

**NELSONVILLE-YORK
CITY SCHOOL DISTRICT**
ATHENS COUNTY, OHIO

SINGLE AUDIT

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



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

Board of Education
Nelsonville-York City School District
2 Buckeye Drive
Nelsonville, Ohio 45764

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

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

KEITH FABER
Ohio Auditor of State

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

April 29, 2026

This page intentionally left blank.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 13
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Notes to the Basic Financial Statements.....	20 - 60
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Non-GAAP Budgetary Basis) –	
General Fund	62
Elementary and Secondary School Emergency Fund	63
Schedule of the District's Proportionate Share of the Net Pension Liability and District Pension Contributions:	
School Employees Retirement System (SERS) of Ohio	65
State Teachers Retirement System (STRS) of Ohio.....	66
Schedule of the District's Proportionate Share of the Net OPEB Liability/(Asset) and District OPEB Contributions:	
School Employees Retirement System (SERS) of Ohio	67
State Teachers Retirement System (STRS) of Ohio.....	68
Notes to the Required Supplementary Information	69 - 75
Supplementary Information:	
Schedule of Expenditures of Federal Awards.....	76
Notes to the Schedule of Expenditures of Federal Awards 2 <i>CFR</i> § 200.510(b)(6)	77
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	
	78 - 79
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	
	80 - 82

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TABLE OF CONTENTS

Schedule of Findings 2 <i>CFR</i> § 200.515	83
Summary Schedule of Prior Audit Findings 2 <i>CFR</i> § 200.511 (b)	84

Independent Auditor's Report

Nelsonville-York City School District
Athens County
2 Buckeye Drive
Nelsonville, OH 45764

To the Members of the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the 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 Nelsonville-York City School District, as of June 30, 2025, and the respective changes in financial position, thereof for the fiscal year then ended in accordance with 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 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 Nelsonville-York City School 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, Nelsonville-York City School District restated beginning net position as a result of a change in accounting principle by implementing GASB Statement No. 101, "Compensated Absences". Our opinions are 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 Nelsonville-York City School 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Nelsonville-York City School 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 Nelsonville-York City School 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 postemployment benefit assets and liabilities and pension and other postemployment benefit contributions, and budgetary comparison information listed in the table of contents 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 Nelsonville-York City School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 December 29, 2025 on our consideration of Nelsonville-York City School District's internal control over financial reporting and on 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 Nelsonville-York City School 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 Nelsonville-York City School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 29, 2025

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

The management's discussion and analysis of Nelsonville-York 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 basic financial statements and the 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:

- The District's net position of governmental activities increased \$905,976 which represents a 118.96% increase from 2024's restated net position.
- General revenues accounted for \$14,636,046 in revenue or 70.31% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$6,180,401 or 29.69% of total revenues of \$20,816,447.
- The District had \$19,910,471 in expenses related to governmental activities; only \$6,180,401 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$14,636,046 were adequate to provide for these programs.
- The District's major governmental fund are the general fund and the ESSER fund. The general fund had \$16,125,148 in revenues and \$15,613,531 in expenditures and other financing uses. During fiscal year 2025, the general fund's fund balance increased \$511,617 from \$5,326,179 to \$5,837,796.
- The ESSER fund had \$3,010,381 in revenues and \$1,666,017 in expenditures. During fiscal year 2025, the ESSER fund's fund balance increased \$1,344,364 from a deficit of \$1,436,546 to a deficit of \$92,182.

Using the Basic Financial Statements

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, extracurricular activities, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial 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 basic financial statements.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

The District as a Whole

The statement of net position provides the perspective of the District as a whole. For the following table, amounts for 2025 have been presented in accordance with the provisions of GASB Statement No. 101 (see Note 3.B in the notes to the basic financial statements) while amounts for 2024 have been presented in accordance with previous guidance. The table below provides a summary of the District's net position for June 30, 2025 and June 30, 2024.

	Net Position	
	Governmental Activities 2025	Governmental Activities 2024
<u>Assets</u>		
Current and other assets	\$ 13,624,223	\$ 13,171,529
Net OPEB asset	1,070,018	1,074,196
Capital assets, net	<u>15,214,991</u>	<u>15,718,646</u>
Total assets	<u>29,909,232</u>	<u>29,964,371</u>
<u>Deferred outflows of resources</u>		
Unamortized deferred charges on debt refunding	6,281	19,497
Pensions	2,999,779	3,197,646
OPEB	<u>465,945</u>	<u>526,596</u>
Total deferred outflows of resources	<u>3,472,005</u>	<u>3,743,739</u>
<u>Liabilities</u>		
Current liabilities	2,286,676	2,226,214
Long-term liabilities:		
Due within one year	1,221,638	499,105
Due in more than one year:		
Net pension liability	13,514,671	14,789,799
Net OPEB liability	536,476	884,719
Other amounts	<u>7,193,347</u>	<u>4,316,710</u>
Total liabilities	<u>24,752,808</u>	<u>22,716,547</u>
<u>Deferred inflows of resources</u>		
Property taxes levied for next fiscal year	3,570,697	3,177,480
Payment in lieu of taxes levied for next fiscal year		
Pensions	1,665,647	1,216,959
OPEB	<u>1,724,546</u>	<u>1,798,896</u>
Total deferred inflows of resources	<u>6,960,890</u>	<u>6,193,335</u>
<u>Net position</u>		
Net investment in capital assets	11,837,338	12,145,115
Restricted	2,523,875	2,982,520
Unrestricted (deficit)	<u>(12,693,674)</u>	<u>(10,329,407)</u>
Total net position	<u>\$ 1,667,539</u>	<u>\$ 4,798,228</u>

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

GASB standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. 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 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.

