



OHIO AUDITOR OF STATE  
**KEITH FABER**





**GALLIA-VINTON EDUCATIONAL SERVICE CENTER  
GALLIA COUNTY  
JUNE 30, 2024**

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GALLIA COUNTY  
JUNE 30, 2024**

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

## INDEPENDENT AUDITOR'S REPORT

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

To the Governing Body:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gallia-Vinton Educational Service Center, Gallia County, Ohio (the Center), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gallia-Vinton Educational Service Center, Gallia County, Ohio, as of June 30, 2024, and the respective changes in financial position thereof and the for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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

***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Budget Basis) – General Fund and Family Engagement Liaison Fund and the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

February 19, 2025

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## **Gallia-Vinton Educational Service Center**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2024*

*Unaudited*

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### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Gallia-Vinton Educational Service Center's (the Center) discussion and analysis of the annual financial report provides a review of the financial performance for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the Center's financial performance.

### **FINANCIAL HIGHLIGHTS**

- The Center's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2024 by \$87,820.
- The Center's net position of governmental activities increased \$1,328,985.
- General revenues accounted for \$1,962,459 or 16 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$10,536,106 or 84 percent of total revenues of \$12,498,565.
- The Center had \$11,169,580, in expenses related to governmental activities; \$10,536,106 of these expenses were offset by program specific charges for services and operating grants and contributions.

### **USING THIS ANNUAL FINANCIAL REPORT**

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

The Statement of Net Position and Statement of Activities provide information about the activities of the Center as a whole and present a longer-term view of the Center's finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as the amount of funds available for future spending. The fund financial statements also look at the Center's most significant funds with all other non-major funds presented in total in one column.

### **REPORTING THE CENTER AS A WHOLE**

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

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

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

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

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

## **Gallia-Vinton Educational Service Center**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2024*

*Unaudited*

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### **REPORTING THE CENTER'S MOST SIGNIFICANT FUNDS**

#### **Fund Financial Statements**

The analysis of the Center's funds begins on page 8. Fund financial statements provide detailed information about the Center's major fund – not the Center as a whole. Some funds are required by State law and bond covenants. Other funds may be established by the Treasurer with approval from the Board to help control, manage and report money received for a particular purpose or to show that the Center is meeting legal responsibilities for use of grants. The Gallia-Vinton Educational Service Center's major funds are the General Fund and the Family Engagement Liaison Special Revenue Fund.

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

#### **THE CENTER AS A WHOLE**

As stated previously, the Statement of Net Position provides the perspective of the Center as a whole. Table 1 provides a summary of the Center's net position for 2024 compared to 2023.

**Gallia-Vinton Educational Service Center**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2024*

*Unaudited*

Table 1  
Net Position  
Governmental Activities

	<u>2024</u>	<u>2023</u>
<b>Assets:</b>		
Current and Other Assets	\$ 5,190,243	\$ 3,805,893
Capital Assets, Net	22,151	31,071
Net OPEB Asset	<u>475,268</u>	<u>567,242</u>
<b>Total Assets</b>	<u>5,687,662</u>	<u>4,404,206</u>
<b>Deferred Outflows of Resources:</b>		
Pensions and OPEB	<u>2,738,161</u>	<u>2,735,681</u>
<b>Total Deferred Outflows of Resources</b>	<u>2,738,161</u>	<u>2,735,681</u>
<b>Liabilities:</b>		
Current and Other Liabilities	537,742	189,055
<b>Long-Term Liabilities:</b>		
Due Within One Year	13,558	6,514
Due in More than One Year:		
Net Pension Liabilities	6,275,348	5,840,844
Net OPEB Liabilities	310,036	257,310
Other Amounts	<u>30,499</u>	<u>27,711</u>
<b>Total Liabilities</b>	<u>7,167,183</u>	<u>6,321,434</u>
<b>Deferred Inflows of Resources</b>		
Pensions and OPEB	<u>1,346,460</u>	<u>2,235,258</u>
<b>Total Deferred Inflows of Resources</b>	<u>1,346,460</u>	<u>2,235,258</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	22,151	31,071
Restricted	65,252	-
Unrestricted	<u>(175,223)</u>	<u>(1,447,876)</u>
<b>Total Net Position</b>	<u>\$ (87,820)</u>	<u>\$ (1,416,805)</u>

The net pension liability (NPL) is the largest single liability reported by the Center at June 30, 2024 and is reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” The net OPEB liability is another significant liability reported by the Center at June 30, 2024 and is reported pursuant to GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.” For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the Center’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability (asset) to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

**Gallia-Vinton Educational Service Center**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2024*

*Unaudited*

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GASB 68 and GASB 75 require the net pension liability and the net OPEB liability (asset) to equal the Center's proportionate share of each plan's collective:

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

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

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

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

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

Total net position of the Center as a whole increased \$1,328,985. The increase to current and other assets is primarily due to an increase to intergovernmental receivables and cash. Capital assets net decreased primarily due to current year depreciation. Deferred outflows of resources slightly increased due to pension and OPEB activity.

Current and other liabilities increased primarily due to an increase in accounts payable and intergovernmental payables. Long-term liabilities overall increased primarily due to pension liabilities.

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

**Gallia-Vinton Educational Service Center**

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2024*

*Unaudited*

Table 2 shows the changes in net position for the fiscal year ended June 30, 2024, as compared with 2023.

Table 2  
Changes in Net Position  
Governmental Activities

	<u>2024</u>	<u>2023</u>
<b>Revenues</b>		
Program Revenues:		
Charges for Services	\$ 8,353,191	\$ 4,860,000
Operating Grants and Contributions	<u>2,182,915</u>	<u>1,416,859</u>
Total Program Revenues	<u>10,536,106</u>	<u>6,276,859</u>
General Revenues:		
Grants and Entitlements, Not Restricted to Specific Programs	1,891,390	2,334,549
Gifts and Donations, Not Restricted to Specific Programs		
Investment Earnings	49,088	12,975
Miscellaneous	<u>21,981</u>	<u>27,502</u>
Total General Revenues	<u>1,962,459</u>	<u>2,375,026</u>
Total Revenues	<u>12,498,565</u>	<u>8,651,885</u>
<b>Program Expenses</b>		
Instruction		
Regular	2,428,012	1,905,512
Support Services		
Pupil	431,206	470,673
Instructional Staff	4,454,723	3,296,738
Board of Education	31,146	49,174
Administration	1,708,563	1,458,721
Fiscal	432,316	236,935
Operation and Maintenance of Plant	39,240	45,975
Pupil Transportation	912,597	655,798
Central	596,519	311,703
Operation of Non-Instructional Services	<u>135,258</u>	<u>91,653</u>
Total Expenses	<u>11,169,580</u>	<u>8,522,882</u>
Increase (Decrease) in Net Position	<u>1,328,985</u>	<u>129,003</u>
Net Position at Beginning of Year	<u>(1,416,805)</u>	<u>(1,545,808)</u>
Net Position at End of Year	<u><u>\$ (87,820)</u></u>	<u><u>\$ (1,416,805)</u></u>

**Gallia-Vinton Educational Service Center***Management's Discussion and Analysis**For the Fiscal Year Ended June 30, 2024**Unaudited***Governmental Activities**

Charges for services comprised 67 percent of revenue, while operating grants and contributions comprised 17 percent of revenue for governmental activities of the Gallia-Vinton Educational Service Center for fiscal year 2024. The increase in charges for services was primarily a result of increased revenue for services provided to local school districts. Operating grants and contributions increased primarily to the ESC receiving more monies for the Family Engagement Liaison program. The decrease to grants and entitlements, not restricted to specific programs is due to decreased monies received.

As indicated by governmental program expenses support services for the benefit of the instructional staff and administration is emphasized. Instructional staff support services and administration support services comprised 40 percent and 15 percent of governmental program expenses, respectively. Regular instruction, instructional staff, and pupil transportation increased due to additional services being provided to school districts.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services for 2024 as compared with 2023. That is, it identifies the cost of these services supported by unrestricted State entitlements.

