



OHIO AUDITOR OF STATE
KEITH FABER



**COSHOCTON CITY SCHOOL DISTRICT
COSHOCTON COUNTY
JUNE 30, 2025**

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**COSHOCTON CITY SCHOOL DISTRICT
COSHOCTON COUNTY
JUNE 30, 2025**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Coshocton City School District
Coshocton County
1207 Cambridge Road
Coshocton, Ohio 43812

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during 2025, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

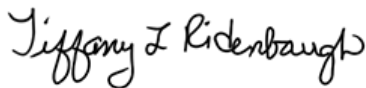
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements,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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2026, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



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

June 15, 2026

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COSHOCTON CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

Unaudited

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

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2025 are as follows:

- ❑ Net position increased \$997,785 during fiscal year 2025.
- ❑ General revenues accounted for \$18,870,522 of revenue or 70% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8,241,863 or 30% of total revenues of \$27,112,385.
- ❑ The District had \$26,114,600 in expenses related to governmental activities; only \$8,241,863 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues of \$18,870,522 also provided for these programs.
- ❑ The general fund had \$22,037,925 in revenues and \$22,931,340 in expenditures. The general fund's fund balance decreased \$945,333 to an ending balance of \$2,501,952.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – *management's discussion and analysis* and the *basic financial statements*. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. *The Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
2. *The Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

Unaudited

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, liabilities, and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth, and facility conditions.

The government-wide financial statements of the District reflect the following category for its activities:

- *Governmental Activities* – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, interest and fiscal charges, and food service operations.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

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

Proprietary Funds – The District uses internal service funds to report activities that provide services for the District's other programs and activities. The District's medical, dental, and prescription drug self-insurance program is reported in an internal service fund. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Activities.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

Unaudited

Fiduciary Funds – The District is the trustee, or fiduciary, for various scholarship programs and other items listed as custodial. It is also responsible for other assets that, due to a trust arrangement can only be used for the trust beneficiaries. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The following table provides a summary of the District's net position for fiscal year 2025 compared to fiscal year 2024.

	Governmental Activities	
	2025	2024
Current and Other Assets	\$20,698,354	\$20,224,258
Net OPEB Asset	1,401,239	1,341,552
Capital Assets, Net	20,093,577	21,043,387
Total Assets	42,193,170	42,609,197
Deferred Outflows of Resources	5,392,964	4,972,531
Net Pension Liability	17,830,137	18,640,958
Net OPEB Liability	732,220	1,162,942
Other Long-term Liabilities	13,747,505	12,107,204
Other Liabilities	3,741,045	3,710,838
Total Liabilities	36,050,907	35,621,942
Deferred Inflows of Resources	11,679,047	10,465,827
Net Position		
Net Investment in Capital Assets	11,275,903	11,738,390
Restricted	7,224,759	5,574,217
Unrestricted	(18,644,482)	(15,818,648)
Total Net Position	(\$143,820)	\$1,493,959

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

Unaudited

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

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with accounting principles generally accepted in the United States of America. 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*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

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

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

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

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

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

Unaudited

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.

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

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COSHOCTON CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

Unaudited

Changes in Net Position – The following table shows the changes in net position for fiscal year 2025 compared to fiscal year 2024:

	Governmental Activities		Increase (Decrease)
	2025	2024	
Revenues			
Program Revenues:			
Charges for Services and Sales	\$570,847	\$612,809	(\$41,962)
Operating Grants and Contributions	7,671,016	8,936,637	(1,265,621)
Total Program Revenues	8,241,863	9,549,446	(1,307,583)
General Revenues:			
Property Taxes	6,371,471	6,036,018	335,453
Intergovernmental, Unrestricted	11,963,588	10,866,907	1,096,681
Other	535,463	674,973	(139,510)
Total General Revenues	18,870,522	17,577,898	1,292,624
Total Revenues	27,112,385	27,127,344	(14,959)
Program Expenses			
Instruction	15,194,679	16,621,787	(1,427,108)
Support Services:			
Pupils	1,658,405	1,694,168	(35,763)
Instructional Staff	757,676	818,293	(60,617)
Board of Education	101,013	57,822	43,191
Administration	1,912,802	2,067,879	(155,077)
Fiscal Services	682,118	631,352	50,766
Business	44,259	41,194	3,065
Operation and Maintenance of Plant	2,213,629	2,374,362	(160,733)
Pupil Transportation	681,136	568,306	112,830
Central	265,455	300,428	(34,973)
Operation of Non-Instructional:			
Food Service Operations	1,162,363	1,183,349	(20,986)
Community Services	218,088	80,690	137,398
Extracurricular Activities	810,804	761,077	49,727
Interest and Fiscal Charges	412,173	420,599	(8,426)
Total Expenses	26,114,600	27,621,306	(1,506,706)
Change in Net Position	997,785	(493,962)	1,491,747
Net Position as Previously Reported	1,493,959	1,987,921	(493,962)
Change in Accounting Principle	(2,635,564)	0	(2,635,564)
Beginning Net Position - Restated	(1,141,605)	0	(1,141,605)
Ending Net Position	(\$143,820)	\$1,493,959	(\$1,637,779)

Governmental Activities

Net position of the District's governmental activities increased \$997,785. A decrease in operating grants and contributions can be attributed to decreases in Elementary and Secondary School Emergency Relief (ESSER) funding. An increase in State Foundation Funding contributed to an increase in unrestricted intergovernmental revenues.

Overall, expenses decreased 5%, which can mostly be attributed to changes in the net pension and OPEB liabilities/asset.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

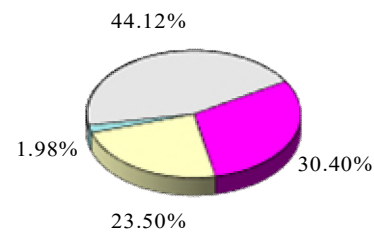
Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

Unaudited

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

Property taxes made up 24% of revenues for Coshocton City Schools in fiscal year 2025. The District's reliance upon tax revenues is demonstrated by the following graph:

Revenue Sources	2025	Percent of Total
General Grants	\$11,963,588	44.12%
Program Revenues	8,241,863	30.40%
General Tax Revenues	6,371,471	23.50%
General Other	535,463	1.98%
Total Revenue	<u>\$27,112,385</u>	<u>100.00%</u>



FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$8,624,333, which is below last year's balance of \$9,462,879. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2025 and 2024.

	Fund Balance June 30, 2025	Fund Balance June 30, 2024	Increase (Decrease)
General	\$2,501,952	\$3,447,285	(\$945,333)
Debt Service	3,962,144	3,580,946	381,198
Other Governmental	2,160,237	2,434,648	(274,411)
Total	<u>\$8,624,333</u>	<u>\$9,462,879</u>	<u>(\$838,546)</u>

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

Unaudited

General Fund – The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2025	2024	Increase
	<u>Revenues</u>	<u>Revenues</u>	<u>(Decrease)</u>
Taxes	\$5,387,071	\$5,206,692	\$180,379
Tuition	315,993	323,907	(7,914)
Investment Earnings	311,169	333,883	(22,714)
Extracurricular Activities	3,591	5,464	(1,873)
Class Materials and Fees	32,746	45,087	(12,341)
Rent	32,998	35,159	(2,161)
Contributions and Donations	3,260	1,639	1,621
Intergovernmental - State	15,895,414	14,934,762	960,652
All Other Revenue	55,683	74,136	(18,453)
Total	<u>\$22,037,925</u>	<u>\$20,960,729</u>	<u>\$1,077,196</u>

General Fund revenues increased \$1,077,196 or approximately 5%, which can mostly be attributed to an increase in State Foundation Funding.

	2025	2024	Increase
	<u>Expenditures</u>	<u>Expenditures</u>	<u>(Decrease)</u>
Instruction	\$14,264,352	\$13,015,834	\$1,248,518
Supporting Services:			
Pupils	1,708,621	1,451,534	257,087
Instructional Staff	709,912	579,152	130,760
Board of Education	101,177	57,899	43,278
Administration	1,966,657	2,070,884	(104,227)
Fiscal Services	723,316	634,778	88,538
Business	55,385	54,570	815
Operation and Maintenance of Plant	1,930,876	2,059,450	(128,574)
Pupil Transportation	622,534	528,213	94,321
Central	255,684	238,026	17,658
Operation of Non-Instructional:			
Community Services	3,500	3,500	0
Extracurricular Activities	510,686	471,464	39,222
Capital Outlay	45,700	35,719	9,981
Debt Service			
Principal Retirement	25,433	47,908	(22,475)
Interest and Fiscal Charges	7,507	8,574	(1,067)
Total	<u>\$22,931,340</u>	<u>\$21,257,505</u>	<u>\$1,673,835</u>

General Fund expenditures increased \$1,673,835, or approximately 8%, which can mostly be attributed to an overall increase in instruction expenditures.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

Unaudited

Debt Service Fund – The Debt Service Fund reported an increase in fund balance of 11%. Revenues and expenditures were consistent with the prior fiscal year.

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

During the course of fiscal year 2025 the District amended its General Fund budget.

For the General Fund, final revenue estimates were 11% higher than original estimates due mostly to increases in taxes and intergovernmental revenues. Actual budget basis revenues were 8% less than final estimates. Original, final, and actual budget basis expenditures were not materially different. The General Fund had an adequate fund balance to cover expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2025 the District had \$20,093,577 net of accumulated depreciation invested in land, buildings, improvements, machinery, equipment, and vehicles. The following table shows fiscal year 2025 and 2024 balances:

	Governmental Activities		Increase (Decrease)
	2025	2024	
Land	\$638,969	\$652,141	(\$13,172)
Land Improvements	3,347,427	3,341,837	5,590
Buildings and Improvements	29,389,538	29,514,347	(124,809)
Machinery and Equipment	4,073,760	5,500,775	(1,427,015)
Vehicles	1,415,656	1,427,407	(11,751)
Lease Asset: Equipment	138,628	138,628	0
Less: Accumulated Depreciation	(18,910,401)	(19,531,748)	621,347
Totals	\$20,093,577	\$21,043,387	(\$949,810)

Additions to capital assets included computer network improvements, a paving project at the field house, and various other equipment.

The District increased the capitalization level to \$5,000 beginning in fiscal year 2025. All assets less than the new capitalization level have been reported as disposals.

Additional information on the District's capital assets can be found in Note 9.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

Unaudited

Debt and Other Long-term Obligations

The following table summarizes the District's debt and other long-term obligations outstanding as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Governmental Activities:		
General Obligation Bonds:		
School Construction	\$9,000,919	\$8,988,119
Energy Conservation	311,000	398,000
Installment Loan	0	449,000
Leases Payable	93,315	118,748
Compensated Absences	<u>4,342,271</u>	<u>2,153,337</u>
Totals	<u>\$13,747,505</u>	<u>\$12,107,204</u>

The increase in compensated absences is primarily due to the implementation of GASB Statement 101.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2025, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Note 12.

ECONOMIC FACTORS

The Coshocton City School District is centrally located within the county and resides in the county seat of Coshocton County. The Coshocton City School District covers just over 8 square miles, with an estimated population of 10,973 residents making up 4,652 households. The median household income is \$45,925, and the median home value of \$116,500 for city residents. The city is also home to several major employers, including the Coshocton Regional Medical Center, the Coshocton City Schools, Ohio Central Railroad, Annin Flagmakers, Oxford Mining, Organic Technologies, McWane Ductile, Kraft Foods, Cleveland Cliffs, Inc. (formerly AK Steel).