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, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2025, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,667,539.

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

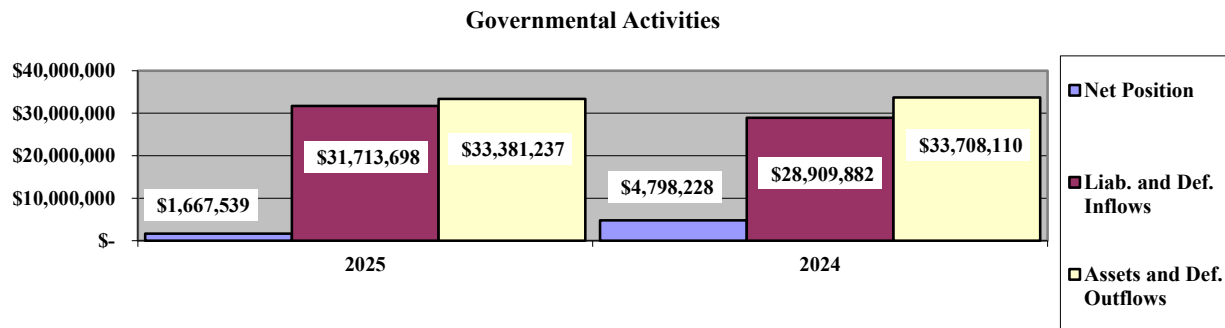
**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

At year-end, capital assets represented 50.87% of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures and equipment and vehicles. The District's net investment in capital assets at June 30, 2025, was \$11,837,338. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

Long-term liabilities increased for the District primarily because of an increase in compensated absences due to GASB 101. A portion of the District's net position, \$2,523,875, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was a deficit of \$12,693,674. The deficit balance in unrestricted net position was the result of reporting the net pension liability required by GASB 68.

The graph below illustrates the District's governmental activities assets plus deferred outflows, liabilities plus deferred inflows and net position at June 30, 2025 and 2024.



During fiscal year 2025, the District implemented GASB Statement No. 101 (see Note 3.B in the notes to the basic financial statements). For the table below, the implementation has been reported as a change in accounting principle. The table that follows shows the change in net position for fiscal years 2025 and 2024.

Change in Net Position

	Governmental Activities 2025	Governmental Activities 2024
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 525,114	\$ 391,528
Operating grants and contributions	5,655,287	5,867,318
Capital grants and contributions	-	266,177
General revenues:		
Property taxes	3,854,219	3,631,975
Grants and entitlements	10,366,827	10,789,082
Investment earnings	377,110	392,753
Other	37,890	95,803
Total revenues	<u>20,816,447</u>	<u>21,434,636</u>

- Continued

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

Change in Net Position (Continued)

	Governmental Activities <u>2025</u>	Governmental Activities <u>2024</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	\$ 7,846,855	\$ 8,740,215
Special	3,401,496	3,110,844
Vocational	417,149	456,441
Other	68,958	111,470
Support services:		
Pupil	950,090	871,057
Instructional staff	755,656	848,865
Board of education	97,994	97,294
Administration	1,464,681	1,374,413
Fiscal	488,452	391,572
Operations and maintenance	1,592,141	1,540,778
Pupil transportation	958,762	973,947
Operation of non-instructional services:		
Food service operations	893,870	793,526
Other non-instructional services	25,653	12,282
Extracurricular activities	448,212	509,301
Interest and fiscal charges	117,101	144,913
Unallocated depreciation	<u>383,401</u>	<u>342,578</u>
Total expenses	<u>19,910,471</u>	<u>20,319,496</u>
Change in net position	905,976	1,115,140
Net position as previously reported	4,798,228	3,683,088
Restatement - change in accounting principle	(4,036,665)	-
Net position at beginning of year (restated)	<u>761,563</u>	<u>3,683,088</u>
Net position at end of year	<u><u>\$ 1,667,539</u></u>	<u><u>\$ 4,798,228</u></u>

Governmental Activities

Net position of the District's governmental activities increased \$905,976. Total governmental expenses of \$19,910,471 were offset by program revenues of \$6,180,401 and general revenues of \$14,636,046. Program revenues supported 31.04% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and unrestricted grants and entitlements. These revenue sources represent 68.32% of total governmental revenue.

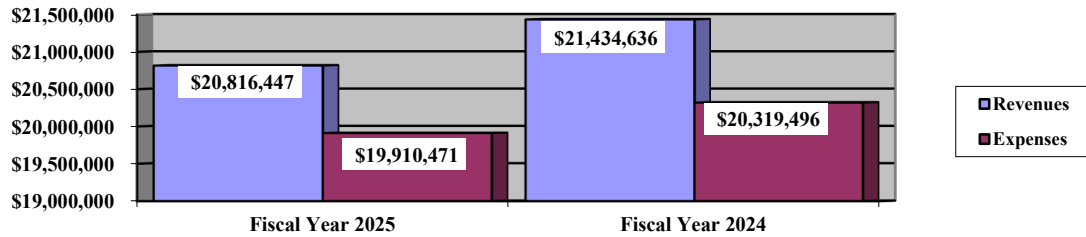
The District's revenue decreased by \$618,189 in fiscal year 2025. This was primarily due to decreased grants.