**Table 3**  
**Total and Net Cost of Program Services**  
**Governmental Activities**

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<b>Services:</b>				
Instruction	\$ 2,428,012	\$ 196,242	\$ 1,905,512	\$ 482,097
Support Services	8,606,310	475,038	6,525,717	1,720,873
Operation of Non-Instructional	135,258	(37,806)	91,653	43,053
<b>Total Expenses</b>	<b>\$ 11,169,580</b>	<b>\$ 633,474</b>	<b>\$ 8,522,882</b>	<b>\$ 2,246,023</b>

**THE CENTER'S FUNDS**

Governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$12,539,759 and expenditures of \$11,462,902.

The fund balance of the General Fund increased in the amount of \$965,744. This increase was due to an increase in Customer Sales and Services.

The fund balance of the Family Engagement Liaison Fund increased in the amount of \$62,753 as revenues exceeded expenditures during the year.

**Gallia-Vinton Educational Service Center**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2024*  
*Unaudited*

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## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of fiscal year 2024, the Center had \$22,151 invested in its capital assets. Table 4 shows the fiscal year 2024 balances compared to 2023.

Table 4  
Capital Assets  
(Net of Accumulated Depreciation)

#### Governmental Activities

	2024	2023
Furniture and Equipment	\$ 22,151	\$ 31,071
<b>Totals</b>	<b>\$ 22,151</b>	<b>\$ 31,071</b>

Changes in capital assets from the prior year resulted from depreciation. See Note 4 to the basic financial statements for more detailed information related to capital assets.

### **Debt**

At June 30, 2024, the Center did not have any outstanding debt obligations. See Note 9 to the basic financial statements for more detailed information related to other long-term obligations.

## **ECONOMIC FACTORS**

The Center relies heavily on grants for its funding. It received the 21<sup>st</sup> Century Grant, Strategies-Students with Disabilities, Family Engagement Liaison, GEER, Summer Advantage/TANF Grant, and the OTES 2.0 Grant in fiscal year 2024. The Center is continually applying for new grants.

## **CONTACTING THE CENTER'S FINANCIAL MANAGEMENT**

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

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**Gallia-Vinton Educational Service Center**

*Statement of Net Position*

*June 30, 2024*

	Governmental Activities
<b>ASSETS:</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 3,695,728
Intergovernmental Receivable	1,493,645
Prepaid Items	870
Noncurrent Assets:	
Depreciable Capital Assets, net	22,151
Net OPEB Asset	<u>475,268</u>
<i>Total Assets</i>	<u>5,687,662</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Pensions:	
State Teachers Retirement System	2,127,183
School Employees Retirement System	270,966
OPEB:	
State Teachers Retirement System	89,454
School Employees Retirement System	<u>250,558</u>
<i>Total Deferred Outflows of Resources</i>	<u>2,738,161</u>
<b>LIABILITIES:</b>	
Current Liabilities:	
Accounts Payable	262,177
Accrued Wages and Benefits	57,279
Intergovernmental Payable	218,286
Noncurrent Liabilities:	
Long-Term Liabilities:	
Due Within One Year	13,558
Due in More Than One Year	
Net Pension Liability (see Note 6)	6,275,348
Net OPEB Liability (see Note 7)	310,036
Other Amounts Due in More Than One Year	<u>30,499</u>
<i>Total Liabilities</i>	<u>7,167,183</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions:	
State Teachers Retirement System	439,683
School Employees Retirement System	14,236
OPEB:	
State Teachers Retirement System	401,676
School Employees Retirement System	<u>490,865</u>
<i>Total Deferred Inflows of Resources</i>	<u>1,346,460</u>
<b>NET POSITION:</b>	
Net Investment in Capital Assets	22,151
Restricted for Other Purposes	65,252
Unrestricted	<u>(175,223)</u>
<i>Total Net Position</i>	<u>\$ (87,820)</u>

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

**Gallia-Vinton Educational Service Center**

*Statement of Activities*

*For the Fiscal Year Ended June 30, 2024*

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	
<b>Governmental Activities</b>					
Instruction:					
Regular	\$ 2,428,012	\$ 1,837,702	\$ 394,068	\$ (196,242)	
Support Services:					
Pupil	431,206	417,660	-	(13,546)	
Instructional Staff	4,454,723	3,090,679	1,205,121	(158,923)	
Board of Education	31,146	-	-	(31,146)	
Administration	1,708,563	1,336,511	248,419	(123,633)	
Fiscal	432,316	334,128	59,678	(38,510)	
Operation and Maintenance of Plant	39,240	-	-	(39,240)	
Pupil Transportation	912,597	751,787	115,571	(45,239)	
Central	596,519	417,660	154,058	(24,801)	
Operation of Non-Instructional Services	135,258	167,064	6,000	37,806	
<i>Totals</i>	<u>\$ 11,169,580</u>	<u>\$ 8,353,191</u>	<u>\$ 2,182,915</u>		<u>(633,474)</u>
<b>General Revenues</b>					
Grants and Entitlements not Restricted to Specific Programs				1,891,390	
Investment Earnings				49,088	
Miscellaneous				21,981	
<i>Total General Revenues</i>				<u>1,962,459</u>	
<i>Change in Net Position</i>				<u>1,328,985</u>	
<i>Net Position Beginning of Year</i>				<u>(1,416,805)</u>	
<i>Net Position End of Year</i>				<u>\$ (87,820)</u>	

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

**Gallia-Vinton Educational Service Center**

*Balance Sheet*  
*Governmental Funds*  
*June 30, 2024*

	General Fund	Family Engagement Liaison	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 3,648,181	\$ -	\$ 47,547	\$ 3,695,728
Interfund Receivable	526,698	-	-	526,698
Intergovernmental Receivable	938,027	474,003	81,615	1,493,645
Prepaid Items	870	-	-	870
<i>Total Assets</i>	<b><u>\$ 5,113,776</u></b>	<b><u>\$ 474,003</u></b>	<b><u>\$ 129,162</u></b>	<b><u>\$ 5,716,941</u></b>
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts Payable	\$ 262,177	\$ -	\$ -	\$ 262,177
Accrued Wages and Benefits	52,860	1,442	2,977	57,279
Interfund Payable	-	445,079	81,619	526,698
Intergovernmental Payable	206,839	9,777	1,670	218,286
<i>Total Liabilities</i>	<b><u>521,876</u></b>	<b><u>456,298</u></b>	<b><u>86,266</u></b>	<b><u>1,064,440</u></b>
<b>FUND BALANCES:</b>				
Nonspendable	870	-	-	870
Restricted	-	17,705	47,547	65,252
Assigned	307,999	-	-	307,999
Unassigned	4,283,031	-	(4,651)	4,278,380
<i>Total Fund Balances</i>	<b><u>4,591,900</u></b>	<b><u>17,705</u></b>	<b><u>42,896</u></b>	<b><u>4,652,501</u></b>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<b><u>\$ 5,113,776</u></b>	<b><u>\$ 474,003</u></b>	<b><u>\$ 129,162</u></b>	<b><u>\$ 5,716,941</u></b>

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

**Gallia-Vinton Educational Service Center**  
*Reconciliation of Total Governmental Fund Balances to*  
*Net Position of Governmental Activities*  
*June 30, 2024*

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**Total Governmental Fund Balances** \$ 4,652,501

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. 22,151

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

Deferred outflows of resources related to pensions and OPEB	2,738,161
Deferred inflows of resources related to pensions OPEB	(1,346,460)
Net pension liability	(6,275,348)
Net OPEB asset	475,268
Net OPEB liability	<u>(310,036)</u>
Total	(4,718,415)

Long-term liabilities, including the long-term portion of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences	<u>(44,057)</u>
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**Net Position of Governmental Activities** \$ (87,820)