The District relies upon local property taxes and state foundation for its General Fund operations. Real Estate taxes represent 31% of total revenue and include a continuing 4.81 mill substitute emergency operating levy approved in 2023 and a 4.90 mil continuing operating levy approved in 2021. In addition, the District has a 1.12 mill continuing permanent improvement levy, which was approved in 2022. Property tax revenues had a large \$38 million inflationary increase in tax base in the collection year 2025, caused by the District going through an update in tax year 2024. Going forward, the District anticipates the tax base to grow at a more normal pace. Currently, the District is on the 20 mill floor for Class I values, so the increase in this tax base increased property tax revenues for the District.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2025

Unaudited

The District relies heavily on state funding. The state's Fair School Funding Plan was presented as a six (6) year phase-in plan. The state legislature has approved the first four (4) years of the funding plan, HB110, for the 2022 to 2025 school years. State legislators are expected to approve the last two years of the Fair Funding Formula phase-in, applicable to the 2026 and 2027 school years, during the 2025 school year. The FSFP does not include caps on funding; rather, it will include a general phase-in percentage for most components. FY24 increased to 50%, and was approved to increase to the amount of 66.7% in FY25.

The fact that the State of Ohio's new Fair School Funding has not been fully implemented makes the District vulnerable to legislative changes to the educational funding formula that can cause instability when predicting future revenue streams. Enrollment is a key factor for the FSFP. While many districts are experiencing a decline in student enrollment, Coshocton City School District has not experienced a decline; student enrollment has remained steady over the last several years.

In conclusion, the Coshocton City School District's management has committed itself to financial prudence in future years. The goal is a prudent allocation of resources between salary and benefits that will adequately compensate a high-quality workforce while balancing relatively flat revenues. In addition to modest labor increases, the District maintains a conservative approach to discretionary spending that is based on a modified zero-based operating unit budget approach.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Terri Eyerman at Coshocton City School District.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Statement of Net Position ***June 30, 2025***

	Governmental Activities
Assets:	
Cash and Cash Equivalents	\$ 9,595,665
Receivables:	
Taxes	7,091,348
Accounts	6,779
Intergovernmental	384,032
Inventory Held for Resale	25,811
Restricted Assets:	
Cash and Cash Equivalents	3,594,719
Net OPEB Asset	1,401,239
Non-Depreciable Capital Assets	638,969
Depreciable Capital Assets, Net	19,454,608
Total Assets	42,193,170
Deferred Outflows of Resources:	
Pension	4,576,380
OPEB	816,584
Total Deferred Outflows of Resources	5,392,964
Liabilities:	
Accounts Payable	291,256
Accrued Wages and Benefits	2,560,707
Intergovernmental Payable	401,528
Claims Payable	418,221
Accrued Interest Payable	31,735
Unearned Revenue	37,598
Long Term Liabilities:	
Due Within One Year	1,077,282
Due in More Than One Year:	
Net Pension Liability	17,830,137
Net OPEB Liability	732,220
Other Amounts Due in More Than One Year	12,670,223
Total Liabilities	36,050,907

(Continued)

COSHOCTON CITY SCHOOL DISTRICT, OHIO

	Governmental Activities
Deferred Inflows of Resources:	
Leases	205,645
Property Tax Levy for Next Fiscal Year	6,599,615
Pension	2,699,915
OPEB	2,173,872
Total Deferred Inflows of Resources	11,679,047
Net Position:	
Net Investment in Capital Assets	11,275,903
Restricted For:	
Capital Projects	376,977
Debt Service	3,672,314
Other Purposes	1,774,229
OPEB	1,401,239
Unrestricted (Deficit)	(18,644,482)
Total Net Position	\$ (143,820)

See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Statement of Activities For the Fiscal Year Ended June 30, 2025

		Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
	Expenses		
Governmental Activities:			
Instruction	\$ 15,194,679	\$ 348,739	\$ 5,847,111
Support Services:			
Pupils	1,658,405	0	60,009
Instructional Staff	757,676	0	53,638
Board of Education	101,013	0	0
Administration	1,912,802	0	103,364
Fiscal Services	682,118	0	0
Business	44,259	0	0
Operation and Maintenance of Plant	2,213,629	37,373	4,836
Pupil Transportation	681,136	0	37,459
Central	265,455	0	3,982
Operation of Non-Instructional:			
Food Service Operations	1,162,363	21,047	1,179,563
Community Services	218,088	0	143,302
Extracurricular Activities	810,804	163,688	28,695
Interest on Long Term Debt	412,173	0	209,057
Total Governmental Activities	\$ 26,114,600	\$ 570,847	\$ 7,671,016

General Revenues

Property Taxes Levied for:

 General Purposes

 Special

 Debt Service

 Capital Outlay

Intergovernmental, Unrestricted

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

Net Position as Previously Reported

Change in Accounting Principle (GASB Statement 101)

Net Position Beginning of Year as Restated

Net Position End of Year

See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Net (Expense) Revenue and Changes in Net Position

Governmental Activities

\$	(8,998,829)
	(1,598,396)
	(704,038)
	(101,013)
	(1,809,438)
	(682,118)
	(44,259)
	(2,171,420)
	(643,677)
	(261,473)
	38,247
	(74,786)
	(618,421)
	(203,116)
\$	<u>(17,872,737)</u>

5,507,800

73,810

674,775

115,086

11,963,588

404,531

130,932

18,870,522

997,785

1,493,959

(2,635,564)

(1,141,605)

\$ (143,820)

COSHOCTON CITY SCHOOL DISTRICT, OHIO

***Balance Sheet
Governmental Funds
June 30, 2025***

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 4,727,519	\$ 351,230	\$ 2,924,821	\$ 8,003,570
Receivables:				
Taxes	6,222,262	674,592	194,494	7,091,348
Accounts	5,909	0	870	6,779
Intergovernmental	52,373	0	331,659	384,032
Interfund Loans Receivable	311,129	0	0	311,129
Inventory Held for Resale	0	0	25,811	25,811
Restricted Assets:				
Cash and Cash Equivalents	9,719	3,585,000	0	3,594,719
Total Assets	<u>\$ 11,328,911</u>	<u>\$ 4,610,822</u>	<u>\$ 3,477,655</u>	<u>\$ 19,417,388</u>
Liabilities:				
Accounts Payable	\$ 128,559	\$ 0	\$ 98,764	\$ 227,323
Accrued Wages and Benefits	2,233,552	0	327,155	2,560,707
Intergovernmental Payable	360,267	0	41,261	401,528
Interfund Loans Payable	0	0	311,129	311,129
Unearned Revenue	0	0	37,598	37,598
Compensated Absences Payable	141,537	0	0	141,537
Total Liabilities	<u>2,863,915</u>	<u>0</u>	<u>815,907</u>	<u>3,679,822</u>
Deferred Inflows of Resources:				
Unavailable Amounts	173,465	18,465	116,043	307,973
Leases	0	0	205,645	205,645
Property Tax Levy for Next Fiscal Year	5,789,579	630,213	179,823	6,599,615
Total Deferred Inflows of Resources	<u>5,963,044</u>	<u>648,678</u>	<u>501,511</u>	<u>7,113,233</u>
Fund Balance:				
Nonspendable	9,719	0	0	9,719
Restricted	0	3,962,144	2,035,163	5,997,307
Committed	0	0	304,943	304,943
Assigned	1,731,102	0	0	1,731,102
Unassigned	761,131	0	(179,869)	581,262
Total Fund Balance	<u>2,501,952</u>	<u>3,962,144</u>	<u>2,160,237</u>	<u>8,624,333</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 11,328,911</u>	<u>\$ 4,610,822</u>	<u>\$ 3,477,655</u>	<u>\$ 19,417,388</u>

See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

Total Governmental Fund Balances	\$ 8,624,333
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***Amounts reported for governmental activities in the
statement of net position are different because***

Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.	20,093,577
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Other long-term resources are not available to pay for current-period expenditures and therefore are deferred in the funds.	307,973
---	---------

The net pension and OPEB liabilities/asset are not due and payable, nor available in the current period; therefore, the liabilities/asset and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	4,576,380	
Deferred Inflows - Pension	(2,699,915)	
Net Pension Liability	(17,830,137)	
Deferred Outflows - OPEB	816,584	
Deferred Inflows - OPEB	(2,173,872)	
Net OPEB Asset	1,401,239	
Net OPEB Liability	<u>(732,220)</u>	(16,641,941)

Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	1,109,941
--	-----------

Long-term liabilities, including bonds and leases payable are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds Payable	(9,311,919)	
Leases Payable	(93,315)	
Compensated Absences Payable	(4,200,734)	
Accrued Interest Payable	<u>(31,735)</u>	<u>(13,637,703)</u>

<i>Net Position of Governmental Activities</i>	<u>\$ (143,820)</u>
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See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Revenues:				
Local Sources:				
Taxes	\$ 5,387,071	\$ 664,261	\$ 185,629	\$ 6,236,961
Tuition	315,993	0	0	315,993
Investment Earnings	311,169	0	47,140	358,309
Extracurricular Activities	3,591	0	150,097	153,688
Food Services	0	0	21,047	21,047
Class Materials and Fees	32,746	0	0	32,746
Rent	32,998	0	4,375	37,373
Contributions and Donations	3,260	0	117,268	120,528
Intergovernmental - State	15,895,414	64,560	286,845	16,246,819
Intergovernmental - Federal	0	209,057	3,206,799	3,415,856
All Other Revenue	55,683	207	81,782	137,672
Total Revenues	22,037,925	938,085	4,100,982	27,076,992
Expenditures:				
Current:				
Instruction	14,264,352	0	1,565,908	15,830,260
Supporting Services:				
Pupils	1,708,621	0	59,093	1,767,714
Instructional Staff	709,912	0	101,767	811,679
Board of Education	101,177	0	0	101,177
Administration	1,966,657	0	98,742	2,065,399
Fiscal Services	723,316	0	0	723,316
Business	55,385	0	0	55,385
Operation and Maintenance of Plant	1,930,876	0	264,366	2,195,242
Pupil Transportation	622,534	0	65,996	688,530
Central	255,684	0	7,977	263,661
Operation of Non-Instructional:				
Food Service Operations	0	0	1,185,903	1,185,903
Community Services	3,500	0	217,518	221,018
Extracurricular Activities	510,686	0	307,473	818,159
Capital Outlay	45,700	0	187,745	233,445
Debt Service:				
Principal Retirement	25,433	163,701	372,299	561,433
Interest and Fiscal Charges	7,507	393,186	0	400,693
Total Expenditures	22,931,340	556,887	4,434,787	27,923,014
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(893,415)	381,198	(333,805)	(846,022)

(Continued)

COSHOCTON CITY SCHOOL DISTRICT, OHIO

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses):				
Transfers In	0	0	51,918	51,918
Transfers Out	(51,918)	0	0	(51,918)
Total Other Financing Sources (Uses)	<u>(51,918)</u>	<u>0</u>	<u>51,918</u>	<u>0</u>
Net Change in Fund Balance	(945,333)	381,198	(281,887)	(846,022)
Fund Balance at Beginning of Year	3,447,285	3,580,946	2,434,648	9,462,879
Increase in Inventory	0	0	7,476	7,476
Fund Balance End of Year	<u>\$ 2,501,952</u>	<u>\$ 3,962,144</u>	<u>\$ 2,160,237</u>	<u>\$ 8,624,333</u>

See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds To the Statement of Activities For the Fiscal Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ (846,022)
--	--------------

***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 outlay in the current period.	(646,820)
--	-----------

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of capital assets net of proceeds received.	(302,990)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(10,829)
--	----------

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

Pension	1,911,388	
OPEB	<u>51,589</u>	1,962,977

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

Pension	(1,198,222)	
OPEB	<u>450,564</u>	(747,658)

The issuance of long-term debt provides current financial resources to governmental funds, but has no effect on net position. In addition, repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bond Retirement	87,000	
Installment Loan Retirement	449,000	
Lease Retirement	25,433	
Amortization of Premium	12,890	
Interest Accretion on Bond	<u>(25,690)</u>	548,633

(Continued)

COSHOCTON CITY SCHOOL DISTRICT, OHIO

In the statement of activities, interest is accrued on outstanding bonds,
whereas in governmental funds, an interest expenditure is reported
when due.