Overall, expenses of the governmental activities decreased \$409,025 or 2.01%. This decrease is primarily the result of decreases in regular, instructional staff, extracurricular activities, and other expenses in fiscal year 2025.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

Governmental Activities - Revenues and Expenses



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

Governmental Activities

	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
Program expenses				
Instruction:				
Regular	\$ 7,846,855	\$ 5,974,150	\$ 8,740,215	\$ 6,726,955
Special	3,401,496	1,117,989	3,110,844	1,090,003
Vocational	417,149	309,412	456,441	316,289
Other	68,958	44,345	111,470	(1,225)
Support services:				
Pupil	950,090	395,520	871,057	475,819
Instructional staff	755,656	512,110	848,865	666,183
Board of education	97,994	97,994	97,294	97,294
Administration	1,464,681	1,362,614	1,374,413	1,290,693
Fiscal	488,452	488,452	391,572	391,572
Operations and maintenance	1,592,141	1,587,502	1,540,778	1,432,369
Pupil transportation	958,762	936,836	973,947	655,752
Operation of non-instructional services:				
Food service operations	893,870	154,112	793,526	(152,629)
Other non-instructional services	25,653	18,817	12,282	12,282
Extracurricular activities	448,212	229,715	509,301	305,625
Interest and fiscal charges	117,101	117,101	144,913	144,913
Unallocated depreciation	383,401	383,401	342,578	342,578
Total expenses	\$ 19,910,471	\$ 13,730,070	\$ 20,319,496	\$ 13,794,473

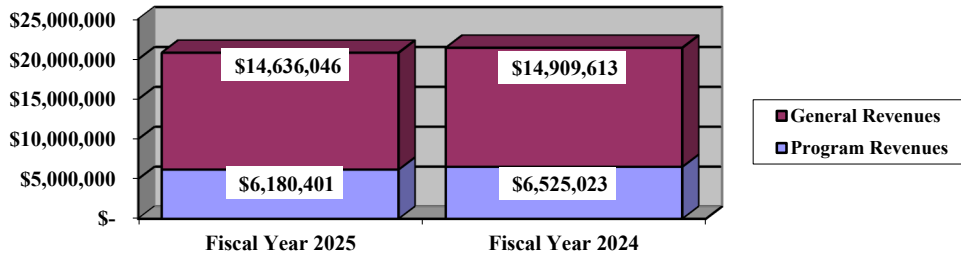
The dependence upon tax and other general revenues for governmental activities is apparent as 63.45% of instructional activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 68.96%. The District's taxpayers and unrestricted grants and entitlements from the State are by far the primary support for District's students.

The graph that follows presents the District's governmental activities revenue for fiscal years 2025 and 2024.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of \$7,066,883, which is more than last year's total of \$5,819,354. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2025 and 2024.

	<u>Fund Balance June 30, 2025</u>	<u>Fund Balance June 30, 2024</u>	<u>Change</u>
Major funds:			
General	\$ 5,837,796	\$ 5,326,179	\$ 511,617
Elementary and Secondary School Emergency	(92,182)	(1,436,546)	1,344,364
Other governmental	<u>1,321,269</u>	<u>1,929,721</u>	<u>(608,452)</u>
Total	<u>\$ 7,066,883</u>	<u>\$ 5,819,354</u>	<u>\$ 1,247,529</u>

General Fund

The District's general fund's fund balance increased \$511,617.

The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2025 Amount</u>	<u>2024 Amount</u>	<u>Percentage Change</u>
<u>Revenues</u>			
Taxes	\$ 3,458,782	\$ 3,301,882	4.75 %
Tuition and fees	287,227	133,779	114.70 %
Earnings on investments	374,276	382,238	(2.08) %
Intergovernmental	11,966,973	12,274,144	(2.50) %
Other revenues	<u>37,890</u>	<u>95,803</u>	(60.45) %
Total	<u>\$ 16,125,148</u>	<u>\$ 16,187,846</u>	(0.39) %
<u>Expenditures</u>			
Instruction	\$ 9,275,676	\$ 9,278,431	(0.03) %
Support services	5,610,374	5,441,221	3.11 %
Operation of non-instructional services	18,817	12,282	53.21 %
Extracurricular activities	277,455	234,888	18.12 %
Facilities acquisition and construction	255,752	759,283	(66.32) %
Debt service	<u>170,187</u>	<u>212,138</u>	(19.78) %
Total	<u>\$ 15,608,261</u>	<u>\$ 15,938,243</u>	(2.07) %

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

Taxes increased \$156,900 or 4.75% due primarily to increased collections in fiscal year 2025. Tuition and fees increased \$153,448 or 114.70% primarily related to increases in foundation funding. Intergovernmental revenues decreased \$307,171 or 2.50% due to decreased grant revenue in fiscal year 2025. All other revenues remained consistent with the prior year. Total revenue decreased 0.39% from fiscal year 2024.

Expenditures decreased 2.07% from fiscal year 2024. General fund support services expenditures increased by \$169,153 or 3.11%. Facilities acquisition and construction decreased \$503,531 by 66.32% due to a greater amount of construction and asset purchases in fiscal year 2024 related to the District's new track and field project. All other expenditures remained consistent with the prior year.