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

**Gallia-Vinton Educational Service Center**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2024*

	General Fund	Family Engagement Liaison	Governor's Emergency Education Relief	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Intergovernmental Interest	\$ 1,891,390 49,088	\$ 1,424,999 -	\$ - -	\$ 799,110 -	\$ 4,115,499 49,088
Tuition and Fees	799,564	-	-	-	799,564
Customer Sales and Services	7,553,627	-	-	-	7,553,627
Miscellaneous	21,981	-	-	-	21,981
<i>Total Revenues</i>	<i>10,315,650</i>	<i>1,424,999</i>	<i>-</i>	<i>799,110</i>	<i>12,539,759</i>
<b>EXPENDITURES:</b>					
Current:					
Instruction:					
Regular	2,074,428	246,371	-	142,033	2,462,832
Support Services:					
Pupil	441,945	-	-	-	441,945
Instructional Staff	3,424,221	786,355	-	359,663	4,570,239
Board of Education	32,433	-	-	-	32,433
Administration	1,473,864	135,515	-	108,028	1,717,407
Fiscal	400,439	43,045	-	18,250	461,734
Operation and Maintenance of Plant	39,240	-	-	-	39,240
Pupil Transportation	861,053	59,545	-	58,477	979,075
Central	452,109	89,051	-	57,555	598,715
Operation of Non-Instructional Services	150,174	2,364	-	6,744	159,282
<i>Total Expenditures</i>	<i>9,349,906</i>	<i>1,362,246</i>	<i>-</i>	<i>750,750</i>	<i>11,462,902</i>
<i>Net Changes in Fund Balances</i>	<i>965,744</i>	<i>62,753</i>	<i>-</i>	<i>48,360</i>	<i>1,076,857</i>
<i>Fund Balance at 6/30/2023 (as previously presented)</i>	<i>3,626,156</i>	<i>(45,048)</i>	<i>(5,464)</i>	<i>-</i>	<i>3,575,644</i>
Change within financial reporting entity (due to major fund reclass)	-	-	5,464	(5,464)	-
<i>Fund Balance at 6/30/2023 (as adjusted)</i>	<i>3,626,156</i>	<i>(45,048)</i>	<i>-</i>	<i>(5,464)</i>	<i>3,575,644</i>
<i>Fund Balances at End of Year</i>	<i><u>\$ 4,591,900</u></i>	<i><u>\$ 17,705</u></i>	<i><u>\$ -</u></i>	<i><u>\$ 42,896</u></i>	<i><u>\$ 4,652,501</u></i>

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

**Gallia-Vinton Educational Service Center**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
 in Fund Balances of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2024*

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 1,076,857
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital asset additions in the current period.	
Current year depreciation	(8,920)
Total	(8,920)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Intergovernmental	(41,194)
Total	(41,194)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	
	681,658
Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liability (asset) are reported as pension/OPEB expense (gain) in the statement of activities.	
	(369,584)
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.	
Increase in Compensated Absences	(9,832)
<b>Net Change in Net Position of Governmental Activities</b>	<b>\$ 1,328,985</b>

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

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

**NOTE 1 - DESCRIPTION OF THE ENTITY**

***Description of the Educational Service Center:***

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

***Reporting Entity:***

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

Component units are legally separate organizations for which the Center is financially accountable. The Center is financially accountable for an organization if the Center appoints a voting majority of the organization's governing board and (1) the Center is able to significantly influence the programs or services performed or provided by the organization; or (2) the Center is legally entitled to or can otherwise access the organization's resources; the Center is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Center is obligated for the debt of the organization. Component units may also include organizations for which the Center approves the budget, the issuance of debt or levying of taxes. As of June 30, 2024, the Center had no component units.

The following jointly governed organizations, which perform activities within the Center's boundaries for the benefit of its residents, are excluded from the accompanying financial statements because the Center is not financially accountable for these entities nor are they fiscally dependent on the Center.

Metropolitan Educational Technology Association (META) Solutions  
Gallia-Jackson-Vinton Joint Vocational School District  
Ohio Coalition of Equity and Adequacy of School Funding

The Center also participates in one public entity risk pool and one insurance purchasing pool:

Ohio School Boards Association Workers' Compensation Group Rating Program  
Schools of Ohio Risk Sharing Authority (SORSA)

These jointly governed organizations and the public entity risk pool are presented in Note 10 to the basic financial statements.

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

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

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Center's accounting policies are described below.

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

***A. Fund Accounting***

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

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

***Governmental Funds:***

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

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

***Family Engagement Liaison Fund*** – The Family Engagement Liaison Fund is a special revenue fund and provides resources to meet the needs of vulnerable youth.

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

***B. Basis of Presentation***

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

***Government-wide Financial Statements:***

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

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

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

***Fund Financial Statements:***

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

***C. Measurement Focus and Basis of Accounting:***

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

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

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

**Revenues – Exchange and Non-exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Center, available means expected to be received within 60 days of year-end.

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

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

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

**Deferred Outflows and Deferred Inflows of Resources** - Deferred outflows of resources represent a consumption of net position and other postemployment benefit that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The Center reports a deferred outflow of resources for pensions and other postemployment benefits. The deferred outflows of resources related to the pensions and other postemployment benefits are explained in Note 6 and Note 7. The Center also reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenues) until that time. For the Center these amounts normally would consist of intergovernmental receivables which are not collected in the available period, pensions, and other postemployment benefits. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is due to pensions and other postemployment benefits. Deferred inflows of resources related to pensions and other postemployment benefits are reported on the Statement of Net Position. (See Note 6 and Note 7)

**Expenses/Expenditures** - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The focus of modified accrual basis accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the costs of accumulated unpaid vacation, personal leave and sick leave. They are reported as fund liabilities as payments come due each period upon the occurrence of employee resignations and retirements. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

***D. Cash and Cash Equivalents***

Cash received by the Center is deposited into one bank account with individual fund balance integrity maintained. Balances of all funds are maintained in this account. All investment earnings accrue to the General Fund except those specifically related to those funds deemed appropriate according to Board policy. Each fund's interest of the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. Interest earned amounted to \$49,088 which was recorded in the General Fund.

During fiscal year 2024 the School District's investments were limited to the State Treasury Assets Reserve of Ohio (STAROhio). 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 deposit 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 School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2024, 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 \$25 million or more. STAR Ohio reserves the right to limit the transaction to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

***E. Capital Assets and Depreciation***

All capital assets of the Center are general capital assets that are associated with governmental activities. General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The Center maintains a capitalization threshold of \$1,000. The Center does not possess any infrastructure.

Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Life</u>
Furniture and Equipment	5-10 years

***F. Compensated Absences***

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the Center will compensate its employees for the benefits through paid time off or some other means. The Center records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive severance benefits and the employees the Center has identified as probable of receiving payment in the future. The Center records an accrual for sick leave for all employees with six years or more of service. The accrual amount is based upon accumulated sick leave and employees' wage rates at year-end, taking into consideration any limits specified in the Center's severance policy.

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

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

***G. 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, once incurred, that are paid in full and in a timely manner from current financial resources, are reported as obligations of the funds. However, special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year.

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

***H. Net Position***

Net position represents the difference between assets, liabilities and deferred inflows/outflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings and the effect of deferred outflows and inflows related to the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions, or enabling legislation adopted or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Other purposes restricted net position includes various grants and other resources restricted for various purposes. The Center's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Of the Center's restricted net position, none are restricted by enabling legislation.

***I. Fund Balance***

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

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

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

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

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

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

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

***J. Estimates***

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

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

***K. Interfund Activity***

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

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

For purposes of measuring the net pension/OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to pension/OPEB expense, information about the fiduciary net position of the pension 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.

***M. Prepaid Items***

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

**NOTE 3 - DEPOSITS AND INVESTMENTS**

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

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

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

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

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

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

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

**NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

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.