1,320

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

Change in Compensated Absences Payable

484,061

Change in Inventory Held for Resale

7,476

491,537

The internal service funds are used by management to charge the costs of
services to individual funds and is not reported in the statement of activities.
Governmental fund expenditures and related internal service fund
revenues are eliminated. The net revenue (expense) of the internal
service funds are allocated among the governmental activities.

547,637

Change in Net Position of Governmental Activities

\$ 997,785

See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

***Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended June 30, 2025***

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Local Sources:				
Taxes	\$ 5,318,383	\$ 5,929,565	\$ 5,454,913	\$ (474,652)
Tuition	321,935	358,844	330,199	(28,645)
Investment Earnings	303,411	338,279	311,200	(27,079)
Class Materials and Fees	31,927	35,596	32,746	(2,850)
Rent	31,705	35,349	32,518	(2,831)
Intergovernmental - State	15,504,366	17,286,109	15,902,384	(1,383,725)
All Other Revenues	30,898	34,449	31,614	(2,835)
Total Revenues	<u>21,542,625</u>	<u>24,018,191</u>	<u>22,095,574</u>	<u>(1,922,617)</u>
Expenditures:				
Current:				
Instruction	14,556,546	14,556,546	14,048,888	507,658
Support Services:				
Pupils	1,754,381	1,754,381	1,691,774	62,607
Instructional Staff	730,233	730,233	703,946	26,287
Board of Education	104,794	104,794	101,144	3,650
Administration	2,349,655	2,349,655	2,267,879	81,776
Fiscal Services	798,775	798,775	770,950	27,825
Business	69,109	69,109	66,703	2,406
Operation and Maintenance of Plant	2,074,491	2,074,491	2,002,226	72,265
Pupil Transportation	802,194	802,194	774,249	27,945
Central	270,941	270,941	261,503	9,438
Non-Instructional:				
Community Services	3,626	3,626	3,500	126
Extracurricular Activities	524,460	524,460	506,191	18,269
Capital Outlay	47,349	47,349	45,700	1,649
Total Expenditures	<u>24,086,554</u>	<u>24,086,554</u>	<u>23,244,653</u>	<u>841,901</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,543,929)	(68,363)	(1,149,079)	(1,080,716)

(Continued)

COSHOCTON CITY SCHOOL DISTRICT, OHIO

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Other Financing Sources (Uses):				
Transfers Out	(51,918)	(51,918)	(51,918)	0
Advances In	39,236	39,236	39,236	0
Advances Out	(20,000)	(20,000)	(20,000)	0
Refund of Prior Year Expenditures	24,159	24,159	24,159	0
Total Other Financing Sources (Uses):	<u>(8,523)</u>	<u>(8,523)</u>	<u>(8,523)</u>	<u>0</u>
Net Change in Fund Balance	(2,552,452)	(76,886)	(1,157,602)	(1,080,716)
Fund Balance at Beginning of Year	5,054,325	5,054,325	5,054,325	0
Prior Year Encumbrances	480,178	480,178	480,178	0
Fund Balance at End of Year	<u>\$ 2,982,051</u>	<u>\$ 5,457,617</u>	<u>\$ 4,376,901</u>	<u>\$ (1,080,716)</u>

See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Statement of Net Position Proprietary Funds June 30, 2025

	Governmental Activities - Internal Service Funds
Assets:	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 1,592,095
Total Assets	<u>1,592,095</u>
Liabilities:	
<i>Current Liabilities:</i>	
Accounts Payable	63,933
Claims Payable	418,221
Total Liabilities	<u>482,154</u>
Net Position:	
Unrestricted	1,109,941
Total Net Position	<u>\$ 1,109,941</u>

See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the Fiscal Year Ended June 30, 2025

	Governmental Activities - Internal Service Funds
Operating Revenues:	
Charges for Services	\$ 5,249,507
Total Operating Revenues	<u>5,249,507</u>
Operating Expenses:	
Claims	4,748,092
Total Operating Expenses	<u>4,748,092</u>
Operating Income	501,415
Nonoperating Revenues (Expenses):	
Investment Earnings	46,222
Total Nonoperating Revenues (Expenses)	<u>46,222</u>
Change in Net Position	547,637
Net Position Beginning of Year	562,304
Net Position End of Year	<u>\$ 1,109,941</u>

See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2025

	Governmental Activities - Internal Service Funds
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Interfund Charges	\$5,250,490
Cash Payments for Claims	(4,519,188)
Net Cash Provided by Operating Activities	731,302
<u>Cash Flows from Investing Activities:</u>	
Receipts of Interest	46,222
Net Cash Provided by Investing Activities	46,222
Net Increase in Cash and Cash Equivalents	777,524
Cash and Cash Equivalents at Beginning of Year	814,571
Cash and Cash Equivalents at End of Year	<u>\$1,592,095</u>
<u>Reconciliation of Operating Income to Net Cash</u>	
<u>Provided by Operating Activities:</u>	
Operating Income	\$501,415
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	983
Increase in Accounts Payable	63,933
Increase in Claims Payable	164,971
Total Adjustments	<u>229,887</u>
Net Cash Provided by Operating Activities	<u>\$731,302</u>

See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Statement of Net Position Fiduciary Funds June 30, 2025

	Private Purpose Trust	Custodial	Total
Assets:			
Cash and Cash Equivalents	\$ 58,817	\$ 11,667	\$ 70,484
Receivables:			
Interest	1,224	0	1,224
Restricted Assets:			
Investments	405,469	0	405,469
Total Assets	<u>465,510</u>	<u>11,667</u>	<u>477,177</u>
Liabilities:			
Accounts Payable	988	0	988
Due to Others	0	11,667	11,667
Total Liabilities	<u>988</u>	<u>11,667</u>	<u>12,655</u>
Net Position:			
Restricted for Scholarships	464,522	0	464,522
Total Net Position	<u>\$ 464,522</u>	<u>\$ 0</u>	<u>\$ 464,522</u>

See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

**Statement of Changes in Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2025**

	Private Purpose Trust	Custodial	Total
Additions:			
Contributions:			
Collection of Athletic Tournament Fees	\$ 0	\$ 27,269	\$ 27,269
Private Donations	700	0	700
Total Contributions	<u>700</u>	<u>27,269</u>	<u>27,969</u>
Investment Earnings:			
Interest	19,011	0	19,011
Net Change in the Fair Value of Investments	<u>22,734</u>	<u>0</u>	<u>22,734</u>
Total Investment Earnings	<u>41,745</u>	<u>0</u>	<u>41,745</u>
Total Additions	<u>42,445</u>	<u>27,269</u>	<u>69,714</u>
Deductions:			
Distribution of Athletic Tournament Fees	0	27,269	27,269
Community Gifts, Awards and Scholarships	<u>24,515</u>	<u>0</u>	<u>24,515</u>
Total Deductions	<u>24,515</u>	<u>27,269</u>	<u>51,784</u>
Change in Net Position	17,930	0	17,930
Net Position at Beginning of Year	<u>446,592</u>	<u>0</u>	<u>446,592</u>
Net Position End of Year	<u>\$ 464,522</u>	<u>\$ 0</u>	<u>\$ 464,522</u>

See accompanying notes to the basic financial statements

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39 *"Determining Whether Certain Organizations Are Component Units"*, and GASB Statement No. 61, *"The Financial Reporting Entity; Omnibus"* in that the financial statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

Coshocton City School District participates in three organizations which are defined as jointly governed organizations and an insurance purchasing pool. These organizations are the Ohio School Board Association Workers' Compensation Group Rating Program, the Coshocton County Career Center, Ohio Mid-Eastern Regional Education Service Agency, and the Coshocton County Tax Incentive Review Council. These organizations are presented in Notes 15 and 16 to the basic financial statements.

The accounting policies and financial reporting practices of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of its significant accounting policies.

B. Basis of Presentation - Fund Accounting

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/inflows of resources, net position, revenues and expenditures/expenses. The various funds are grouped into the categories governmental, proprietary and fiduciary.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Funds - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

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

Debt Service Fund - To account for resources that are used for payment of principal, interest, and fiscal charges on general obligation debt.

Proprietary Funds - The proprietary funds are accounted for on an "economic resources" measurement focus. This measurement focus provides that all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of the proprietary funds are included on the balance sheet. The proprietary fund operating statement presents increases (i.e., revenues) and decreases (i.e., expenses) in net position.

Internal Service Funds - Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments on a cost-reimbursement basis. The District's internal service fund accounts for premiums and costs associated with a medical, dental, and prescription drug self-insurance program.

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary category is split into two classifications: private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the District's own programs. The District's only trust funds are private purpose trusts that account for scholarship programs, gifts and awards for specific students. State law permits the District to appropriate for purposes consistent with the endowment's intent, net appreciation, both realized and unrealized. The District's custodial fund accounts for athletic tournament monies.

C. Basis of Presentation - Financial Statements

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and 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 District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current liabilities, deferred outflows/inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, liabilities, and deferred outflows/inflows of resources associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Fiduciary funds are reported using the economic resources measurement focus.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recognized when due.

Under the modified accrual basis, the following revenue sources are considered susceptible to accrual at year end: property taxes, tuition, grants and entitlements, student fees, and interest on investments.

Current property taxes measurable at June 30, 2025, but which are not intended to finance fiscal 2025 operations, have been recorded as deferred inflows of resources. Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at fiscal year end.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements, proprietary funds, private-purpose trust funds, and custodial funds. Revenues are recognized when they are earned and expenses are recognized when incurred.

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.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds other than custodial funds are legally required to be budgeted and appropriated; however, only the General Fund and Major Special Revenue Funds are required to be reported. The primary level of budgetary control is at the fund level. Supplemental budgetary modifications may only be made by resolution of the Board of Education.

1. Tax Budget

By January 15, the Superintendent and Treasurer submit an annual operating budget for the following fiscal year to the Board of Education for consideration and passage. The adopted budget is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year for the period July 1 to June 30 of the following fiscal year.

2. Estimated Resources

Prior to April 1, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the first and final amended official certificate of estimated resources issued during fiscal year 2025.

3. Appropriations

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations may be modified during the year. Administrative control is maintained through the establishment of more detailed line-item budgets. The budgetary figures which appear in the Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual (Non-GAAP Budgetary Basis) are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

4. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

5. Basis of Budgeting

The District's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

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

	Net Change in Fund Balance
	<u>General Fund</u>
GAAP Basis (as reported)	(\$945,333)
Increase (Decrease):	
Accrued Revenues at June 30, 2025, received during FY 2026	(539,423)
Accrued Revenues at June 30, 2024, received during FY 2025	643,070
Accrued Expenditures at June 30, 2025, paid during FY 2026	2,863,915
Accrued Expenditures at June 30, 2024, paid during FY 2025	(2,779,032)
Encumbrances Outstanding	(398,092)
Perspective Difference:	
Activity of Funds Reclassified for GAAP Reporting Purposes	<u>(2,707)</u>
Budget Basis	<u><u>(\$1,157,602)</u></u>

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, investments with original maturities of less than three months and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Cash, Cash Equivalents and Investments."