General Fund Budgeting Highlights

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

During the course of fiscal year 2025, the District amended its general fund budget numerous times. For the general fund, original budgeted revenues and other financing sources were \$14,872,000 and final budgeted revenues and other financing sources were increased to \$16,233,540. Actual revenues and other financing sources for fiscal year 2025 were \$16,240,132. This represents a \$6,592 increase from the final budgeted revenues and other financing sources.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$19,153,580 were increased to \$19,548,781 in the final budget. The actual budget basis expenditures for fiscal year 2025 totaled \$14,937,266, which was \$4,611,515 less than the final budget appropriations.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2025, the District had \$15,214,991 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2025 balances compared to June 30, 2024:

	Capital Assets at June 30 (Net of Depreciation)	
	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Land	\$ 135,512	\$ 135,512
Construction in progress	-	1,494,110
Land improvements	2,250,366	613,597
Building and improvements	11,767,702	12,295,663
Furniture, fixtures and equipment	423,896	428,131
Vehicles	637,515	751,633
Total	<u>\$ 15,214,991</u>	<u>\$ 15,718,646</u>

Total additions during fiscal year 2025 were \$322,069. The total depreciation expense for fiscal year 2025 was \$825,724.

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

Debt Administration

At June 30, 2025, the District had \$3,314,000 in general obligation bonds and finance purchase agreements outstanding. Of this total, \$352,000 is due within one year and \$2,962,000 is due in greater than one year. The following table summarizes the bonds, note and finance purchase agreement outstanding.

Outstanding Debt, at Year End

	Governmental Activities <u>2025</u>	Governmental Activities <u>2024</u>
General obligation bonds	\$ 2,090,000	\$ 2,305,000
Finance purchase agreement	<u>1,224,000</u>	<u>1,350,000</u>
Total	<u>\$ 3,314,000</u>	<u>\$ 3,655,000</u>

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

Current Financial Related Activities

State Budget:

The District is largely dependent upon state funding. Nearly 73% of the District's general fund revenues come from the State. The Fair School Funding plan allocates our budget per student to be \$8,458 per pupil with nearly \$6,160 of that coming from the state. Disadvantaged Pupil Funding is a large part of our state funding. The District participates in the Community Eligibility Provision in the lunchroom and as a result is able to claim nearly 98% of our students as economically disadvantaged.

Local Revenue:

Local taxes are a smaller component of the District's revenues. Although taxable values are increasing within the District it is still anticipated that the local tax revenues will remain less than 15% of our revenue.

Staffing:

The board recently negotiated a contract with the certified staff that expires in August 2026. The contract has a 4% and 2% increase in fiscal year 2025 and fiscal year 2026, respectively. The classified negotiated agreement does not expire until August 2027 and allows for a \$2.00 hourly increase in fiscal year 2025, \$1.50 in fiscal year 2026 and \$1.00 in fiscal year 2027.

Health Insurance:

Health insurance is a growing expense for all districts. The District has negotiated to include the option of a High Deductible Health Care Plan into both the certified and classified employees plans. The recently negotiated classified agreement included language for all new employees in this group to enroll in the HDHP. The District continues to look to other ways to help maintain these costs, whether this be by negotiating increases in co-pays and deductibles, or reducing future salary increases to pay for increased insurance costs.