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

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

***Deposits:***

Custodial credit risk is the risk that in the event of bank failure, the Center will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$2,431,247 of the Center's bank balance of \$2,681,247 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the Center to a successful claim by the Federal Deposit Insurance Corporation.

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

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

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

***Investments*** As of June 30, 2024, the Center had the following investments and maturities:

	Market Value	Weighted Average	
		Maturity (Yrs.)	
STAROhio	\$ 1,538,499	< 1 yr	

**Gallia-Vinton Educational Service Center***Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024***NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)**

The Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the Center's recurring fair value measurements as of June 30, 2024. As discussed further in Note 2D, STAR Ohio is reported at its share price.

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

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

**NOTE 4 - CAPITAL ASSETS**

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

	<u>Ending</u> <u>Balance</u> <u>6/30/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u> <u>6/30/2024</u>
<b>Governmental Activities</b>				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 52,112	\$ -	\$ -	\$ 52,112
Total Capital Assets Being Depreciated	<u>52,112</u>	<u>-</u>	<u>-</u>	<u>52,112</u>
Less Accumulated Depreciation:				
Furniture and Equipment	(21,041)	(8,920)	-	\$ (29,961)
Total Accumulated Depreciation	<u>(21,041)</u>	<u>(8,920)</u>	<u>-</u>	<u>(29,961)</u>
Total Capital Assets Being Depreciated, Net	<u>31,071</u>	<u>(8,920)</u>	<u>-</u>	<u>22,151</u>
Governmental Activities Capital Assets, Net	<u>\$ 31,071</u>	<u>\$ (8,920)</u>	<u>\$ -</u>	<u>\$ 22,151</u>

Depreciation expense was charged to governmental functions as follows:

Depreciation	
Support Services:	
Pupils	\$ 1,250
Instructional Staff	936
Administration	984
Fiscal	<u>5,750</u>
Total Depreciation Expense	<u>\$ 8,920</u>

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

**NOTE 5 - RISK MANAGEMENT**

***A. Property and Liability***

The Center is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2024, the Center contracted with The Western Reserve Group for property insurance coverage. The policies include a \$500 deductible.

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

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

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

***B. Workers Compensation***

For the fiscal year 2024, the Center participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), a public entity risk pool (Note 10). The intent of the GRP is to achieve the benefit of a reduced premium for the Center by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall saving percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of CompManagement provides administrative, cost control and actuarial services to the GRP.

***C. Employee Medical Benefits***

The Center provides health, major medical and prescription drug for all eligible employees through Medical Mutual Insurance Company. The Center provides dental insurance for all eligible employees through Oasis Dental Trust Insurance Company. The Center pays monthly premiums of \$1,087.08 for individual coverage and \$2,718.45 for family coverage. Premiums are paid from the same funds that pay the employees' salaries. Employees who choose family coverage must pay any amount exceeding an annual cap.

The Center provides life insurance and accidental death and dismemberment insurance to some employees through Anthem in the amount of \$30,000 for classified employees, \$30,000 for certified employees, and twice the salary amount for each administrator with a maximum coverage of \$181,000.

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

**NOTE 6 - DEFINED BENEFIT PENSION PLANS**

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

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

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

The remainder of this note includes the required pension disclosures. See Note 7 for the required OPEB disclosures.

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

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

**Gallia-Vinton Educational Service Center***Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024***NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)**

Age and service requirements for retirement are as follows:

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

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

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

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

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

The Center’s contractually required contribution to SERS was \$126,790 for fiscal year 2024. Of this amount \$1,244 is reported as an intergovernmental payable.

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

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

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

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

**NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

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

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

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

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

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

**Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.**

The Center's contractually required contribution to STRS Ohio was \$539,406 for fiscal year 2024. Of this amount \$189,818 is reported as an intergovernmental payable.

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

**NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)**

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

The net pension liability disclosed as current year below was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Center's proportion of the net pension liability was based on the Center's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
Proportionate Share of the Net Pension Liability - Current Year	0.0183300%	0.024437130%	
Proportionate Share of the Net Pension Liability - Prior Year	<u>0.0179508%</u>	<u>0.021906870%</u>	
Change in Proportionate Share	<u>0.0003792%</u>	<u>0.002530260%</u>	
Proportion of the Net Pension Liability	\$1,012,827	\$5,262,521	\$6,275,348
Pension Expense (Gain)	(\$42,034)	\$507,953	\$465,919

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

<b>Deferred Outflows of Resources</b>	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
Differences between expected and actual economic experience	\$43,533	\$191,860	\$235,393
Difference from a change in proportion and differences between Center contributions and proportionate share of contributions	93,468	962,520	1,055,988
Changes of assumptions	7,175	433,397	440,572
Differences between projected and actual investment earnings	-	-	-
Center contributions subsequent to the measurement date	<u>126,790</u>	<u>539,406</u>	<u>666,196</u>
Total	<u><u>\$270,966</u></u>	<u><u>\$2,127,183</u></u>	<u><u>\$2,398,149</u></u>

<b>Deferred Inflows of Resources</b>	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
Differences between expected and actual economic experience	-	\$11,678	\$11,678
Differences between projected and actual investment earnings	14,236	15,772	30,008
Changes of assumptions	-	326,223	326,223
Difference from a change in proportion and differences between Center's contributions and proportionate share of contributions	0	86,010	86,010
Total	<u><u>\$14,236</u></u>	<u><u>\$439,683</u></u>	<u><u>\$453,919</u></u>

\$666,196 reported as deferred outflows of resources related to pension resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025.

**Gallia-Vinton Educational Service Center***Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024***NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)*****Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)***

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

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$92,123	\$238,817	\$330,940
2026	(32,500)	134,292	101,792
2027	69,563	640,461	710,024
2028	754	89,524	90,278
Total	<u><u>\$129,940</u></u>	<u><u>\$1,103,094</u></u>	<u><u>\$1,233,034</u></u>

***Actuarial Assumptions - SERS***

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

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

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

**NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)*****Actuarial Assumptions – SERS (continued)***

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023, compared with June 30, 2022, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for both 2023 and 2022 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

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

**Gallia-Vinton Educational Service Center***Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024***NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)*****Actuarial Assumptions – SERS (continued)***

**Discount Rate** The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

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

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability	\$1,494,881	\$1,012,827	\$606,788

**Changes in Benefit Terms and Assumptions since the prior measurement date** There were no changes in benefit terms. The cost-of-living adjustments was increased from 2.00% to 2.50% for calendar year 2024.

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to those used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50 percent	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on age	From 2.5 percent to 12.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.00 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017

For 2023 and 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

**Gallia-Vinton Educational Service Center***Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024***NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)*****Actuarial Assumptions – STRS (Continued)***

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

STRS Ohio's 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%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00%</u>	

\* Final target weights reflected at October 1, 2022.

\*\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Center's proportionate share of the net pension liability	\$8,092,592	\$5,262,521	\$2,869,055

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

**NOTE 6 - DEFINED BENEFIT PENSION PLANS (Continued)**

***Actuarial Assumptions – STRS (Continued)***

***Assumptions and Benefit Changes Since the Prior Measurement Date*** The discount rate remained at 7.00% for the June 30, 2023 valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

**NOTE 7 – DEFINED BENEFIT OPEB PLANS**

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

***School Employees Retirement System - SERS***

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the Center's surcharge obligation was \$15,462. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund.

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

**NOTE 7 – DEFINED BENEFIT OPEB PLANS (Continued)*****School Employees Retirement System – SERS (continued)***

The Center's contractually required contribution to SERS was \$15,462 for fiscal year 2024. Of this amount, \$15,462 is reported as an intergovernmental payable.