G. Investments

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. The District allocates interest among certain funds based upon the fund's cash balance at the date of investment. In accordance with GASB Statement No. 31, "*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*" and GASB Statement No. 72, "*Fair Value Measurement and Application*," the District records all its investments at fair value except for nonparticipating investment contracts which are reported at cost, which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. See Note 5, "Cash, Cash Equivalents and Investments."

The District's investment in the State Treasury Asset Reserve of Ohio (STAR Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds, but has adopted GASB Statement No. 79, "Certain External Investment Pools and Pool Participants," for investment purposes. STAR Ohio is not registered with the SEC as an investment company and is recognized as an external investment pool by the District. The District measures the 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 a NAV per share that approximates fair value. For fiscal year 2025, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice of 24 hours in advance of all deposits and withdrawals exceeding \$100 million is preferred. STAR Ohio reserves the right to limit the transaction to \$250 million. All accounts of the participant will be combined for these purposes.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Inventory

On the government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of supplies held for resale. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed or used.

I. Prepaid Items

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

J. Capital Assets and Depreciation

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life threshold of five or more years.

1. Property, Plant and Equipment - Governmental Activities

Governmental capital assets are those that are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds. These assets are capitalized at cost (or estimated historical cost for assets not purchased in recent years) within the governmental activities in the government-wide statement of net position but are not reported in the fund financial statements.

Contributed capital assets are recorded at acquisition value at the date received. The District does not possess any infrastructure. Capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets and Depreciation (Continued)

2. Depreciation

All capital assets are depreciated, excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives (in years)</u>
Land Improvements	30
Building and Improvements	15-30
Machinery and Equipment	5-15
Vehicles	5

K. Long-Term Obligations

Long-term liabilities are being repaid from the following funds:

<u>Obligation</u>	<u>Fund</u>
General Obligation Bonds	Debt Service Fund
Installment Loans	Debt Service Fund
Leases	General Fund
Compensated Absences	General Fund, Food Service Fund, Public Preschool Program
Net Pension Liability/Net	Fund, Title VI-B Fund, Chapter I Fund, Alternative School
OPEB Liability	Grant Fund, Parent Mentor Grant Fund, Preschool Grant for the Handicapped Fund, Improving Teacher Quality Fund, District Managed Student Activity Fund

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Compensated Absences

GASB Statement No. 101, “*Compensated Absences*”, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. GASB Statement No. 101 establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. In addition, certain salary related payments that are directly and incrementally associated with the payments for leave should be included in the measurement of the liability. Accrued vacation and sick leave are accumulated to District employees at varying amounts and are attributable to services already rendered. At the time of the employee’s termination, such accruals are paid to the employee at varying rates from the fund to which the employee’s payroll is charged.

Certified employees may earn 15 days of sick leave per year up to a maximum of 250 days. Upon retirement, employees with 10 or more years of service in the Ohio State Teachers Retirement System and 10 or more years of service with the District will receive one-fourth of the accumulated sick leave up to a maximum of 62.5 days. Upon retirement, employees with 10 or more years of service in the Ohio State Teachers Retirement System but less than 10 years of service with the District will receive one-fourth of the accumulated sick leave up to a maximum of 40 days. Classified employees may earn 15 days of sick leave per year up to a maximum of 250 days. Upon retirement, employees will receive one-fourth of the accumulated sick leave up to a maximum of 62.5 days. For governmental funds, that portion of unpaid compensated absences that is expected to be paid using expendable, available resources is reported as an expenditure in the fund from which the individual earning the leave is paid, and a corresponding liability is reflected in the account “Compensated Absences Payable.” For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. In the government-wide statement of net position, “Compensated Absences Payable” is recorded within the “Due within one year” account and the long-term portion of the liability is recorded within the “Due in more than one year” account.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Position

Net position represents the difference between assets, liabilities, and deferred outflows/inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

N. Pension/OPEB

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

O. Interfund Activity

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

P. Fund Balance

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

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in 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. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance (Continued)

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District 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 the District Board of Education.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Q. Restricted Assets

Restricted cash represents a bond sinking fund account, and unclaimed funds.

R. Estimates

The preparation of the 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 in the financial statements and accompanying notes. Actual results could differ from those estimates.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Operating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are interfund charges for the internal service fund self insurance program. Operating expenses are the necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District had no extraordinary or special items during fiscal year 2025.

U. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB. The deferred outflows of resources related to pension and OPEB are explained in Notes 10 and 11.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include leases, property taxes, pension, OPEB, and unavailable revenue. On the government-wide statement of net position and governmental funds balance sheet, property taxes that are intended to finance future fiscal periods, as well as lease revenues that relate to future periods, are reported as deferred inflows. In addition, the governmental funds balance sheet reports some deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position and are explained in Notes 10 and 11.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 2 - COMPLIANCE AND ACCOUNTABILITY

Fund Deficits - The fund deficits at June 30, 2025 of \$9,653 in the Public Preschool Program Fund, \$1,486 in the Race to the Top Fund, \$61,094 in the Title VI-B Fund, \$82,775 in the Title I Fund, \$59 in the Title IV-A Fund, \$856 in the Preschool Grant Fund and \$23,946 in the Improving Teacher Quality Fund (non-major special revenue funds) arose from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The General Fund provided interfund loans to cover these deficits at fiscal year end.

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF NET POSITION

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

GASB Statement No. 102 requires the disclosure of information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The implementation of this Statement had no effect on beginning net position/fund balance.

GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences. The implementation of this Statement had the following effect on beginning net position:

	<u>Governmental Activities</u>
Net Position, June 30, 2024 as reported	\$1,493,959
GASB Statement 101 Implementation:	<u>(2,635,564)</u>
Net Position, July 1, 2024 as restated	<u><u>(\$1,141,605)</u></u>

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 4 – FUND BALANCES

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

Fund Balances	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Unclaimed Funds	\$9,719	\$0	\$0	\$9,719
Total Nonspendable	9,719	0	0	9,719
Restricted:				
Food Service Operations	0	0	329,026	329,026
Extracurricular Activities	0	0	137,595	137,595
Technology Improvements	0	0	950	950
Miscellaneous School Support	0	0	7,142	7,142
Nonpublic School Support	0	0	13,088	13,088
Facilities Maintenance	0	0	1,042,033	1,042,033
Debt Service Payments	0	3,962,144	0	3,962,144
Capital Acquisition and Improvement	0	0	373,494	373,494
Other Purposes	0	0	131,835	131,835
Total Restricted	0	3,962,144	2,035,163	5,997,307
Committed:				
Capital Acquisition and Improvement	0	0	304,943	304,943
Total Committed	0	0	304,943	304,943
Assigned:				
Services and Supplies	269,534	0	0	269,534
Budget Resource	1,420,288	0	0	1,420,288
Public School Support	41,280	0	0	41,280
Total Assigned	1,731,102	0	0	1,731,102
Unassigned	761,131	0	(179,869)	581,262
Total Fund Balances	\$2,501,952	\$3,962,144	\$2,160,237	\$8,624,333

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that 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 that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio;
- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

- The State Treasury Asset Reserve of Ohio (STAR Ohio).
- Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty five percent of the interim monies available for investment at any one time; and
- Under limited circumstances, corporate debt interests rated in either of the two highest classifications by at least two nationally recognized rating agencies.

A. Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District has no deposit policy for custodial risk beyond the requirements of State statute.

Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 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. The District's policy is to deposit funds with banking institutions which collateralize public monies in accordance with the Ohio Revised Code.

At fiscal year end, the carrying amount of the District's deposits was \$5,234,454 and the bank balance was \$5,588,053. Federal depository insurance covered \$2,153,053 of the bank balance and \$3,435,000 was exposed to custodial risk and was collateralized with securities held by the pledging financial institutions trust department or agent but not in the District's name and securities held in the Ohio Pooled Collateral System.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

B. Investments (Continued)

The District's investments at June 30, 2025 were as follows:

	Fair Value	Credit Rating	Fair Value Hierarchy	Investment Maturities (in Years)		
				less than 1	1-3	3-5
STAR Ohio ³	\$8,026,414	AAAm ¹	NA	\$8,026,414	\$0	\$0
Money Market Fund ³	18,768	AAAm ¹	Level 1	18,768	0	0
Mutual Funds	113,818	2-4 Star ²	Level 2	113,818	0	0
Exchange Traded Funds	272,883	2-4 Star ²	Level 2	272,883	0	0
Total Investments	<u>\$8,431,883</u>			<u>\$8,431,883</u>	<u>\$0</u>	<u>\$0</u>

¹ Standard & Poor's

² Morningstar

³ Reported at amortized cost

Interest Rate Risk – The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

Concentration of Credit Risk – The District places no limit on the amount the District may invest in one issuer.

C. Reconciliation of Cash, Cash Equivalents and Investments

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 40. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	Cash and Cash Equivalents	Investments
Per Financial Statements	\$13,260,868	\$405,469
STAR Ohio	<u>(8,026,414)</u>	<u>8,026,414</u>
Per GASB Statement No. 3	<u>\$5,234,454</u>	<u>\$8,431,883</u>

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 6 - PROPERTY TAXES

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar year 2025 represents collections of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed value listed as of January 1, 2024, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2025 represents collections of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2025 became a lien December 31, 2023, were levied after April 1, 2024 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The County Treasurer collects property taxes on behalf of all taxing districts in the County including Coshocton City School District. The County Auditor periodically remits to the District its portion of the taxes collected. The assessed values for collection in fiscal year 2025 were as follows:

	2024 Second Half Collections	2025 First Half Collections
Agricultural/Residential and Other Real Estate	\$166,537,250	\$203,684,900
Public Utility Personal	18,915,880	19,410,100
Total Assessed Value	<u>\$185,453,130</u>	<u>\$223,095,000</u>
Taxrate per \$1,000 of assessed valuation	\$58.55	\$58.55

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 7 - RECEIVABLES

Receivables at June 30, 2025 consisted of taxes, accounts, intergovernmental, and interest receivables.

NOTE 8 - INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Following is a summary of interfund receivables/payables for all funds at June 30, 2025:

	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$311,129	\$0
Other Governmental Funds	0	311,129
Totals	<u>\$311,129</u>	<u>\$311,129</u>

These Interfund Loans are short-term loans to prevent a temporary cash deficit.