Contacting the District's Financial Management

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 Sandi Hurd, Treasurer, Nelsonville-York City School District, 2 Buckeye Drive, Nelsonville, Ohio 45764.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 8,847,546
Receivables:	
Property taxes	4,337,962
Accounts	1,936
Accrued interest	5,353
Intergovernmental	405,517
Prepayments	8,250
Materials and supplies inventory	4,889
Inventory held for resale	12,770
Net OPEB asset	1,070,018
Capital assets:	
Nondepreciable capital assets	135,512
Depreciable capital assets, net	15,079,479
Capital assets, net	<u>15,214,991</u>
Total assets	<u>29,909,232</u>
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	6,281
Pension	2,999,779
OPEB	465,945
Total deferred outflows of resources	<u>3,472,005</u>
Liabilities:	
Accounts payable	65,179
Accrued wages and benefits payable	1,593,473
Intergovernmental payable	31,491
Pension and postemployment benefits payable	260,305
Accrued interest payable	11,166
Unearned revenue	325,062
Long-term liabilities:	
Due within one year	1,221,638
Due in more than one year:	
Net pension liability	13,514,671
Net OPEB liability	536,476
Other amounts due in more than one year	7,193,347
Total liabilities	<u>24,752,808</u>
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	3,570,697
Pension	1,665,647
OPEB	1,724,546
Total deferred inflows of resources	<u>6,960,890</u>
Net position:	
Net investment in capital assets	11,837,338
Restricted for:	
OPEB	1,070,018
Classroom facilities maintenance	499,262
Debt service	437,607
State funded programs	17,502
Federally funded programs	215
Food service operations	13,664
Extracurricular	166,989
Other purposes	318,618
Unrestricted (deficit)	(12,693,674)
Total net position	<u>\$ 1,667,539</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction:				
Regular	\$ 7,846,855	\$ 102,072	\$ 1,770,633	\$ (5,974,150)
Special	3,401,496	194,068	2,089,439	(1,117,989)
Vocational	417,149	-	107,737	(309,412)
Other	68,958	-	24,613	(44,345)
Support services:				
Pupil	950,090	-	554,570	(395,520)
Instructional staff	755,656	456	243,090	(512,110)
Board of education	97,994	-	-	(97,994)
Administration	1,464,681	-	102,067	(1,362,614)
Fiscal	488,452	-	-	(488,452)
Operations and maintenance	1,592,141	-	4,639	(1,587,502)
Pupil transportation	958,762	-	21,926	(936,836)
Operation of non-instructional services:				
Food service operations	893,870	45,594	694,164	(154,112)
Other non-instructional services	25,653	-	6,836	(18,817)
Extracurricular activities	448,212	182,924	35,573	(229,715)
Interest and fiscal charges	117,101	-	-	(117,101)
Unallocated depreciation	383,401	-	-	(383,401)
Totals	\$ 19,910,471	\$ 525,114	\$ 5,655,287	(13,730,070)
General revenues:				
Property taxes levied for:				
General purposes				3,531,244
Debt service				266,647
Classroom facilities maintenance				56,328
Grants and entitlements not restricted to specific programs				10,366,827
Investment earnings				377,110
Miscellaneous				37,890
Total general revenues				<u>14,636,046</u>
Change in net position				905,976
Net position at beginning of year, as previously reported				4,798,228
Restatement - change in accounting principle				(4,036,665)
Net position at beginning of year				<u>761,563</u>
Net position at end of year				<u><u>\$ 1,667,539</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	<u>General</u>	<u>Elementary and Secondary School Emergency</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Equity in pooled cash and investments	\$ 7,040,699	\$ -	\$ 1,806,847	\$ 8,847,546
Receivables:				
Property taxes	4,001,723	-	336,239	4,337,962
Accounts	-	-	1,936	1,936
Accrued interest	4,201	-	1,152	5,353
Interfund loans	219,440	-	-	219,440
Intergovernmental	42,808	92,182	270,527	405,517
Prepayments	8,250	-	-	8,250
Materials and supplies inventory	-	-	4,889	4,889
Inventory held for resale	-	-	12,770	12,770
Total assets	<u>\$ 11,317,121</u>	<u>\$ 92,182</u>	<u>\$ 2,434,360</u>	<u>\$ 13,843,663</u>
Liabilities:				
Accounts payable	\$ 51,466	\$ -	\$ 13,713	\$ 65,179
Accrued wages and benefits payable	1,430,430	-	163,043	1,593,473
Intergovernmental payable	30,132	-	1,359	31,491
Pension and postemployment benefits payable	239,461	-	20,844	260,305
Interfund loans payable	-	92,182	127,258	219,440
Unearned revenue	-	-	325,062	325,062
Total liabilities	<u>1,751,489</u>	<u>92,182</u>	<u>651,279</u>	<u>2,494,950</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	3,300,796	-	269,901	3,570,697
Delinquent property tax revenue not available	395,836	-	35,845	431,681
Intergovernmental revenue not available	31,204	92,182	156,066	279,452
Total deferred inflows of resources	<u>3,727,836</u>	<u>92,182</u>	<u>461,812</u>	<u>4,281,830</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	4,889	4,889
Prepays	8,250	-	-	8,250
Restricted:				
Debt service	-	-	414,824	414,824
Capital improvements	-	-	23	23
Classroom facilities maintenance	-	-	493,166	493,166
Food service operations	-	-	61,108	61,108
State funded programs	-	-	17,502	17,502
Extracurricular	-	-	166,989	166,989
Scholarships	-	-	220,788	220,788
Other purposes	-	-	97,830	97,830
Committed:				
Student and staff support	68,212	-	-	68,212
Assigned:				
Student instruction	88,823	-	-	88,823
Student and staff support	164,147	-	-	164,147
Facilities acquisition and construction	22,220	-	-	22,220
Operation of non-instructional	82	-	-	82
Subsequent year's appropriations	2,984,128	-	-	2,984,128
Unassigned (deficit)	<u>2,501,934</u>	<u>(92,182)</u>	<u>(155,850)</u>	<u>2,253,902</u>
Total fund balances (deficit)	<u>5,837,796</u>	<u>(92,182)</u>	<u>1,321,269</u>	<u>7,066,883</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 11,317,121</u>	<u>\$ 92,182</u>	<u>\$ 2,434,360</u>	<u>\$ 13,843,663</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

Total governmental fund balances		\$ 7,066,883
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		15,214,991
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 431,681	
Intergovernmental receivable	279,452	
Total		711,133
Unamortized premiums on bonds issued are not recognized in the funds.		(82,765)
Unamortized amounts on refundings are not recognized in the funds.		6,281
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(11,166)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	2,999,779	
Deferred inflows - pension	(1,665,647)	
Net pension liability	(13,514,671)	
Deferred outflows - OPEB	465,945	
Deferred inflows - OPEB	(1,724,546)	
Net OPEB asset	1,070,018	
Net OPEB liability	(536,476)	
Total		(12,905,598)
Long-term liabilities, including bonds payable, notes, and leases are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(2,090,000)	
Compensated absences	(5,018,220)	
Financed purchase agreement	(1,224,000)	
Total		(8,332,220)
Net position of governmental activities		<u><u>\$ 1,667,539</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