***State Teachers Retirement System of Ohio - STRS***

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

***Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset)***

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB (Asset) Liability - Current Year	0.0188192%	0.024437130%	
Proportionate Share of the Net OPEB (Asset) Liability - Prior Year	0.0183268%	0.021906870%	
Change in Proportionate Share	<u>0.0004924%</u>	<u>0.002530260%</u>	
Proportion of the Net OPEB Liability	\$310,036	\$0	\$310,036
Proportion of the Net OPEB (Asset)	\$0	(\$475,268)	(\$475,268)
OPEB Expense (Gain)	(\$42,623)	(\$53,712)	(\$96,335)

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

**NOTE 7 – DEFINED BENEFIT OPEB PLANS (Continued)**

***Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset) (continued)***

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

<b>Deferred Outflows of Resources</b>	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
Differences between expected and actual economic experience	\$646	\$741	\$1,387
Difference from a change in proportion and differences between Center contributions and proportionate share of contributions	127,215	17,850	145,065
Changes of assumptions	104,832	70,014	174,846
Differences between projected and actual investment earnings	2,403	849	3,252
Center contributions subsequent to the measurement date	15,462	-	15,462
<b>Total</b>	<b>\$250,558</b>	<b>\$89,454</b>	<b">\$340,012</b">

<b>Deferred Inflows of Resources</b>	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
Differences between expected and actual economic experience	\$159,897	\$72,490	\$232,387
Changes of assumptions	88,054	313,575	401,629
Difference from a change in proportion and differences between Center contributions and proportionate share of contributions	242,914	15,611	258,525
<b>Total</b>	<b>\$490,865</b>	<b>\$401,676</b>	<b>\$892,541</b>

\$15,462 reported as deferred outflows of resources related to OPEB resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
Fiscal Year Ending June 30:			
2025	(\$73,168)	(\$130,845)	(\$204,013)
2026	(78,836)	(59,305)	(138,141)
2027	(76,634)	(26,689)	(103,323)
2028	(40,940)	(35,437)	(76,377)
2029	847	(32,649)	(31,802)
Thereafter	12,962	(27,297)	(14,335)
<b>Total</b>	<b>(\$255,769)</b>	<b>(\$312,222)</b>	<b>(\$567,991)</b>

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

**NOTE 7 – DEFINED BENEFIT OPEB PLANS (Continued)*****Actuarial Assumptions - SERS***

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023 compared with June 30, 2022 are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.40 percent	2.40 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2048	2044
Municipal Bond Index Rate:		
Measurement Date	3.86 percent	3.69 percent
Prior Measurement Date	3.69 percent	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation		
Measurement Date	4.27 percent	4.08 percent
Prior Measurement Date	4.08 percent	2.27 percent
Health Care Cost Trend Rate		
Medicare	5.125 to 4.40 percent	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent	6.75 to 4.40 percent
Medical Trend Assumption	7.00 to 4.40 percent	7.00 to 4.40 percent

**Gallia-Vinton Educational Service Center***Notes to the Basic Financial Statements**For the Fiscal Year Ended June 30, 2024***NOTE 7 – DEFINED BENEFIT OPEB PLANS (Continued)*****Actuarial Assumptions – SERS (continued)***

The following information in this paragraph is applicable to both 2023 and 2022. 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 in 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 capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

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

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

**NOTE 7 – DEFINED BENEFIT OPEB PLANS (Continued)*****Actuarial Assumptions – SERS (continued)***

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2023 was 4.27 percent. The discount rate used to measure total OPEB liability at June 30, 2022 was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

***Sensitivity of the Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
Center's proportionate share of the net OPEB liability	\$396,315	\$310,036	\$242,002
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
Center's proportionate share of the net OPEB liability	\$227,773	\$310,036	\$419,046

***Assumption and Benefit Term Changes Since the Prior Measurement Date*** The discount rate was changed from 4.08% to 4.27%. Healthcare trends were updated to reflect emerging claims and recoveries experience. 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.

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

**NOTE 7 – DEFINED BENEFIT OPEB PLANS (Continued)****Actuarial Assumptions – STRS**

Key methods and assumptions used in the June 30, 2023, actuarial valuation and the June 30, 2022 actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

For 2023 and 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

**NOTE 7 – DEFINED BENEFIT OPEB PLANS (Continued)**

***Actuarial Assumptions – STRS (Continued)***

Investment Return Assumptions —STRS Ohio's 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%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00%</u>	

\* Final target weights reflected at October 1, 2022.

\*\* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023 and was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

***Sensitivity of the Center's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate*** The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

**NOTE 7 – DEFINED BENEFIT OPEB PLANS (Continued)**

*Actuarial Assumptions – STRS (Continued)*

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Center's proportionate share of the net OPEB (asset) liability	(\$402,253)	(\$475,268)	(\$538,858)
	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
Center's proportionate share of the net OPEB (asset) liability	(\$541,808)	(\$475,268)	(\$395,122)

***Assumption and Benefit Term Changes Since the Prior Measurement Date*** The discount rate remained unchanged at 7.00% for the June 30, 2023 valuation. Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

**NOTE 8 - OTHER EMPLOYEE BENEFITS**

*Compensated Absences*

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

**NOTE 9 - LONG-TERM OBLIGATIONS**

Changes in long-term obligations of the Center during fiscal year 2024 were as follows:

	Balance Outstanding At June 30, 2023	Additions	Deletions	Balance Outstanding At June 30, 2024	Amount Due in One Year
<b>Net Pension Liability:</b>					
STRS	\$ 4,869,925	\$ 392,596	\$ -	\$ 5,262,521	\$ -
SERS	970,919	41,908	-	1,012,827	-
<b>Total Net Pension Liability</b>	<b>5,840,844</b>	<b>434,504</b>	<b">-</b">	<b>6,275,348</b>	<b">-</b">
<b>OPEB Liability:</b>					
STRS	-	-	-	-	*
SERS	257,310	52,726	-	310,036	-
<b>Total OPEB Liability</b>	<b>257,310</b>	<b>52,726</b>	<b">-</b">	<b>310,036</b>	<b">-</b">
Compensated Absences	34,225	170,301	160,469	44,057	13,558
<b>Total Long-Term Liabilities</b>	<b>\$ 6,132,379</b>	<b>\$ 657,531</b>	<b>\$ 160,469</b>	<b>\$ 6,629,441</b>	<b>\$ 13,558</b>

\* OPEB for STRS has a Net OPEB asset in the amount of \$475,268 as of June 30, 2024.

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

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

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

**NOTE 10 - JOINTLY GOVERNED ORGANIZATIONS & PUBLIC ENTITY RISK POOL**

***A. Jointly Governed Organizations***

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

The governing board of META consists of a president, vice president and six board members who represent the members of META. The board works with META's Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Council including budgeting, appropriating, contracting and designating management. Each member's degree of control is limited to its representation on the Board. The Center paid META \$8,085 for services provided during the fiscal year. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

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

***Ohio Coalition of Equity and Adequacy of School Funding*** – The Ohio Coalition of Equity and Adequacy of School Funding is organized as a council of governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition was organized in 1990 to challenge the constitutionality of the Ohio school funding system. The Coalition is governed by a Steering Committee of 90 school district representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The membership of the coalition includes over 500 school districts throughout the State of Ohio. The Committee exercises total control over budgeting, appropriating, contracting, and the designation of management. Member school districts and joint vocational schools pay dues of \$.05 per pupil. School districts and joint vocational schools may also pay supplemental dues in the amount of \$.50 per pupil for K-12 districts and educational service center pay dues of \$.05 per pupil. The Coalition is not dependent on the continued participation of the Center and the Center does not maintain an equity interest or financial responsibility for the Coalition. During fiscal year 2024, the Center paid \$489 to the Coalition. To obtain financial information write to Ohio Coalition of Equity and Adequacy of School Funding at 100 South Third Street, Columbus, Ohio 43215.

***B. Public Entity Risk Pool and Insurance Purchasing Pool***

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

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

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

**NOTE 11 - CONTINGENCIES*****Grants:***

The Center received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the Center at June 30, 2024, if applicable, cannot be determined at this time.