Following is a summary of transfers in and out for all funds for fiscal year 2025:

Fund	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$0	\$51,918
Other Governmental Funds	<u>51,918</u>	<u>0</u>
Totals	<u>\$51,918</u>	<u>\$51,918</u>

Transfers are used to move revenues from the funds that statute or budget requires to collect them to the funds that statute or budget requires to expend them; to segregate money for anticipated capital projects; to provide additional resources for current operations or debt service; to return money to the fund from which it was originally provided once a project is completed; to transfer capital assets; and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers made in fiscal year 2025 were allowable under Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 9 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at June 30, 2025:

<i>Historical Cost:</i>	Balance at			Balance at
Class	June 30, 2024	Additions	Deletions	June 30, 2025
<i>Capital assets not being depreciated:</i>				
Land	\$652,141	\$0	(\$13,172)	\$638,969
<i>Capital assets being depreciated:</i>				
Land Improvements	3,341,837	91,960	(86,370)	3,347,427
Buildings and Improvements	29,514,347	63,590	(188,399)	29,389,538
Machinery and Equipment	5,500,775	147,525	(1,574,540)	4,073,760
Vehicles	1,427,407	0	(11,751)	1,415,656
<i>Intangible Right-to-use Asset:</i>				
Equipment	138,628	0	0	138,628
Total Cost	<u>\$40,575,135</u>	<u>\$303,075</u>	<u>(\$1,874,232)</u>	<u>\$39,003,978</u>
<i>Accumulated Depreciation:</i>	Balance at			Balance at
Class	June 30, 2024	Additions	Deletions	June 30, 2025
Land Improvements	(\$1,826,191)	(\$78,262)	\$76,175	(\$1,828,278)
Buildings and Improvements	(12,399,864)	(604,178)	155,174	(12,848,868)
Machinery and Equipment	(4,255,066)	(194,406)	1,331,033	(3,118,439)
Vehicles	(1,022,901)	(45,322)	8,859	(1,059,364)
<i>Intangible Right-to-use Asset:</i>				
Equipment	(27,726)	(27,726)	0	(55,452)
Total Depreciation	<u>(\$19,531,748)</u>	<u>(\$949,894)</u>	<u>\$1,571,241</u>	<u>(\$18,910,401)</u>
<i>Net Value:</i>	<u>\$21,043,387</u>			<u>\$20,093,577</u>

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 9 - CAPITAL ASSETS (Continued)

Depreciation was charged to governmental functions as follows:

Instruction	\$710,315
Support Services:	
Pupils	5,327
Instructional Staff	1,458
Administration	6,359
Operation and Maintenance of Plant	90,367
Transportation	46,015
Central	6,285
Operation of Non-Instructional:	
Food Service Operations	53,543
Extracurricular Activities	<u>30,225</u>
Total Depreciation Expense	<u><u>\$949,894</u></u>

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COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

A. Net Pension Liability

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

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability 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 this estimate annually.

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description

School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year 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. Beginning April 1, 2018, 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 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14 percent. No amount was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$412,639 for fiscal year 2025.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

State Teachers Retirement System (STRS)

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

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

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

The DC Plan allows members to place all of their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. 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.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

B. Plan Description (Continued)

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 goes to the DC Plan 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 after termination of employment at age 50 or later.

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. 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. For the fiscal year ended June 30, 2025, the employer rate was 14% and the member rate was 14% of covered payroll. The fiscal year 2025 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$1,498,749 for fiscal year 2025. Of this amount \$259,068 is reported as an intergovernmental payable.

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

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

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$3,615,613	\$14,214,524	\$17,830,137
Proportion of the Net Pension Liability -2025	0.0706781%	0.0738739%	
Proportion of the Net Pension Liability -2024	0.0685238%	0.0689793%	
Percentage Change	0.0021543%	0.0048946%	
Pension Expense	\$430,892	\$767,330	\$1,198,222

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$138,040	\$895,143	\$1,033,183
Change of assumptions	32,344	655,086	687,430
District contributions subsequent to the measurement date	412,639	1,498,749	1,911,388
Changes in proportionate share	84,789	859,590	944,379
Total Deferred Outflows of Resources	\$667,812	\$3,908,568	\$4,576,380
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$7,783	\$7,783
Changes of assumptions	0	493,091	493,091
Net difference between projected and actual earnings on pension plan investments	226,150	1,222,159	1,448,309
Changes in proportionate share and differences between District contributions and proportionate share of contributions	192,394	558,338	750,732
Total Deferred Inflows of Resources	\$418,544	\$2,281,371	\$2,699,915

\$1,911,388 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	(\$260,783)	(\$796,113)	(\$1,056,896)
2027	173,117	1,344,179	1,517,296
2028	(9,204)	(321,306)	(330,510)
2029	(66,501)	(98,312)	(164,813)
Total	(\$163,371)	\$128,448	(\$34,923)

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions

School Employees Retirement System (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.

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

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

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.00 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

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

The most recent experience study was completed June 30, 2020.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

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 rebalanced uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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

Discount Rate - The total pension liability was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31%.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the 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.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$5,531,377	\$3,615,613	\$2,002,631

State Teachers Retirement System (STRS)

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2024 actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	Varies by service from 2.50 percent to 8.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

For 2024, Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 10 - DEFINED BENEFIT PENSION PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

*Final target weights reflected at October 1, 2022.

**10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes 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. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$22,930,519	\$14,214,524	\$6,842,290

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS

A. Net OPEB Liability (Asset)

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded OPEB liabilities within 30 years. If the OPEB 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 OPEB liability (asset). Resulting adjustments to the net 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 proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

B. Plan Description

School Employees Retirement System (SERS)

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

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

B. Plan Description (Continued)

In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2025, 0.0 percent of covered payroll was contributed to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the District's surcharge obligation was \$51,589.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$51,589 for fiscal year 2025, which is reported as an intergovernmental payable.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

B. Plan Description (Continued)

State Teachers Retirement System (STRS)

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2025, STRS Ohio allocated employer contributions equal to zero percent of covered payroll to the Health Care Stabilization Fund.

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability (Asset)	\$732,220	(\$1,401,239)	
Proportion of the Net OPEB Liability (Asset) -2025	0.0718921%	0.0738739%	
Proportion of the Net OPEB Liability (Asset) -2024	0.0705904%	0.0689793%	
Percentage Change	<u>0.0013017%</u>	<u>0.0048946%</u>	
OPEB Expense	(\$122,758)	(\$327,806)	(\$450,564)

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$60,911	\$60,911
Changes of assumptions	314,263	172,474	486,737
Net difference between projected and actual earnings on OPEB plan investments	3,571	0	3,571
Changes in proportionate share	213,776	0	213,776
District contributions subsequent to the measurement date	51,589	0	51,589
Total Deferred Outflows of Resources	<u>\$583,199</u>	<u>\$233,385</u>	<u>\$816,584</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$789,520	\$151,007	\$940,527
Changes of assumptions	336,355	631,950	968,305
Changes in proportionate share	204,876	0	204,876
Net difference between projected and actual earnings on OPEB plan investments	0	60,164	60,164
Total Deferred Inflows of Resources	<u>\$1,330,751</u>	<u>\$843,121</u>	<u>\$2,173,872</u>

\$51,589 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	(\$220,011)	(\$214,210)	(\$434,221)
2027	(143,452)	(94,410)	(237,862)
2028	(94,029)	(120,785)	(214,814)
2029	(74,009)	(112,353)	(186,362)
2030	(72,931)	(90,968)	(163,899)
Thereafter	(194,709)	22,990	(171,719)
Total	<u>(\$799,141)</u>	<u>(\$609,736)</u>	<u>(\$1,408,877)</u>

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions

School Employees Retirement System (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, prepared as of June 30, 2024, are presented below:

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Expected to be Depleted	2059
Municipal Bond Index Rate:	
Measurement Date	3.93 percent
Prior Measurement Date	3.86 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.88 percent
Prior Measurement Date	4.27 percent
Medical Trend Assumption	
Measurement Date	7.00 to 4.40 percent
Prior Measurement Date	6.75 to 4.40 percent

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

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

The long-term 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 2015 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 log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The 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:

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

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

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

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
School District's proportionate share of the net OPEB liability	\$976,386	\$732,220	\$538,193

	1% Decrease (6.00% Decreasing to 3.40%)	Current Trend Rate (7.00% Decreasing to 4.40%)	1% Increase (8.00% Decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$494,952	\$732,220	\$1,044,085

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

State Teachers Retirement System (STRS)

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Actuarial assumptions used in the June 30, 2024 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

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

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

*Final target weights reflected at October 1, 2022.

**10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include 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, 2024. The projection of cash flows used to determine the discount rate assumes STRS Ohio 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 of current plan members. Therefore, the long-term expected rate of return on OPEB plan assets of 7.00% was used to measure the total OPEB liability as of June 30, 2024.

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COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 11 - DEFINED BENEFIT OPEB PLANS (Continued)

D. Actuarial Assumptions (Continued)

Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount and Health Care Cost Trend Rates – The net OPEB liability (asset) is sensitive to changes in the discount and health care cost trend rates. To illustrate the potential impact the following table presents the net OPEB liability (asset) calculated using the discount rate of 7.00 percent, as well as what the net OPEB liability (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 rate. Also shown is the net OPEB liability (asset) calculated using a health care cost trend rate this is one percentage point lower and one percentage point higher.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB liability (asset)	(\$1,139,306)	(\$1,401,239)	(\$1,629,191)

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
School District's proportionate share of the net OPEB liability (asset)	(\$1,644,589)	(\$1,401,239)	(\$1,108,595)

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COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

Detail of the changes in long-term debt and other long-term obligations of the District for the fiscal year ended June 30, 2025 is as follows:

				Restated Balance June 30, 2024	Additions	Deductions	Balance June 30, 2025	Due Within One Year
Governmental Activities Debt:								
General Obligation Bonds:								
School Construction	2011	2.00 - 6.27%		\$4,355,000	\$0	\$0	\$4,355,000	\$0
School Construction Refunding	2018	2.00 - 4.00%		4,210,000	0	0	4,210,000	0
Energy Conservation	2012	2.97%		138,000	0	(33,000)	105,000	34,000
Energy Conservation	2014	3.65%		260,000	0	(54,000)	206,000	57,000
Bond Premium				172,249	0	(12,890)	159,359	0
Interest Accretion				250,870	25,690	0	276,560	0
Total General Obligation Bonds				9,386,119	25,690	(99,890)	9,311,919	91,000
Installment Loan:								
Athletic Facilities	2019	2.87%		449,000	0	(449,000)	0	0
Governmental Activities Other Long Term Obligations:								
Leases Payable				118,748	0	(25,433)	93,315	27,272
Compensated Absences				4,788,901	0	(446,630)	4,342,271	959,010
Total Governmental Activities				<u>\$14,742,768</u>	<u>\$25,690</u>	<u>(\$1,020,953)</u>	<u>\$13,747,505</u>	<u>\$1,077,282</u>

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

In fiscal year 2011 the District issued General Obligation Bonds in the amount of \$9,445,000 (School Improvement Bonds, Series 2010) to finance the construction of a new elementary school building. In fiscal years 2012 and 2014 the District issued General Obligation Bonds in the amount of \$448,691 (Energy Conservation Improvement Bonds, Series 2012) and \$722,565 (Energy Conservation Improvement Bonds, Series 2014), respectively, to finance the installation, modification and remodeling of school buildings to conserve energy. Payments of principal and interest on the bonds are recorded as expenditures in the Debt Service Fund.

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COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)

A. Principal and Interest Requirements

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2025 follows:

<u>Fiscal Years</u>	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$91,000	\$379,806
2027	4,344,000	268,583
2028	131,000	157,259
2029	65,000	154,534
2030	35,000	153,986
2031-2035	1,175,000	656,880
2036-2040	1,385,000	424,580
2041-2045	1,650,000	140,825
Totals	<u>\$8,876,000</u>	<u>\$2,336,453</u>

NOTE 13 - LEASE COMMITMENTS

The District leases various copiers. The cost of the equipment obtained under lease is \$138,628, the accumulated depreciation is \$55,452 and the net book value is \$83,176, which is included in the Governmental Activities Capital Assets and the related liability is included in the Governmental Activities Long-Term Liabilities.