	General	Elementary and Secondary School Emergency	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 3,458,782	\$ -	\$ 318,585	\$ 3,777,367
Intergovernmental	11,966,973	3,010,381	2,217,640	17,194,994
Investment earnings	374,276	-	4,808	379,084
Tuition and fees	287,227	-	9,225	296,452
Extracurricular	-	-	182,924	182,924
Charges for services	-	-	45,738	45,738
Contributions and donations	-	-	9,430	9,430
Miscellaneous	37,890	-	121,660	159,550
Total revenues	<u>16,125,148</u>	<u>3,010,381</u>	<u>2,910,010</u>	<u>22,045,539</u>
Expenditures:				
Current:				
Instruction:				
Regular	6,194,558	1,002,096	888,415	8,085,069
Special	2,642,221	350,120	498,431	3,490,772
Vocational	437,832	53,312	-	491,144
Other	1,065	1,201	70,765	73,031
Support services:				
Pupil	749,506	238,881	86,025	1,074,412
Instructional staff	527,714	18,963	226,288	772,965
Board of education	98,656	-	-	98,656
Administration	1,412,637	-	102,067	1,514,704
Fiscal	489,126	-	8,249	497,375
Operations and maintenance	1,457,211	-	49,810	1,507,021
Pupil transportation	875,524	1,444	-	876,968
Operation of non-instructional services:				
Food service operations	-	-	906,618	906,618
Other non-instructional services	18,817	-	6,836	25,653
Extracurricular activities	277,455	-	200,086	477,541
Facilities acquisition and construction	255,752	-	167,139	422,891
Debt service:				
Principal retirement	126,000	-	215,000	341,000
Interest and fiscal charges	44,187	-	98,003	142,190
Total expenditures	<u>15,608,261</u>	<u>1,666,017</u>	<u>3,523,732</u>	<u>20,798,010</u>
Excess (deficiency) of revenues over (under) expenditures	<u>516,887</u>	<u>1,344,364</u>	<u>(613,722)</u>	<u>1,247,529</u>
Other financing sources (uses):				
Transfers in	-	-	5,270	5,270
Transfers (out)	(5,270)	-	-	(5,270)
Total other financing sources (uses)	<u>(5,270)</u>	<u>-</u>	<u>5,270</u>	<u>-</u>
Net change in fund balances	511,617	1,344,364	(608,452)	1,247,529
Fund balances (deficit) at beginning of year	<u>5,326,179</u>	<u>(1,436,546)</u>	<u>1,929,721</u>	<u>5,819,354</u>
Fund balances (deficit) at end of year	<u><u>\$ 5,837,796</u></u>	<u><u>\$ (92,182)</u></u>	<u><u>\$ 1,321,269</u></u>	<u><u>\$ 7,066,883</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

Net change in fund balances - total governmental funds	\$	1,247,529
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
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.		
Capital asset additions	\$ 322,069	
Current year depreciation	(825,724)	
Total		(503,655)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	76,852	
Earnings on investments	(303)	
Intergovernmental	(1,305,641)	
Total		(1,229,092)
Repayment of bond, note and lease payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		341,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	8,377	
Amortization of bond premiums	29,928	
Amortization of deferred charges	(13,216)	
Total		25,089
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,421,325	
OPEB	41,022	
Total		1,462,347
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(792,752)	
OPEB	316,742	
Total		(476,010)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		38,768
Change in net position of governmental activities	\$	905,976

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The Nelsonville-York City School District (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 District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The District is governed by a five-member Board of Education (the "Board") elected by its citizens, which is responsible for the provision of public education to residents of the District.

The District's facilities are staffed by 46 classified employees, 99 certified employees, and eight administrators who provide services to 927 students and other community members.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Parent Teacher Organization
Athens-Meigs Educational Service Center
Booster Club

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Tri-County Career Center

The Tri-County Career Center (the "Career Center") is a jointly governed organization providing vocational services to its eight member districts, governed by a board of education comprised of eleven members appointed by the participating schools. The board controls the financial activity of the Career Center and reports to the Ohio Department of Education and Workforce and the Auditor of State of Ohio. The continued existence of the Career Center is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2025, the District made no contributions to the Career Center. Financial information can be obtained from Tri-County Career Center, 15676 State Route 691, Nelsonville, Ohio 45764.

Metropolitan Educational Technology Association (META) Solutions

The District is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Education Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. During fiscal year 2025, the District paid META Solutions \$74,566 for services. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

Athens County School Employees Health and Welfare Benefit Association

The District is a participant in a consortium of seven districts to operate the Athens County School Employees Health and Welfare Benefit Association (the "Association"). The Association was created to provide health care and dental benefits for the employees and eligible dependents of employees of participating districts. The Association has contracted with Anthem Insurance Company to be the health care provider for medical benefits as well as to provide aggregate and specific stop loss insurance coverage, and Coresource to provide administration for its dental benefits. The Association is governed by a board of directors consisting of one representative from each of the participating districts. Financial information for the Association can be obtained from the administrators at Combs & Associates, P.O. Box 98, Dola, Ohio 45835.

GROUP PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan

The District participates in a group rating plan for worker's compensation benefits as established under Section 4123.29 of the Ohio Revised Code. The Ohio School Boards Association Workers' Compensation Group Rating Plan (the "Plan") was established through the Ohio School Boards Association (OSBA) as a group purchasing pool.

