%	451,563	781,143	57.81%	18.17%
2020	0.02762590%	694,733	947,326	73.34%	15.57%
2019	0.02890250%	801,833	935,111	85.75%	13.57%
2018	0.02647890%	710,624	910,300	78.06%	12.46%
2017	0.02683808%	764,985	1,021,271	74.91%	11.49%

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

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

See accompanying notes to the required supplementary information.

US Grant JVSD
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years (1)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$5,346	(\$5,346)	\$0	\$1,021,936	0.52%
2024	9,120	(9,120)	0	931,414	0.98%
2023	4,229	(4,229)	0	846,929	0.50%
2022	5,666	(5,666)	0	774,207	0.73%
2021	4,321	(4,321)	0	763,150	0.57%
2020	2,261	(2,261)	0	781,143	0.29%
2019	18,443	(18,443)	0	947,326	1.95%
2018	20,048	(20,048)	0	935,111	2.14%
2017	9,468	(9,468)	0	910,300	1.04%
2016	9,661	(9,661)	0	1,021,271	0.95%

(1) Includes surcharge.

See accompanying notes to the required supplementary information.

US Grant JVSD

Required Supplementary Information

Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability

State Teachers Retirement System of Ohio

Last Nine Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2025	0.02548992%	(\$483,495)	\$4,044,971	(11.95%)	158.01%
2024	0.02496450%	(485,525)	3,854,521	(12.60%)	168.52%
2023	0.02434509%	(630,375)	3,490,379	(18.06%)	230.73%
2022	0.02571281%	(542,134)	3,565,286	(15.21%)	174.73%
2021	0.02681418%	(471,259)	3,663,400	(12.86%)	182.13%
2020	0.02765567%	(458,044)	3,625,264	(12.63%)	174.74%
2019	0.02910125%	(467,627)	3,663,850	(12.76%)	176.00%
2018	0.02934860%	1,145,074	3,609,700	31.72%	47.10%
2017	0.02988560%	1,598,290	3,487,307	45.83%	37.30%

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

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

See accompanying notes to the required supplementary information.

US Grant JVSD

Required Supplementary Information

Schedule of the District's Contributions for Net OPEB (Asset)/Liability

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$0	\$0	\$0	\$4,590,907	0.00%
2024	0	0	0	4,044,971	0.00%
2023	0	0	0	3,854,521	0.00%
2022	0	0	0	3,490,379	0.00%
2021	0	0	0	3,565,286	0.00%
2020	0	0	0	3,663,400	0.00%
2019	0	0	0	3,625,264	0.00%
2018	0	0	0	3,663,850	0.00%
2017	0	0	0	3,609,700	0.00%
2016	0	0	0	3,487,307	0.00%

See accompanying notes to the required supplementary information.

U.S. Grant Joint Vocational School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2025

	General Fund		
	Original Budget	Final Budget	Variance from Final Budget
Revenues:			
Taxes	\$2,259,670	\$2,619,669	\$17,844
Revenue in lieu of taxes	45,026	52,199	356
Tuition and Fees	147,524	171,027	1,165
Investment Earnings	598,532	693,887	4,727
Intergovernmental	5,614,194	6,508,617	44,335
Other Revenues	39,708	46,034	314
Total Revenues	8,704,654	10,091,433	68,741
Expenditures:			
Current:			
Instruction:			
Regular	273,389	304,360	9,091
Special	584,738	650,981	19,444
Vocational	4,212,600	4,689,825	140,076
Other	70,914	78,948	2,358
Support Services:			
Pupil	589,205	655,953	19,592
Instructional Staff	476,425	530,397	15,842
General Administration	22,422	24,962	746
School Administration	380,738	423,870	12,660
Fiscal	414,101	461,013	13,770
Operations and Maintenance	809,579	901,293	26,920
Central	222,663	247,887	7,404
Extracurricular Activities	179,801	200,170	5,979
Capital Outlay	1,172,477	1,305,302	38,987
Total Expenditures	9,409,052	10,474,961	312,869
Excess of Revenues Over (Under) Expenditures	(704,398)	(383,528)	381,610
Other financing sources (uses):			
Proceeds from Sale of Assets	3,087	3,579	24
Advances In	424,943	492,642	3,356
Advances (Out)	(793,486)	(883,376)	26,385
Transfers (Out)	(115,737)	(128,848)	3,848
Total Other Financing Sources (Uses)	(481,193)	(516,003)	33,613
Net Change in Fund Balance	(1,185,591)	(899,531)	415,223
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	8,444,757	8,444,757	0
Fund Balance - End of Year	<u>\$7,259,166</u>	<u>\$7,545,226</u>	<u>\$415,223</u>

See accompanying notes to the required supplementary information.

U.S. Grant Joint Vocational School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2025

	499	Miscellaneous	
		State	
		Grants	
		Fund	
	Final Budget	Actual	Variance from Final Budget
Revenues:			
Intergovernmental	<u>1,506,667</u>	<u>1,506,667</u>	<u>0</u>
Total Revenues	<u>1,506,667</u>	<u>1,506,667</u>	<u>0</u>
Expenditures:			
Current:			
Instruction:			
Special	23,546	22,800	746
Vocational	2,253,297	2,181,882	71,415
Adult/Continuing	926,570	523,294	403,276
Support Services:			
Pupil	19,519	18,900	619
Operations and Maintenance	<u>3,771</u>	<u>3,651</u>	<u>120</u>
Total Expenditures	<u>3,226,703</u>	<u>2,750,527</u>	<u>476,176</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,720,036)</u>	<u>(1,243,860)</u>	<u>476,176</u>
Other financing sources (uses):			
Advances In	856,991	856,991	0
Advances (Out)	<u>(512,233)</u>	<u>(495,998)</u>	<u>16,235</u>
Total Other Financing Sources (Uses)	<u>344,758</u>	<u>360,993</u>	<u>16,235</u>
Net Change in Fund Balance	(1,375,278)	(882,867)	492,411
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	<u>1,008,125</u>	<u>1,008,125</u>	<u>0</u>
Fund Balance - End of Year	<u>(\$367,153)</u>	<u>\$125,258</u>	<u>\$492,411</u>