***Litigation:***

The Center is not currently party to any legal proceedings

**NOTE 12 – RECEIVABLES**

Receivables at June 30, 2024, consisted of intergovernmental receivables. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

	Amount
Major Funds:	
General Fund	\$ 938,027
Family Engagement Liaison	474,003
Non-major Funds:	
21st Century	69,979
Miscellaneous Federal Grants	11,636
Total Non-major Funds	<u>81,615</u>
	<u>\$ 1,493,645</u>

**NOTE 13 – FUND BALANCES**

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

Fund Balances	General	Family Engagement Liaison	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>				
Prepaid Items	\$ 870	\$ -	\$ -	\$ 870
<b>Restricted for</b>				
Other Purposes	\$ -	\$ 17,705	\$ 47,547	\$ 65,252
Total Restricted	<u>\$ -</u>	<u>\$ 17,705</u>	<u>\$ 47,547</u>	<u>\$ 65,252</u>
<b>Assigned to</b>				
Other Purposes	<u>307,999</u>	<u>-</u>	<u>-</u>	<u>307,999</u>
<b>Unassigned</b>				
	<u>4,283,031</u>	<u>-</u>	<u>(4,651)</u>	<u>4,278,380</u>
Total Fund Balances	<u>\$ 4,591,900</u>	<u>\$ 17,705</u>	<u>\$ 42,896</u>	<u>\$ 4,652,501</u>

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2024*

**NOTE 14 – NEW ACCOUNTING PRINCIPLES**

For fiscal year 2024, the Center has implemented GASB Statement No. 100, “*Accounting Changes and Error Corrections*”, certain questions and answers of GASB Implementation Guide 2023-1 and certain paragraphs of GASB Statement No. 99, “*Omnibus 2022*”.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 resulted in a change to the financial statements due to a reclassification of a fund from a major fund to a non-major fund.

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the Center.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the Center.

**NOTE 15 – OTHER MATTERS OF POTENTIAL SIGNIFICANCE**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended May 2023. The impact on the Center's future operating costs, revenues, and recovery from emergency funding (if any), either federal or state, cannot be estimated. During fiscal year 2024, the Center did receive Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

**NOTE 16 – ACCOUNTABILITY**

At June 30, 2024, the Miscellaneous Federal Grants Non-major Special revenue fund had a fund balance deficit of \$4,651 which was created by the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**Gallia-Vinton Educational Service Center**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024*

**NOTE 17 – ADJUSTMENTS TO PRIOR YEAR FUND BALANCE**

For fiscal year 2024, the beginning balances of various reporting units were restated or adjusted in accordance with GASB 100. An explanation of these adjustments or restatements are as follows:

**Reporting Units Affected by Adjustments to and Restatements of Beginning Balances**

Governmental Funds	Governor's Emergency Education Relief Fund	All Other Governmental Funds
<i>Fund Balances at 6/30/2023 (as previously presented)</i>	\$ (5,464)	\$ -
<i>Change within financial reporting entity (due to major fund reclass)</i>	5,464	(5,464)
<i>Fund Balances at 6/30/2023 (as adjusted)</i>	\$ -	\$ (5,464)

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**Gallia-Vinton Educational Service Center**  
*Required Supplementary Information*  
*Schedule of the Center's Proportionate Share of the Net Pension Liability*  
*School Employees Retirement System of Ohio*  
*Last Ten Years*

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Center's proportion of the net pension liability	0.0183300%	0.0179508%	0.0137872%	0.0304660%	0.0284049%	0.0247352%	0.0232212%	0.0254933%	0.0131821%	0.0112320%
Center's proportionate share of the net pension liability	\$ 1,012,827	\$ 970,919	\$ 508,708	\$ 2,015,085	\$ 1,699,515	\$ 1,416,631	\$ 1,387,415	\$ 1,865,874	\$ 752,183	\$ 568,445
Center's covered payroll	\$ 727,200	\$ 670,564	\$ 475,900	\$ 1,068,071	\$ 974,459	\$ 799,481	\$ 775,114	\$ 791,729	\$ 377,367	\$ 346,684
Center's proportionate share of the net pension liability as a percentage of its covered payroll	139.28%	144.79%	106.89%	188.67%	174.41%	177.19%	178.99%	235.67%	199.32%	163.97%
Plan fiduciary net position as a percentage of the total pension liability	76.06%	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

See accompanying notes to required supplementary information.

**Gallia-Vinton Educational Service Center**  
*Required Supplementary Information*  
*Schedule of the Center's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio*  
*Last Ten Years*

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Center's proportion of the net pension liability	0.024437130%	0.021906870%	0.017046368%	0.01803176%	0.01756998%	0.01541368%	0.01478220%	0.01871859%	0.00705723%	0.00820762%
Center's proportionate share of the net pension liability	\$ 5,262,521	\$ 4,869,925	\$ 2,179,531	\$ 4,363,044	\$ 3,885,495	\$ 3,389,122	\$ 3,511,543	\$ 6,265,676	\$ 1,950,412	\$ 1,996,377
Center's covered payroll	\$ 3,300,686	\$ 2,848,000	\$ 2,410,907	\$ 2,176,150	\$ 2,062,786	\$ 1,752,279	\$ 1,625,121	\$ 1,969,557	\$ 736,307	\$ 903,100
Center's proportionate share of the net pension liability as a percentage of its covered payroll	159.44%	170.99%	90.40%	200.49%	188.36%	193.41%	216.08%	318.13%	264.89%	221.06%
Plan fiduciary net position as a percentage of the total pension liability	80.00%	78.88%	87.78%	75.48%	77.40%	77.31%	75.29%	66.78%	72.09%	74.71%

See accompanying notes to required supplementary information.

**Gallia-Vinton Educational Service Center**  
*Required Supplementary Information*  
*Schedule of Center Pension Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Years*

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	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 126,790	\$ 101,808	\$ 93,879	\$ 66,626	\$ 149,530	\$ 131,552	\$ 107,930	\$ 108,516	\$ 110,842	\$ 52,303
Contributions in relation to the contractually required contribution	<u>(126,790)</u>	<u>(101,808)</u>	<u>(93,879)</u>	<u>(66,626)</u>	<u>(149,530)</u>	<u>(131,552)</u>	<u>(107,930)</u>	<u>(108,516)</u>	<u>(110,842)</u>	<u>(52,303)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Center's covered payroll	\$ 905,643	\$ 727,200	\$ 670,564	\$ 475,900	\$ 1,068,071	\$ 974,459	\$ 799,481	\$ 775,114	\$ 791,729	\$ 377,367
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.86%

See accompanying notes to required supplementary information.

**Gallia-Vinton Educational Service Center**

*Required Supplementary Information  
Schedule of Center Pension Contributions  
State Teachers Retirement System of Ohio  
Last Ten Years*

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 539,406	\$ 462,096	\$ 398,720	\$ 337,527	\$ 304,661	\$ 288,790	\$ 245,319	\$ 227,517	\$ 275,738	\$ 103,083
Contributions in relation to the contractually required contribution	<u>(539,406)</u>	<u>(462,096)</u>	<u>(398,720)</u>	<u>(337,527)</u>	<u>(304,661)</u>	<u>(288,790)</u>	<u>(245,319)</u>	<u>(227,517)</u>	<u>(275,738)</u>	<u>(103,083)</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Center covered payroll	\$ 3,852,900	\$ 3,300,686	\$ 2,848,000	\$ 2,410,907	\$ 2,176,150	\$ 2,062,786	\$ 1,752,279	\$ 1,625,121	\$ 1,969,557	\$ 736,307
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to required supplementary information.