The Plan'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. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

B. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary. The District has no proprietary or fiduciary funds.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

GOVERNMENTAL FUNDS

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

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

Elementary and Secondary School Emergency fund - To provide emergency relief grants to school districts related to the COVID-19 pandemic. Restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

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

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

Nonmajor capital projects funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Nonmajor debt service funds - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

C. Basis of Presentation and Measurement Focus

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.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of 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 not classified as program revenues are presented as general revenues of the District.

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of the District are included on the statement of net position.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

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, and all nonmajor funds are aggregated into one column.

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

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6).

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, transportation fees, grants, student fees and rentals.

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

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

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

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the statement of revenues, expenditures and changes in fund balances as an expenditure with a like amount reported as intergovernmental revenue. Unused donated commodities are reported as intergovernmental revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgets

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

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

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during fiscal year 2025.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

F. Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the basic financial statements.

During fiscal year 2025, investments were limited to negotiable and nonnegotiable certificates of deposit, a U.S. Government money market fund and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices.

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

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2025 amounted to \$374,276 which includes \$75,404 assigned from other District funds.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at year end is provided in Note 4.

G. Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption and donated food, purchased food and school supplies held for resale. The cost of inventory items is recorded as an expenditure in the governmental funds when consumed, used or sold. Commodities are presented at their entitlement value.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

H. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains its capitalization threshold at \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of proprietary fund capital assets is also capitalized. In addition, assets having an estimated useful life of more than one year that are below the capitalization threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>
Land improvements	10 - 50 years
Buildings and improvements	15 - 50 years
Furniture, fixtures and equipment	5 - 20 years
Vehicles	8 - 15 years

I. Pensions/Other Postemployment Benefits (OPEB)

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

J. Compensated Absences

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

Vacation

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

Sick Leave

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

Personal Time

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

K. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, lease payables, financed purchase agreement, and notes are recognized as a liability on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

L. 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 classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision-making authority). 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 nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

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

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

M. Net Position

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

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

N. Estimates

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

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

P. Bond Premium and Discount/Deferred Charge on Refunding

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

On the governmental fund financial statements, bond premiums and discounts are recognized in the current period. A reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 9.A.

Q. Prepayments

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

R. Fair Value

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.

S. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund loans receivable/payable". Interfund balances between governmental funds are eliminated in the governmental activities column on the statement of net position.

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. During fiscal year 2025, the District had no extraordinary or special items.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. These changes were incorporated into the District's fiscal year 2025 financial statements.

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

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

<u>Major fund</u>	<u>Deficit</u>
ESSER	\$ 92,182
 <u>Nonmajor governmental funds</u>	
21st Century	87,928
Title I	40,768
IDEA Part B - Preschool Stimulus	6
Student Support and Academic Enrichment	789
Miscellaneous federal grants	26,359

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

C. Restatement of Net Position

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

NOTE 4 - DEPOSITS AND INVESTMENTS

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

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

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

A. Deposits with Financial Institutions

At June 30, 2025, the carrying amount of all District deposits, including \$226,192 in nonnegotiable certificates of deposit, was \$418,666 and the bank balance of all District deposits was \$653,459. Of the bank balance, \$476,192 was covered by the FDIC and \$177,267 was covered by the OPCS.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

B. Investments

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

Measurement/ Investment type	Measurement value	Investment Maturities	
		6 months or less	7 to 12 months
<i>Fair value:</i>			
Negotiable CD's	\$ 492,868	\$ 247,959	\$ 244,909
U.S. Government money market	1,777,583	1,777,583	-
<i>Amortized cost:</i>			
STAR Ohio	<u>6,158,429</u>	<u>6,158,429</u>	<u>-</u>
Total	<u>\$ 8,428,880</u>	<u>\$ 8,183,971</u>	<u>\$ 244,909</u>

The weighted average maturity of investments is 0.02 years.

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

Interest Rate Risk: Interest rate risk arises as potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk: STAR Ohio and U.S. Government money market carry a rating of AAA by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District's investment policy does not specifically address risk beyond requiring the District to only invest in securities authorized by State statute. The District's investments in negotiable CD's are not rated.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments in negotiable CDs are insured by the FDIC. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2025:

<u>Measurement/ Investment type</u>	<u>Measurement value</u>	<u>% of Total</u>
<i>Fair value:</i>		
Negotiable CD's	\$ 492,868	5.85
U.S. Government money market	1,777,583	21.09
<i>Amortized cost:</i>		
STAR Ohio	6,158,429	73.06
	<u>\$ 8,428,880</u>	<u>100.00</u>

C. Reconciliation of Cash and Investments to the Statement of Net Position

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

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 418,666
Investments	<u>8,428,880</u>
Total	<u>\$ 8,847,546</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 8,847,546</u>
Total	<u>\$ 8,847,546</u>

NOTE 5 - INTERFUND TRANSACTIONS

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

	<u>Amount</u>
<u>Transfer from general fund to:</u>	
Nonmajor governmental funds	<u>\$ 5,270</u>

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 5 - INTERFUND TRANSACTIONS – (Continued)

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated on the government-wide financial statements. The transfer was in compliance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16.

- B.** Interfund balances at June 30, 2025 as reported on the fund financial statements, consist of the following individual interfund receivable and interfund payable:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General fund	ESSER fund	\$ 92,182
General fund	Nonmajor governmental funds	127,258

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Since the interfund balances are expected to be repaid within one year they are considered to be short term interfund receivables and interfund payables.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2025 are reported on the statement of net position.