U.S. Grant Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

Note 1 – Budgetary Process

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

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

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

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a restriction, commitment, or assignment of fund balance for governmental fund types (GAAP basis).
4. As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund on a GAAP basis. This includes the Uniform School Supplies, Rotary-Special Services, and Public School Support Funds and a portion of the Adult Education Fund. These funds were excluded from the budgetary presentation for the General Fund.

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

U.S. Grant Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

	Net Change in Fund Balance	
	General	Miscellaneous
		State Grants
GAAP Basis	\$1,796,773	\$0
Revenue Accruals	(1,736,483)	(462,709)
Expenditure Accruals	1,265,329	32,765
Transfers (Out)	(125,000)	0
Advances In	495,998	856,991
Advances (Out)	(856,991)	(495,998)
Encumbrances	<u>(1,323,934)</u>	<u>(813,916)</u>
Budget Basis	<u><u>(\$484,308)</u></u>	<u><u>(\$882,867)</u></u>

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

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

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

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

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

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

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

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

Changes in Assumptions:

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

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

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

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,
- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,

**U.S. Grant Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025**

- (5) The discount rate was reduced from 7.50% to 7.00%,
- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

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

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

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

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

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

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

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

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

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

Changes in Assumptions:

2025: Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

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

**U.S. Grant Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025**

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

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

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

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

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

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

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

Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

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

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

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

Changes in Assumptions:

2025: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in

**U.S. Grant Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025**

calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	4.27%
Measurement Date	4.88%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.86%
Measurement Date	3.93%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	4.27%
Measurement Date	4.88%

(4) Health care trend rates were updated.

(5) Fiduciary Net Position projected depletion changed from 2048 to 2059.

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

(1) Discount Rate:

Prior Measurement Date	4.08%
Measurement Date	4.27%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.69%
Measurement Date	3.86%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	4.08%
Measurement Date	4.27%

(4) The assumption for percent of pre-Medicare eligible retirees who choose the Wraparound plan increased from 10% to 20%.

(5) The health care trend assumption on retiree premiums was updated to not apply trend to the \$35 surcharge.

(6) The morbidity factors were updated based on the Society of Actuaries' June 2013 research report Health Care Costs—From Birth to Death by Dale Yamamoto and from the ASOP 6 practice note developed by the American Academy of Actuaries.

(7) An assumption was added to assume that 15% of pre-65 retirees who waive will elect coverage upon Medicare eligibility.

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

(1) Discount Rate:

Prior Measurement Date	2.27%
Measurement Date	4.08%

(2) Municipal Bond Index Rate:

Prior Measurement Date	1.92%
Measurement Date	3.69%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	2.27%
Measurement Date	4.08%

(4) Health care trend rates were updated.

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

**U.S. Grant Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025**

(1) Discount Rate:

Prior Measurement Date	2.63%
Measurement Date	2.27%

(2) Investment Rate of Return:

Prior Measurement Date	7.50%
Measurement Date	7.00%

(3) Assumed Rate of Inflation:

Prior Measurement Date	3.00%
Measurement Date	2.40%

(4) Payroll Growth Assumption:

Prior Measurement Date	3.50%
Measurement Date	1.75%

(5) Assumed Real Wage Growth:

Prior Measurement Date	0.50%
Measurement Date	0.85%

(6) Municipal Bond Index Rate:

Prior Measurement Date	2.45%
Measurement Date	1.92%

(7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	2.63%
Measurement Date	2.27%

(8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.

(9) Rate of health care participation for future retirees and spouses was updated to reflect recent.

(10) Mortality among active members was updated to the following:

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

(11) Mortality among service retired members was updated to the following:

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

(12) Mortality among beneficiaries was updated to the following:

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

(13) Mortality among disabled member was updated to the following:

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

(14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

(1) Discount Rate:

Prior Measurement Date	3.22%
Measurement Date	2.63%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
Measurement Date	2.45%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

U.S. Grant Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

Prior Measurement Date	3.22%
Measurement Date	2.63%

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

(1) Discount Rate:

Prior Measurement Date	3.70%
Measurement Date	3.22%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.62%
Measurement Date	3.13%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.70%
Measurement Date	3.22%

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

(1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

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

(1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

(2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

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

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,

**U.S. Grant Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025**

- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

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

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

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

2022: The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial

U.S. Grant Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

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

Changes in Assumptions:

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

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

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

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

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

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

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

2018: The discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled

U.S. Grant Joint Vocational School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

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

U.S. Grant Joint Vocational School District
Clermont County
718 West Plane Street
Bethel, Ohio 45106

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of U.S. Grant Joint Vocational School District, Clermont 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 and have issued our report thereon dated December 23, 2025, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

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

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

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

U.S. Grant Joint Vocational School District
Clermont County
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

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.

BHM CPA Group

BHM CPA Group Inc.
Portsmouth, Ohio
December 23, 2025

OHIO AUDITOR OF STATE KEITH FABER



U.S. GRANT JOINT VOCATIONAL SCHOOL DISTRICT

CLERMONT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/19/2026

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