A summary of the District's future lease requirements including principal and interest payments as of June 30, 2025, follows:

<u>Fiscal Years</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$27,272	\$5,668	\$32,940
2027	29,243	3,697	32,940
2028	31,357	1,583	32,940
2029	5,443	48	5,491
Totals	<u>\$93,315</u>	<u>\$10,996</u>	<u>\$104,311</u>

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 13 - LEASE COMMITMENTS (Continued)

In December 2017, an agreement was made for a fifty-five (55) year lease of land between the District and SBA Towers IX, LLC. The agreement is for the use of approximately one acre of land for a cell tower. An amount of \$240,645 was received prior to the commencement of the lease.

Revenue from the lease agreement is being recognized as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Lease Revenue Recognition</u>
2026	\$4,375
2027	4,375
2028	4,375
2029	4,375
2030	4,375
2031-2035	21,877
2036-2040	21,877
2041-2045	21,877
2046-2050	21,877
2051-2055	21,877
2056-2060	21,877
2061-2065	21,877
2066-2070	21,877
2071-2072	8,754
Total	<u>\$205,645</u>

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 14 – STATUTORY RESERVES

The District is required by state law to set aside certain general fund revenue amounts, as defined, into a capital acquisition reserve. During the fiscal year ended June 30, 2025, the reserve activity (cash-basis) was as follows:

	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2024	\$0
Current Fiscal Year Set-Aside Requirement	360,510
Current Fiscal Year Offset Credits	(92,779)
Qualifying Disbursements	(267,731)
Total	<u>\$0</u>
Set-aside Reserve Balance June 30, 2025	<u>\$0</u>

Although the District had offsets and qualifying disbursements during the fiscal year that reduced the set-aside amounts below zero, the extra amount for capital acquisition may not be used to reduce the set-aside requirements of future fiscal years. Negative amounts for capital acquisition are therefore not presented as being carried forward to the next fiscal year.

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COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 15 - RISK MANAGEMENT

A. Insurance Purchasing Pool

Sheakley Uniserve Workers' Compensation Group Rating Program - The District participates in the Ohio School Board Association Workers' Compensation Group Rating Program (WCGRP), an insurance purchasing pool. The WCGRP'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 OSBA. Each year, the participating school districts pay an enrollment fee to the WCGRP to cover the costs of administering the program.

B. Other Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. During fiscal year 2025, the District contracted for various insurance coverages, as follows:

Insurance Provider	Coverage	Deductible
Ohio School Plan	General Liability Coverage	Not Applicable
Ohio School Plan	Employers' Liability	Not Applicable
Ohio School Plan	Fiduciary Liability Coverage	\$2,500
Ohio School Plan	Legal Liability Coverage	\$2,500
Ohio School Plan	Violence Coverage	Not Applicable
Ohio School Plan	Automobile	\$250 Comprehensive; \$500 Collision
Ohio School Plan	Buses	\$1,000 Comprehensive; \$1,000 Collision
Ohio School Plan	Property Coverage	\$1,000
Ohio School Plan	Crime Coverage	\$1,000
Ohio School Plan	Cyber Coverage	Not Applicable
Ohio School Plan	Pollution Coverage	\$25,000/Per Incident \$50,000 Per Mold Matter

There has been no reduction in insurance coverages from coverages in the prior fiscal year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

The District also provides life insurance and accidental death and dismemberment insurance to employees through American United Life Insurance Company in the amount of \$25,000 for both certified employees and classified employees working 25 hours or more per week. Administrative employees receive a policy amount that is 1 ½ times their annual salary.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 15 - RISK MANAGEMENT (Continued)

B. Other Insurance (Continued)

The District also maintains a limited risk comprehensive health, dental and prescription insurance program for employees. Premiums are paid to a third party administrator, Medical Mutual Insurance Company. The claims are processed by the third party administrator and monitored by the District in conjunction with the third party administrator. An internal service fund is presented in the financial statements and reflects premiums paid into the self-insurance fund by other funds which are available to pay claims and administrative costs, and establish claims reserves. The outstanding claims at June 30, 2025 for the self-insurance program amounted to \$418,221.

The agreement with Medical Mutual Insurance Company requires either party to provide 90 days advance notice to terminate the relationship. Upon termination of the agreement, Medical Mutual Insurance Company shall furnish claims payment services to those claims for which it had received complete information prior to the termination date and at the same charges as were in effect under the agreement unless the District notifies Medical Mutual Insurance Company in writing at the time of such termination that such services are not required by the District.

Upon termination Medical Mutual Insurance Company shall forward to the District such claims file and other records as the District may reasonably require for the administration of the Plan or any plan adopted in its place.

The claims liability of \$418,221 reported in the fund at June 30, 2025 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount in fiscal year 2025 were as follows:

<u>Fiscal Year</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at Fiscal Year End</u>
2024	\$ 207,753	4,924,718	(4,879,221)	\$ 253,250
2025	253,250	4,684,159	(4,519,188)	418,221

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

A. Coshocton County Career Center School District

The Coshocton County Career Center is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and career technical educational needs of students. The Career Center Board of Education is comprised of representatives from the Board of Education of each participating school district. The Career Center Board of Education is responsible for approving its own budgets, appointing personnel, as well as accounting and finance-related activities. The Coshocton City School District students may attend the Joint Vocational School. Each participating School District's control is limited to its representation on the Career Center School Board of Education.

B. Ohio Mid-Eastern Regional Education Service Agency (OME-RESA)

The Ohio Mid-Eastern Regional Education Service Agency (OME-RESA) is organized as a Council of Government (COG) service organization that primarily provides information technology (IT) services to its member school districts. OME-RESA's major focus areas are Financial/Administrative IT, Accounting, payroll, and inventory control services. Other Services: Internet connectivity, data management (including EMIS and student information systems), and library automation.

OME-RESA is one of sixteen Information Technology Centers (ITCs) across Ohio. These ITCs and their member districts collectively form the Ohio Educational Computer Network (OECN), authorized under Section 3301.075 of the Ohio Revised Code. The OECN, in collaboration with the Ohio Department of Education and Workforce (DEW), serves as a statewide delivery system to offer comprehensive, cost-efficient administrative and instructional computer services to participating Ohio school districts.

OME-RESA is owned and operated by 49-member school districts across ten Ohio counties, including public school districts and educational service centers. Member districts pay annual fees for the services they receive. It is governed by a Board of Directors selected by the member districts. Each member district holds one vote on all matters, and its control over OME-RESA's budgeting and financing is limited to its voting authority and any board representation.

OME-RESA is located in Steubenville, Ohio and employs a Fiscal Officer. During fiscal year 2025, \$70,375 was paid to OME-RESA for various services.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. Coshocton County Tax Incentive Review Council

The Coshocton County Tax Incentive Review Council (CCTIRC) is a jointly governed organization, created as a regional council of governments pursuant to state statute. CCTIRC has 19 members, consisting of three members appointed by the County Commissioners, three members appointed by municipal corporations, eight members appointed by township trustees, one member from the county auditor's office and four members appointed by boards of education located within the county. CCTIRC reviews and evaluates the performance of each Enterprise Zone Agreement. This body is advisory in nature and cannot directly impact an existing Enterprise Zone Agreement; however, the council can make written recommendations to the legislative authority that approved the agreement. There is no cost associated with being a member of this council. The continued existence of the CCTIRC is not dependent on the District's continued participation, and no equity interest exists. During fiscal year 2025, no monies were paid to the CCTIRC.

The District does not retain an ongoing financial interest or an ongoing financial responsibility with any of these organizations.

NOTE 17 - CONTINGENCIES

A. Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

B. Litigation

The District is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2025.

C. School Foundation

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODEW adjustments for fiscal year 2025 have been finalized. The impact of the FTE adjustments are not significant to the School District.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

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

NOTE 18 – SIGNIFICANT COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at fiscal year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At June 30, 2025 the District had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	<u>Encumbrances</u>
General Fund	\$398,092
Other Governmental Funds	325,986
Total Governmental Funds	<u>\$724,078</u>

NOTE 19 – TAX ABATEMENTS

Real Estate Tax Abatements – Enterprise Zone

Enterprise Zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program provides tax exemptions for a portion of the value of new real property when the investment is made in conjunction with a project that includes job creation.

The Enterprise Zone law permits municipalities to grant exemption of real property assessed values up to 75% and up to 10 years on new investments in building and improvements to existing land and buildings for a specific project. The exemptions may be increased up to 100% with approval of the affected Board of Education.

The City of Coshocton had an Enterprise Zone Agreement with Kraft Foods Group, Inc. dated October 6, 2014. The agreement will provide a 75% real property exemption for a period of 10 years. The total value of real property subject to exemption for 2023 (the latest information available) was \$2,522,086.

The total value of District taxes abated for 2023 (the latest information available) was \$147,668.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

REQUIRED SUPPLEMENTARY INFORMATION

COSHOCTON CITY SCHOOL DISTRICT, OHIO

***Schedule of District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years***

State Teachers Retirement System

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of the net pension liability (asset)	0.0792872%	0.0728134%	0.0720088%	0.0736569%
District's proportionate share of the net pension liability (asset)	\$21,912,662	\$24,372,851	\$17,105,854	\$16,195,508
District's covered payroll	\$8,658,329	\$7,873,264	\$7,639,079	\$8,292,907
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	253.08%	309.56%	223.93%	195.29%
Plan fiduciary net position as a percentage of the total pension liability	72.10%	66.80%	75.30%	77.30%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of the net pension liability (asset)	0.0655558%	0.0672213%	0.0637355%	0.0741061%
District's proportionate share of the net pension liability (asset)	\$3,740,677	\$4,919,979	\$3,808,057	\$4,244,196
District's covered payroll	\$1,980,159	\$2,089,957	\$2,116,071	\$2,326,904
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	188.91%	235.41%	179.96%	182.40%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	62.98%	69.50%	71.36%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The schedule is reported as of the measurement date of the Net Pension Liability.