**Gallia-Vinton Educational Service Center**  
*Required Supplementary Information*  
*Schedule of the Center's Proportionate Share of the Net OPEB Liability*  
*School Employees Retirement System of Ohio*  
*Last Eight Years (1)*

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Center's proportion of the net OPEB liability	0.01881920%	0.01832680%	0.01425920%	0.03160320%	0.02902100%	0.02499000%	0.02348040%	0.02561110%
Center's proportionate share of the net OPEB liability	\$ 310,036	\$ 257,310	\$ 269,867	\$ 686,841	\$ 729,817	\$ 693,290	\$ 630,152	\$ 730,011
Center's covered payroll	\$ 727,200	\$ 670,564	\$ 475,900	\$ 1,068,071	\$ 974,459	\$ 799,481	\$ 775,114	\$ 791,729
Center's proportionate share of the net OPEB liability as a percentage of its covered payroll	42.63%	38.37%	56.71%	64.31%	74.89%	86.72%	81.30%	92.20%
Plan fiduciary net position as a percentage of the total OPEB liability	30.02%	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.  
 Amounts presented as of the Center's measurement date which is the prior fiscal year.

See accompanying notes to required supplementary information.

**Gallia-Vinton Educational Service Center**  
*Required Supplementary Information*  
*Schedule of the Center's Proportionate Share of the Net OPEB Liability (Asset)*  
*State Teachers Retirement System of Ohio*  
*Last Eight Years (1)*

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	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Center's proportion of the net OPEB liability (asset)	0.024437130%	0.021906870%	0.017046368%	0.01803176%	0.01756998%	0.01541368%	0.01478220%	0.01871859%
Center's proportionate share of the net OPEB liability (asset)	\$ (475,268)	\$ (567,242)	\$ (359,409)	\$ (316,908)	\$ (291,001)	\$ (247,682)	\$ 576,747	\$ 1,001,075
Center's covered payroll	\$ 3,300,686	\$ 2,848,000	\$ 2,410,907	\$ 2,176,150	\$ 2,062,786	\$ 1,752,279	\$ 1,625,121	\$ 1,969,557
Center's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-14.40%	-19.92%	-14.91%	-14.56%	-14.11%	-14.13%	35.49%	50.83%
Plan fiduciary net position as a percentage of the total OPEB liability	168.50%	230.73%	174.73%	182.13%	174.74%	176.00%	47.11%	37.33%

(1) Information prior to 2017 is not available.  
 Amounts presented as of the Center's measurement date which is the prior fiscal year.

See accompanying notes to required supplementary information.

**Gallia-Vinton Educational Service Center**

*Required Supplementary Information  
Schedule of Center Contributions for OPEB  
School Employees Retirement System of Ohio  
Last Ten Years*

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 15,462	\$ 13,528	\$ 24,772	\$ 21,880	\$ 20,249	\$ 39,468	\$ 17,035	\$ 12,410	\$ 12,000	\$ 3,377
Contributions in relation to the contractually required contribution	<u>(15,462)</u>	<u>(13,528)</u>	<u>(24,772)</u>	<u>(21,880)</u>	<u>(20,249)</u>	<u>(39,468)</u>	<u>(17,035)</u>	<u>(12,410)</u>	<u>(12,000)</u>	<u>(3,377)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>									
Center's covered payroll	\$ 905,643	\$ 727,200	\$ 670,564	\$ 475,900	\$ 1,068,071	\$ 974,459	\$ 799,481	\$ 775,114	\$ 791,729	\$ 377,367
Contributions as a percentage of covered payroll	1.71%	1.86%	3.69%	4.60%	1.90%	4.05%	2.13%	1.60%	1.52%	0.89%

See accompanying notes to required supplementary information.

**Gallia-Vinton Educational Service Center**  
*Required Supplementary Information*  
*Schedule of Center Contributions for OPEB*  
*State Teachers Retirement System of Ohio*  
*Last Ten Years*

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	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>								
Center covered payroll	\$ 3,852,900	\$ 3,300,686	\$ 2,848,000	\$ 2,410,907	\$ 2,176,150	\$ 2,062,786	\$ 1,752,279	\$ 1,625,121	\$ 1,969,557	\$ 736,307
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying notes to required supplementary information.

**Gallia-Vinton Educational Service Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**Pension**

**School Employees Retirement System (SERS)**

Changes in benefit terms

2023-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2022: For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

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

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% annual increase to a Cost of Living Adjustment (COLA) based on the change in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

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

Changes in assumptions

2024: Cost-of-Living-Adjustments was increased from 2.00% to 2.50% for calendar year 2024.

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

2022: The assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and 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.

**Gallia-Vinton Educational Service Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**Pension (continued)**

**State Teachers Retirement System (STRS)**

Changes in benefit terms

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.

Changes in assumptions

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

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

- (1) The projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

2022: 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 7.45% to 7.00%,
- (2) The discount rate of return was reduced from 7.45% to 7.00%,

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.

**OPEB**

**School Employees Retirement System (SERS)**

Changes in benefit terms

2017-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

**Gallia-Vinton Educational Service Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**OPEB** (continued)

**School Employees Retirement System (SERS)** (continued)

Changes in assumptions

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) The municipal bond index rate went from 3.69% to 3.86%
- (2) The single equivalent interest rate went from 4.08% to 4.27%

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

- (3) The municipal bond index rate went from 1.92% to 3.69%
- (4) The single equivalent interest rate when from 2.27% to 4.08% medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%

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

- (1) Wage inflation decreased from 3.00% to 2.40%
- (2) Future salary increases changed from 3.50%-18.20% to 3.25%-13.58%
- (3) Investment rate of return decreased from 7.50% to 7.00%
- (4) The discount rate decreased from 7.50% to 7.00%
- (5) Municipal Bond Index Rate:

Prior Measurement Date	2.45%
Measurement Date	1.92%

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

Prior Measurement Date	2.63%
Measurement Date	2.27%

- (7) Mortality tables changes from the RP=2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below median Health Retiree mortality table.

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) The discount rate was changed from 3.22% to 2.63%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
Measurement Date	2.45%

2020: The discount rate was changed from 3.70% to 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) The discount rate was changed from 3.63% to 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%

**Gallia-Vinton Educational Service Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**OPEB** (continued)

**School Employees Retirement System (SERS)** (continued)

Changes in assumptions (continued)

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,
- (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

2023 - 2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2022: There was no change to the claims costs process. The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected FYE 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.

**Gallia-Vinton Educational Service Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**OPEB (continued)**

**State Teachers Retirement System (STRS) (Continued)**

Changes in benefit terms (continued)

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 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 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

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

Changes in assumptions

2024: The health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial – 3.94% ultimate to 7.50% initial – 4.14% ultimate; medical Medicare from -68.78% initial – 3.94% ultimate to -10.94% initial – 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial – 3.94% ultimate to -11.95% initial – 4.14% ultimate; Medicare from -5.47% initial – 3.94% ultimate to 1.33% initial – 4.14% ultimate.

2023: The projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50%. The health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

2022: The long-term expected rate of return was reduced from 7.45% to 7.00%. The discount rate was reduced from 7.45% in the prior year to 7.00% in the current year. The health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

2021: The health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

**Gallia-Vinton Educational Service Center**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2024*

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**OPEB (continued)**

**State Teachers Retirement System (STRS) (Continued)**

Changes in assumptions (continued)

2020: The health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

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 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

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

**Gallia-Vinton Educational Service Center**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2024*

	<b>Budget Amounts</b>			<b>Variance With Final Budget Over/(Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES:</b>				
Intergovernmental	\$ 2,230,311	\$ 2,230,311	\$ 2,205,951	\$ (24,360)
Interest	49,630	49,630	49,088	(542)
Contract Services	594,883	594,883	588,386	(6,497)
Customer Sales and Services	6,927,169	6,927,169	6,851,510	(75,659)
Miscellaneous	22,225	22,225	21,981	(244)
<i>Total Revenues</i>	<i>9,824,218</i>	<i>9,824,218</i>	<i>9,716,916</i>	<i>(107,302)</i>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular	2,200,312	2,200,312	2,059,051	141,261
Support Services:				
Pupil	470,185	470,185	439,999	30,186
Instructional Staff	3,416,100	3,416,100	3,196,785	219,315
Board of Education	34,638	34,638	32,414	2,224
Administration	1,572,385	1,572,385	1,471,437	100,948
Fiscal	427,676	427,676	400,219	27,457
Operation and Maintenance of Plant	41,932	41,932	39,240	2,692
Pupil Transportation	831,624	831,624	778,233	53,391
Central	462,822	462,822	433,109	29,713
Operation of Non-instructional Services	162,932	162,932	152,472	10,460
<i>Total Expenditures</i>	<i>9,620,606</i>	<i>9,620,606</i>	<i>9,002,959</i>	<i>617,647</i>
Net Change in Fund Balance	203,612	203,612	713,957	510,345
Fund Balance at Beginning of Year	3,437,514	3,437,514	3,437,514	-
Prior Year Encumbrances Appropriated	17,778	17,778	17,778	-
Fund Balance at End of Year	\$ 3,658,904	\$ 3,658,904	\$ 4,169,249	\$ 510,345

See accompanying notes to supplementary information.

**Gallia-Vinton Educational Service Center**  
*Schedule of Revenues, Expenditures and Changes*  
*In Fund Balance - Budget and Actual (Budget Basis)*  
*Family Engagement Liaison*  
*For the Fiscal Year Ended June 30, 2024*

	Budget Amounts			Variance With Final Budget Over/(Under)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental	\$ 1,285,183	\$ 1,285,183	\$ 950,996	\$ (334,187)
<i>Total Revenues</i>	<i>1,285,183</i>	<i>1,285,183</i>	<i>950,996</i>	<i>(334,187)</i>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular	234,401	234,401	250,017	(15,616)
Support Services:				
Instructional Staff	741,781	741,781	791,199	(49,418)
Administration	127,051	127,051	135,515	(8,464)
Fiscal	40,356	40,356	43,045	(2,689)
Pupil Transportation	55,888	55,888	59,611	(3,723)
Central	83,489	83,489	89,051	(5,562)
Operation of Non-instructional Services	2,216	2,216	2,364	(148)
<i>Total Expenditures</i>	<i>1,285,182</i>	<i>1,285,182</i>	<i>1,370,802</i>	<i>(85,620)</i>
Net Change in Fund Balance	1	1	(419,806)	(419,807)
Fund Balance at Beginning of Year	(25,728)	(25,728)	(25,728)	-
Prior Year Encumbrances Appropriated	459	459	459	-
Fund Balance at End of Year	\$ (25,268)	\$ (25,268)	\$ (445,075)	\$ (419,807)

See accompanying notes to supplementary information.

## **Gallia-Vinton Educational Service Center**

*Notes to Supplementary Information  
For the Fiscal Year Ended June 30, 2024*

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### **Note 1 – Budgetary Process**

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

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

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

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

### **Note 2 – Budgetary Basis of Accounting**

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
4. Encumbrances are treated as expenditures (budget basis) rather than as a restriction, commitment or assignment of fund balance (GAAP basis).

**Gallia-Vinton Educational Service Center**

*Notes to Supplementary Information  
For the Fiscal Year Ended June 30, 2024*

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**Note 2 – Budgetary Basis of Accounting (Continued)**

The following table summarizes the adjustments necessary to reconcile the GAAP financial statements and budgetary basis schedules for the General Fund and Family Engagement Liaison Fund.

**Net Changes in Fund Balances**

	General	Family Engagement Liaison
GAAP Basis	\$ 965,744	\$ 62,753
Adjustments:		
Revenue Accruals	(598,734)	(474,003)
Expenditure Accruals	352,627	(8,556)
Encumbrances	(5,680)	-
Budget Basis	<u><u>\$ 713,957</u></u>	<u><u>\$ (419,806)</u></u>

**GALLIA-VINTON EDUCATIONAL SERVICE CENTER  
GALLIA COUNTY**

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

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Pass Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Twenty-First Century Community Learning Centers	84.287A	2024	\$600,000
Special Education - State Personnel Development	84.323A	2024	93,646
COVID-19 Education Stabilization Fund			
American Rescue Plan Family and Community Parter Liaison	84.425U	2024	116,045
American Rescue Plan ESCs Support Structured Literacy	84.425U	2024	650
American Rescue Plan ESSER After School - Expand	84.425U	2024	385,169
American Rescue Plan Extended Learning and Recovery	84.425U	2023	393,176
American Rescue Plan ESSER Summer Program - Expand	84.425U	2023	168
American Rescue Plan ESSER Summer Program - Expand	84.425U	2024	414,192
American Rescue Plan ESSER Summer Program	84.425U	2024	61,401
Total COVID-19 Education Stabilization Fund			<u>1,370,801</u>
Total U.S. Department of Education			<b><u>2,064,447</u></b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Gallia County Department of Job and Family Services</i>			
Workforce Innocation and Opportunity Act (WIOA) Grant	17.259	G-SY24-0003	7,941
Child Support Enforcement Research	93.564	G-FFY21-0002 G-FFY24-0002	21,639 <u>80,389</u>
Total Child Support Enforcement Research			<u>102,028</u>
<i>Passed Through Gallia County Department of Job and Family Services</i>			
Temporary Assistance for Needy Families	93.558	G-SY23-0007 G-SY23-0008 G-FFY24-0001 G-SY24-0002 G-SY24-0003 G-SY24-0015	967,948 12,278 239,009 95,547 36,548 14,693
<i>Passed Through Jackson County Department of Job and Family Services</i>			
Temporary Assistance for Needy Families	93.558	106-23 109-24	37,794 <u>24,448</u>
Total Temporary Assistance for Needy Families			<u>1,428,265</u>
<i>Passed Through Gallia County Department of Job and Family Services</i>			
Social Services Block Grant	93.667	G-FFY24-0004	69,000
<i>Passed Through Jackson County Department of Job and Family Services</i>			
Social Services Block Grant	93.667	49-23	6,439
Social Services Block Grant	93.667	45-24	<u>60,000</u>
Total Social Services Block Grant			<u>135,439</u>
Total U.S. Department of Health and Human Services			<u><b>1,673,673</b></u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$3,738,120</u></b>

*The accompanying notes are an integral part of this Schedule.*

**GALLIA-VINTON EDUCATIONAL SERVICE CENTER  
GALLIA COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Gallia-Vinton Educational Service Center (the Center) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Center.

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

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

**NOTE C – INDIRECT COST RATE**

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



65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

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

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

To the Governing Board:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gallia-Vinton Educational Service Center, Gallia County, Ohio (the Center) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated February 19, 2025.

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

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

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

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

Gallia-Vinton Educational Service Center  
Gallia 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 Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Center's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

February 19, 2025



65 East State Street  
Columbus, Ohio 43215  
[ContactUs@ohioauditor.gov](mailto:ContactUs@ohioauditor.gov)  
800-282-0370

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

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

To the Governing Board:

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

***Opinion on Each Major Federal Program***

We have audited Gallia-Vinton Educational Service Center's, Gallia County, (the Center) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2024. Gallia-Vinton Educational Service Center's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Gallia-Vinton Educational Service Center complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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

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

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

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

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

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

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

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

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

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

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

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

Gallia-Vinton Educational Service Center

Gallia County

Independent Auditor's Report on Compliance with Requirements

Applicable to Each Major Federal Program and on Internal Control Over Compliance

Required by the Uniform Guidance

Page 3

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

February 19, 2025

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**GALLIA-VINTON EDUCATIONAL SERVICE CENTER  
GALLIA COUNTY**

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

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

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b> <ul style="list-style-type: none"><li>• Education Stabilization Fund Assistance Listing #84.425U</li><li>• Twenty-First Century Community Learning Centers Assistance Listing #84.287</li></ul>	
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

# OHIO AUDITOR OF STATE KEITH FABER



GALLIA/VINTON EDUCATIONAL SERVICE CENTER

GALLIA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/4/2025

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

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[www.ohioauditor.gov](http://www.ohioauditor.gov)