See accompanying notes to the required supplementary information

COSHOCTON CITY SCHOOL DISTRICT, OHIO

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
0.0734094%	0.0728637%	0.0716201%	0.0724648%	0.0689793%	0.0738739%
\$16,234,051	\$17,630,424	\$9,157,269	\$16,109,009	\$14,854,661	\$14,214,524
\$8,463,150	\$10,270,107	\$8,349,514	\$9,317,250	\$9,528,436	\$9,720,986
191.82%	171.67%	109.67%	172.89%	155.90%	146.23%
77.40%	75.48%	87.78%	78.90%	80.00%	82.50%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
0.0711292%	0.0670768%	0.0658108%	0.0763353%	0.0685238%	0.0706781%
\$4,255,788	\$4,436,603	\$2,428,232	\$4,128,811	\$3,786,297	\$3,615,613
\$2,440,133	\$2,351,564	\$2,271,621	\$2,851,557	\$2,718,493	\$2,961,979
174.41%	188.67%	106.89%	144.79%	139.28%	122.07%
70.85%	68.55%	82.86%	75.82%	76.06%	78.52%

COSHOCTON CITY SCHOOL DISTRICT, OHIO

***Schedule of District Pension Contributions
Last Ten Fiscal Years***

State Teachers Retirement System

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$1,102,257	\$1,069,471	\$1,161,007	\$1,184,841
Contributions in relation to the contractually required contribution	<u>1,102,257</u>	<u>1,069,471</u>	<u>1,161,007</u>	<u>1,184,841</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$7,873,264	\$7,639,079	\$8,292,907	\$8,463,150
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required contribution	\$292,594	\$296,250	\$314,132	\$329,418
Contributions in relation to the contractually required contribution	<u>292,594</u>	<u>296,250</u>	<u>314,132</u>	<u>329,418</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$2,089,957	\$2,116,071	\$2,326,904	\$2,440,133
Contributions as a percentage of covered payroll	14.00%	14.00%	13.50%	13.50%

Source: District Treasurer's Office and School Employees Retirement System

See accompanying notes to the required supplementary information

COSHOCTON CITY SCHOOL DISTRICT, OHIO

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$1,437,815	\$1,168,932	\$1,304,415	\$1,333,981	\$1,360,938	\$1,498,749
<u>1,437,815</u>	<u>1,168,932</u>	<u>1,304,415</u>	<u>1,333,981</u>	<u>1,360,938</u>	<u>1,498,749</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,270,107	\$8,349,514	\$9,317,250	\$9,528,436	\$9,720,986	\$10,705,350
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$329,219	\$318,027	\$399,218	\$380,589	\$414,677	\$412,639
<u>329,219</u>	<u>318,027</u>	<u>399,218</u>	<u>380,589</u>	<u>414,677</u>	<u>412,639</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,351,564	\$2,271,621	\$2,851,557	\$2,718,493	\$2,961,979	\$2,947,421
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Schedule of the District's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset) Last Nine Fiscal Years

State Teachers Retirement System

Fiscal Year	2017	2018	2019
District's proportion of the net OPEB liability (asset)	0.0720088%	0.0720088%	0.0736569%
District's proportionate share of the net OPEB liability (asset)	\$3,851,051	\$2,809,518	(\$1,183,594)
District's covered payroll	\$7,873,264	\$7,639,079	\$8,292,907
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	48.91%	36.78%	(14.27%)
Plan fiduciary net position as a percentage of the total OPEB liability	37.30%	47.10%	176.00%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

Fiscal Year	2017	2018	2019
District's proportion of the net OPEB liability (asset)	0.0648745%	0.0648745%	0.0748583%
District's proportionate share of the net OPEB liability (asset)	\$1,849,163	\$1,741,059	\$2,076,771
District's covered payroll	\$2,089,957	\$2,116,071	\$2,326,904
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	88.48%	82.28%	89.25%
Plan fiduciary net position as a percentage of the total OPEB liability	11.49%	12.46%	13.57%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability (Asset), which is the prior year end.

See accompanying notes to the required supplementary information

COSHOCTON CITY SCHOOL DISTRICT, OHIO

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
0.0734094%	0.0728637%	0.0716201%	0.0724648%	0.0689793%	0.0738739%
(\$1,215,839)	(\$1,280,579)	(\$1,510,052)	(\$1,876,356)	(\$1,341,552)	(\$1,401,239)
\$8,463,150	\$10,270,107	\$8,349,514	\$9,317,250	\$9,528,436	\$9,720,986
(14.37%)	(12.47%)	(18.09%)	(20.14%)	(14.08%)	(14.41%)
174.74%	182.13%	174.73%	230.70%	168.50%	158.00%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
0.0730472%	0.0685988%	0.0677934%	0.0782739%	0.0705904%	0.0718921%
\$1,836,983	\$1,490,876	\$1,283,046	\$1,098,974	\$1,162,942	\$732,220
\$2,440,133	\$2,351,564	\$2,271,621	\$2,851,557	\$2,718,493	\$2,961,979
75.28%	63.40%	56.48%	38.54%	42.78%	24.72%
15.57%	18.17%	24.08%	30.34%	30.02%	44.50%

COSHOCTON CITY SCHOOL DISTRICT, OHIO

***Schedule of District Other Postemployment Benefit (OPEB) Contributions
Last Ten Fiscal Years***

State Teachers Retirement System

Fiscal Year	2016	2017	2018	2019
Contractually required contribution	\$0	\$0	\$0	\$0
Contributions in relation to the contractually required contribution	0	0	0	0
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
District's covered payroll	\$7,873,264	\$7,639,079	\$8,292,907	\$8,463,150
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

Source: District Treasurer's Office and State Teachers Retirement System

School Employees Retirement System

Fiscal Year	2016	2017	2018	2019
Contractually required contribution	\$34,837	\$30,926	\$50,644	\$57,506
Contributions in relation to the contractually required contribution	34,837	30,926	50,644	57,506
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
District's covered payroll	\$2,089,957	\$2,116,071	\$2,326,904	\$2,440,133
Contributions as a percentage of covered payroll	1.67%	1.46%	2.18%	2.36%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.

See accompanying notes to the required supplementary information

COSHOCTON CITY SCHOOL DISTRICT, OHIO

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$10,270,107	\$8,349,514	\$9,317,250	\$9,528,436	\$9,720,986	\$10,705,350
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$39,309	\$43,246	\$52,248	\$52,029	\$50,945	\$51,589
<u>39,309</u>	<u>43,246</u>	<u>52,248</u>	<u>52,029</u>	<u>50,945</u>	<u>51,589</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,351,564	\$2,271,621	\$2,851,557	\$2,718,493	\$2,961,979	\$2,947,421
1.67%	1.90%	1.83%	1.91%	1.72%	1.75%

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2025

NET PENSION LIABILITY

SERS

Changes in benefit terms – For fiscal years 2019 through 2025, there were no changes to benefit terms.

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

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

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

Changes in assumptions

For fiscal years 2024 and 2025 there were no changes in assumptions.

For fiscal year 2023, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2022 and prior are presented below:

- Cost of living adjustment was increased from 2.00% to 2.50%.

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

- Assumed rate of inflation was reduced from 3.00% to 2.40%
- Payroll growth assumption was reduced from 3.50% to 1.75%
- Assumed real wage growth was increased from 0.50% to 0.85%
- Cost-of-Living-Adjustments was reduced from 2.50% to 2.00%
- The discount rate was reduced from 7.50% to 7.00%
- Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - PUB-2010 General Amount Weighted Below Median Employee mortality table. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.
- Mortality among service retired members was updated to the following:
 - PUB-2010 General Employee Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.
- Mortality among contingent survivors was updated to the following:
 - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2025

NET PENSION LIABILITY (Continued)

SERS (Continued)

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

For fiscal years 2021, 2020, and 2019 there were no changes in assumptions.

For fiscal year 2018, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. The above rates represent the base rates used.
- Mortality among service retired members, and beneficiaries was updated to the following:
 - RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates.
- Mortality among disable member was updated to the following:
 - RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

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

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2025

NET PENSION LIABILITY (Continued)

STRS

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

Changes in assumptions

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

- Total salary increase rates were lowered to a range of 2.5 percent to 8.5 percent.
- Updated the health and disability mortality assumptions to the Pub-2010 Teachers Healthy Annuitant Mortality Table projected forward generationally using mortality improvement scale MP-2020.
- Demographic assumptions were modified to reflect the June 30, 2021 experience study.

In fiscal year 2022 the investment return was lowered from 7.45 percent to 7.00 percent. For fiscal year 2021, 2020, and 2019, there were no changes in assumptions. For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Inflation assumptions were lowered from 2.75 percent to 2.50 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered to 3.00 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

There were no changes in assumptions for fiscal years 2016 to 2017, and 2024 to 2025.

NET OPEB LIABILITY (ASSET)

SERS

Changes in benefit terms – There were no changes to benefit terms for fiscal years 2025 - 2018.

Changes in assumptions

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

The discount rate was changed from 4.27% to 4.88%

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2025

NET OPEB LIABILITY (ASSET)

SERS (Continued)

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

- The discount rate was changed from 4.08% to 4.27%

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

- The discount rate was changed from 2.27% to 4.08%

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

- The discount rate was changed from 2.63% to 2.27%
- The investment rate of return was reduced from 7.50% to 7.00%
- Assumed rate of inflation was reduced from 3.00% to 2.40%
- Payroll Growth Assumption was reduced from 3.50% to 1.75%
- Assumed real wage growth was increased from 0.50% to 0.85%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience
- Rate of health care participation for future retirees and spouses was updated to reflect recent experience
- Mortality among active members was updated to the following:
 - PUB-2010 General Amount Weighted Below Median Employee mortality table.
- Mortality among service retired members was updated to the following:
 - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
- Mortality among beneficiaries was updated to the following:
 - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2025

NET OPEB LIABILITY (ASSET) (Continued)

SERS (Continued)

- Mortality among disabled member was updated to the following:
 - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.
- Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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

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

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
 - Pre-Medicare – 2019 – 7.25 to 4.75 percent, 2020 – 7.00 to 4.75

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

- The discount rate was changed from 3.63 percent to 3.70 percent.
- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
 - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
 - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

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

- The discount rate was increased from 2.98 percent to 3.63 percent.

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2025

NET OPEB LIABILITY (ASSET) (Continued)

SERS (Continued)

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

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

STRS

Changes in benefit terms

There were no changes in benefit terms for fiscal year 2025.

For fiscal year 2024 the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The non-Medicare subsidy percentage was increased from 2.2% to 2.5%.

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

- Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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

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

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2025

NET OPEB LIABILITY (ASSET) (Continued)

STRS (Continued)

For fiscal year 2021 the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- 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.

For fiscal year 2020, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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

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

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

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

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

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2025

NET OPEB LIABILITY (ASSET) (Continued)

STRS (Continued)

Changes in assumptions

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

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

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

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

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2025

NET OPEB LIABILITY (ASSET) (Continued)

STRS (Continued)

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

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from (16.18) percent initial, 4 percent ultimate, to (68.78) percent initial, 3.94 percent ultimate
 - Medical Pre-Medicare – from 5.00 percent initial, 4 percent ultimate to 7.50 percent initial, 3.94 percent ultimate
 - Prescription Drug Medicare – from 29.98 percent initial, 4 percent ultimate to (5.47) percent initial, 3.94 percent ultimate
 - Prescription Drug Pre-Medicare – from 6.50 percent, 4 percent ultimate, to 9.00 initial, 3.94 percent ultimate

Updated the health and disability mortality assumption to the PUB-2010 mortality tables with generational improvement scale MP-2020.

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

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from (6.69) percent to (16.18) percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 11.87 percent to 29.98 percent initial, 4 percent ultimate
- The investment return was lowered from 7.45 percent to 7.00 percent.

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

- The health care trend assumption rate changed as follows:
 - Medical Medicare – from 4.93 percent to (6.69) percent initial, 4 percent ultimate
 - Medical Pre-Medicare – from 5.87 percent to 5.00 percent initial, 4 percent ultimate
 - Prescription Drug Medicare – from 9.62 percent to 11.87 percent initial, 4 percent ultimate
 - Prescription Drug Pre-Medicare – from 7.73 percent to 6.50 initial, 4 percent ultimate

COSHOCTON CITY SCHOOL DISTRICT, OHIO

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2025

NET OPEB LIABILITY (ASSET) (Continued)

STRS (Continued)

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

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

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

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

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

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

There were no changes in assumptions for fiscal year 2017.

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**COSHOCTON CITY SCHOOL DISTRICT
COSHOCTON COUNTY**

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

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Assistance Listing Number	Pass Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Child Nutrition Cluster:			
National School Breakfast Program	10.553	N/A	\$ 258,300
National School Lunch Program	10.555	N/A	842,586
National School Breakfast Program (Non-Cash)	10.553	N/A	14,626
National School Lunch Program (Non-Cash)	10.555	N/A	<u>47,712</u>
Total U.S. Department of Agriculture			<u>1,163,224</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Title I Grants to Local Educational Agencies	84.010	N/A	869,043
Special Education Cluster:			
Title VI-B Special Education Assistance	84.027	N/A	358,166
Special Education Preschool Grants	84.173	N/A	<u>9,564</u>
Total Special Education Cluster			<u><u>367,730</u></u>
Rural and Low Income	84.358B	N/A	94,380
Title III English Language Acquisition State Grants	84.365	N/A	628
Supporting Effective Instruction State Grants	84.367	N/A	74,396
Student Support and Academic Enrichment Program:			
Student Support and Academic Enrichment Program	84.424A	N/A	18,894
Strong Connections	84.424F	N/A	<u>66,327</u>
Total Student Support and Academic Enrichment Program			<u><u>85,221</u></u>
Elementary and Secondary School Emergency Relief (ESSER) Fund:			
COVID-19 ARP - ESSER	84.425U	N/A	277,071
COVID-19 ARP - ESSER - Homeless Children and Youth	84.425W	N/A	<u>83,655</u>
Total Elementary and Secondary School Emergency Relief Fund			<u><u>360,726</u></u>
Total U.S. Department of Education			<u>1,852,124</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Department of Budget and Management:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds K-12 School Safety Grant	21.027	N/A	<u>89,332</u>
Total U.S. Department of Treasury			<u>89,332</u>
Total Expenditures of Federal Awards			<u><u>\$3,104,680</u></u>

The accompanying notes are an integral part of this schedule.

**COSHOCTON CITY SCHOOL DISTRICT
COSHOCTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Coshocton City School District, Coshocton County, Ohio (the District) under programs of the federal government for the fiscal year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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



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

Coshocton City School District
Coshocton County
1207 Cambridge Road
Coshocton, Ohio 43812

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Coshocton City School District, Coshocton County, Ohio (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 15, 2026, wherein we noted the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as item 2025-004 to be a material weakness.

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. We consider the deficiencies described in the accompanying Schedule of Findings as items 2025-001 through 2025-003 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2025-001 through 2025-003.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying Corrective Action Plan. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

KEITH FABER
Ohio Auditor of State



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

June 15, 2026



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

Coshocton City School District
Coshocton County
1207 Cambridge Road
Coshocton, Ohio 43812

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Coshocton City School District
Coshocton County
Independent Auditor's Report on Compliance with Requirements
Applicable to the Major Federal Program and on Internal Control
Over Compliance Required by the Uniform Guidance
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Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

KEITH FABER
Ohio Auditor of State



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

June 15, 2026

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**COSHOCTON CITY SCHOOL DISTRICT
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	AL #84.010, Title I Grants to Local Educational Agencies
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

FINDING NUMBER 2025-001

Noncompliance and Significant Deficiency

Ohio Rev. Code § 5705.36(A)(1) provides, in part, on or about the first day of each fiscal year, the fiscal officer of each subdivision and other taxing unit shall certify to the county auditor the total amount from all sources available for expenditures from each fund set up in the tax budget or, if adoption of a tax budget was waived under section 5705.281 of the Revised Code, from each fund created by or on behalf of the taxing authority.

The amount certified shall include any unencumbered balances that existed at the end of the preceding year, excluding any of the following:

- a. Any reserve balance in a budget stabilization account established under Ohio Rev. Code § 5705.13 for the purpose described in division (A)(1) of that section;

**COSHOCTON CITY SCHOOL DISTRICT
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025
(Continued)**

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

FINDING NUMBER 2025-001 (Continued)

Noncompliance and Significant Deficiency (Continued)

- b. The principal of a nonexpendable trust fund established under Ohio Rev. Code § 5705.131 and any additions to principal arising from sources other than the reinvestment of investment earnings arising from that fund;
- c. The balance in a reserve balance account established under section Ohio Rev. Code § 5705.132.

The budget commission, taking into consideration the balances and revenues to be derived from taxation and other sources, shall revise its estimate of the amounts that will be credited to each fund from such sources, and shall certify to the taxing authority of each subdivision an amended official certificate of estimated resources.

Ohio Rev. Code § 5705.36(A)(2) states in part that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be greater or less than the amount included in the official certificate, the fiscal officer may certify the amount of the deficiency or excess to the commission, and if the commission determines that the fiscal officer's certification is reasonable, the commission shall certify an amended official certificate reflecting the deficiency or excess.

Due to a deficiency in internal controls regarding the District's budgetary process, the unencumbered balance of the District's Special Trust and Endowment Funds in the amounts of \$53,264 and \$385,065, respectively, were improperly included in the Official Certificate of Estimated Resources dated October 23, 2024. Additionally, the District's actual receipts in the Permanent Improvement, ESSER and Title I Funds exceed the Certificate of Estimated Resources by \$270,976, \$233,059 and \$111,241, respectively. The District obtained an Amended Certificate of Estimated Resources for these additional receipts; however the Amended Certificate of Estimated Resources was not requested and approved until July 2025, which is outside of the fiscal year and thus not recognized.

The District should implement procedures to help ensure only proper fund balances are certified with the County Auditor to be included on the Amended Official Certificate of Estimated Resources, and they are timely submitted. Additionally, the District should monitor budget versus actual to determine if an Amended Certificate of Estimated Resources should be obtained from the County Auditor prior to appropriating and expending the funds.

Officials' Response – Refer to Corrective Action Plan.

FINDING NUMBER 2025-002

Noncompliance and Significant Deficiency

Ohio Rev. Code § 5705.38(B) provides in part that a board of education shall pass its annual appropriation measure by the first day of October. Prior to the passage of the annual appropriation measure, the board may pass a temporary appropriation measure for meeting the ordinary expenses of the district until it passes an annual appropriation measure, and appropriations made in the temporary measure shall be chargeable to the appropriations in the annual appropriation measure for that fiscal year when passed. During the fiscal year and after the passage of the annual appropriation measure, a district may pass any supplemental appropriation measures as it finds necessary, based on the revised tax budget or the official certificate of estimated resources or amendments of the certificate.

**COSHOCTON CITY SCHOOL DISTRICT
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025
(Continued)**

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

FINDING NUMBER 2025-002 (Continued)

Noncompliance and Significant Deficiency (Continued)

The District adopted fiscal year 2025 temporary appropriations on July 24, 2024 and permanent appropriations on October 31, 2024, which were not within the required timeframe required by Ohio Rev. Code § 5705.38(B). As a result, all expenditures made between July 1st and July 24th were not appropriated, as well as all expenditures made between October 1st and October 31st.

By not properly adopting permanent appropriations approved by the Board of Education in a timely manner, the District is at risk of overspending in excess of available funds, which could result in negative fund balances. We recommend temporary appropriations be adopted by the first day of July and permanent appropriations be adopted by the first day of October as evidenced within the Board of Education minutes.

Officials' Response – Refer to Corrective Action Plan.

FINDING NUMBER 2025-003

Noncompliance and Significant Deficiency

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the District's Permanent Improvement Fund, ESSER Fund and Title I Fund had expenditures in excess of appropriations of \$38,409, \$19,202 and \$517,941, respectively, as of June 30, 2025.

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Board of Education should closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Treasurer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response – Refer to Corrective Action Plan.

FINDING NUMBER 2025-004

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

**COSHOCTON CITY SCHOOL DISTRICT
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025
(Continued)**

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

FINDING NUMBER 2025-004 (Continued)

Material Weakness (Continued)

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The appropriation resolution and subsequent amendments establish the legal spending authority of the District and the appropriation ledger provides the process by which the District controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the District and the receipts ledger provides the process by which the District controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The District did not have internal control procedures in place to timely review budget vs. actual activity and accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) were not timely approved by the Board, therefore they were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) were not provided timely to the County Budget Commission for approval, therefore were not accurately posted to the accounting system.

These errors resulted in audit adjustments to the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund statement to properly reflect budgetary actions for the fiscal year, as the amounts reported for final budgeted revenue were understated by \$1,922,537 and the amounts reported for final budgeted expenditures were understated by \$839,031.

Failure to accurately approve and post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

The District should have internal controls in place to monitor budget vs. actual activity periodically throughout the year and approve revisions, as necessary, in a timely manner.

Officials' Response – Refer to Corrective Action Plan.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None



1207 Cambridge Rd. * Coshocton OH 43812 * PH: (740) 622-1901 * FX: (740) 623-5803 * www.coshoctoncityschools.com

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR § 200.511(b)
JUNE 30, 2025

Finding Number	Finding Summary	Status	Additional Information
2024-001	Noncompliance with Ohio Revised Code Section 121.22(G)(8)(b) – The Board entered executive session during multiple regular meetings and the purposes was not documented in the minutes.	Corrective Action Taken and Finding is Fully Corrected	

Mission Statement

Coshocton City Schools, in partnership with family and community, will empower individuals to become literate, respectful, responsible, and independent life-long learners in an ever-changing global society.



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CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
June 30, 2025

Finding Number:	2025-001
Planned Corrective Action:	Moving forward the accounts that are listed to be certified will include any unencumbered balance that existed at the end of the preceding year, excluding the District's Special Trust and Endowment Funds. I will use a new tool obtained from another school treasurer that tracks actual resources compared to estimated monthly in a much simpler way and I will file a timely amended Certificate of Estimated Resources if resources exceed the original estimate.
Anticipated Completion Date:	June 30, 2026
Responsible Contact Person:	Terri Eyerman, Treasurer
Finding Number:	2025-002
Planned Corrective Action:	Moving forward, the Treasurer's office will have estimated resources approved in June and filed with the County Auditor by July 1st. This will be done by beginning the closing process of the previous year a month sooner in order to be able to abide by this timeline. Accordingly, permanent appropriations will be board approved in September and filed by October 1st with the County Auditor. In the past we have spent a great deal of time reconciling the current year's actual/close, which delayed the timing of the Appropriations. Moving up our closing process should rectify this issue. The delay in the October first filing was due to waiting on the 1st month of payroll to post (September) in order to reconcile actual to the amount filing as permanent. This is just an attention to detail prior to filing I cannot afford to do. I will file timely then make corrections as needed instead.
Anticipated Completion Date:	June 30, 2026
Responsible Contact Person:	Terri Eyerman, Treasurer

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CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

June 30, 2025

(Continued)

Finding Number:	2025-003
Planned Corrective Action:	Moving forward I will use a new tool obtained from another school treasurer that tracks actual resources compared to estimated monthly in a much simpler way as well as estimated vs actual appropriations. I will file a timely amended Appropriations if expenditures exceed the original estimate. I will also deny payment requests that exceed appropriations if they are inadequate to cover the expenditures.
Anticipated Completion Date:	June 30, 2026
Responsible Contact Person:	Terri Eyerman, Treasurer
Finding Number:	2025-004
Planned Corrective Action:	I have and will be implementing a tool that will help monitor my budget vs actual activity monthly so I can submit revisions as needed in a timely manner. My fiscal year budgets will be submitted to the county auditor within the ORC requirements. As needed submission will take place during the year and my end of year filing will again be filed within ORC requirements. Accounts that are not to be included will not be on the submissions to the county auditor.
Anticipated Completion Date:	June 30, 2026
Responsible Contact Person:	Terri Eyerman, Treasurer

Mission Statement

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OHIO AUDITOR OF STATE KEITH FABER



COSHOCTON CITY SCHOOL DISTRICT

COSHOCTON 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 6/30/2026

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

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