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

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

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Major governmental funds:		
General fund	\$ 305,091	\$ 273,448
Nonmajor governmental funds:		
Bond retirement fund	26,217	25,712
Classroom facilities maintenance fund	4,276	4,033

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2025 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end.

The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

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

	2024 Second Half Collections		2025 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 117,127,230	71.65	\$ 118,347,160	72.06
Public utility personal	<u>46,352,080</u>	<u>28.35</u>	<u>45,895,630</u>	<u>27.94</u>
Total	<u>\$ 163,479,310</u>	<u>100.00</u>	<u>\$ 164,242,790</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$29.92		\$29.92	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2025 consisted of property taxes, accounts, accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of Federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Property taxes	\$ 4,337,962
Accounts	1,936
Accrued interest	5,353
Intergovernmental	<u>405,517</u>
Total	<u>\$ 4,750,768</u>

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 8 - CAPITAL ASSETS

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

	<u>Balance 6/30/24</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/25</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 135,512	\$ -	\$ -	\$ 135,512
Construction in progress	<u>1,494,110</u>	<u>167,139</u>	<u>(1,661,249)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,629,622</u>	<u>167,139</u>	<u>(1,661,249)</u>	<u>135,512</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,681,265	1,726,789	-	3,408,054
Building and improvements	26,175,314	24,500	-	26,199,814
Furniture, fixtures and equipment	1,323,604	64,890	-	1,388,494
Vehicles	<u>2,356,723</u>	<u>-</u>	<u>(52,490)</u>	<u>2,304,233</u>
Total capital assets, being depreciated	<u>31,536,906</u>	<u>1,816,179</u>	<u>(52,490)</u>	<u>33,300,595</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(1,067,668)	(90,020)	-	(1,157,688)
Building and improvements	(13,879,651)	(552,461)	-	(14,432,112)
Furniture, fixtures and equipment	(895,473)	(69,125)	-	(964,598)
Vehicles	<u>(1,605,090)</u>	<u>(114,118)</u>	<u>52,490</u>	<u>(1,666,718)</u>
Total accumulated depreciation	<u>(17,447,882)</u>	<u>(825,724)</u>	<u>52,490</u>	<u>(18,221,116)</u>
Governmental activities capital assets, net	<u>\$ 15,718,646</u>	<u>\$ 1,157,594</u>	<u>\$ (1,661,249)</u>	<u>\$ 15,214,991</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular \$ 206,324

Support services:

Instructional staff 12,215

Administration 256

Operations and maintenance 97,208

Pupil transportation 108,858

Extracurricular activities 14,929

Operation of non-instructional services:

Food service operations 2,533

Unallocated depreciation 383,401

Total depreciation expense \$ 825,724

Unallocated depreciation is depreciation of the individual school buildings throughout the District which essentially serve all functions/programs and, therefore, is not included as a direct expense of any function or program, but disclosed as a separate expense.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 9 - LONG-TERM OBLIGATIONS

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

	Issue Date	Restated Balance 06/30/24	Additions	Reductions	Balance 06/30/25	Amounts Due in One Year
Governmental activities:						
General obligation bonds:						
Refunding bonds:	2014					
Current interest bonds		\$ 435,000	\$ -	\$ (215,000)	\$ 220,000	\$ 220,000
Refunding bonds:	2015					
Term bonds		1,870,000	-	-	1,870,000	-
Total general obligation bonds		2,305,000	-	(215,000)	2,090,000	220,000
Other long-term obligations:						
Financed-purchase agreement	2023	1,350,000	-	(126,000)	1,224,000	132,000
Net pension liability		14,789,799	-	(1,275,128)	13,514,671	-
Net OPEB liability		884,719	-	(348,243)	536,476	-
Compensated absences payable* (restated)		5,056,988	-	(38,768)	5,018,220	869,638
Total governmental activities						
long-term liabilities		\$ 24,386,506	\$ -	\$ (2,003,139)	22,383,367	\$ 1,221,638
Add: unamortized premium					82,765	
Total on statement of net position					\$ 22,466,132	

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

Series 2014 refunding general obligation bonds - On January 21, 2014, the District issued general obligation bonds (series 2014 refunding bonds) to advance refund the callable portion of the series 2006 school improvement and refunding general obligation bonds. The issuance proceeds of \$2,370,316 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt and to pay the issuance costs of \$75,243. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The principal balance outstanding of the defeased bonds was \$230,000 at June 30, 2025.

The 2014 refunding issue is comprised of both current interest bonds, par value \$2,100,000, and capital appreciation bonds, par value \$35,000. The interest rate on the current interest bonds ranges from 2.00-4.00%. The capital appreciation bonds matured on December 1, 2017 (approximate initial offering yield to maturity 1.80%), at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds was \$235,000. The bonds will be retired through the bond retirement fund, a nonmajor governmental fund.

The reacquisition price exceeded the net carrying amount of the old debt by \$155,073. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

Interest payments on the current interest bonds are due June 1 and December 1 each year. The final maturity stated on the issue is December 1, 2025.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Series 2015 refunding general obligation bonds - On January 15, 2015, the District issued general obligation bonds (series 2015 refunding bonds) to advance refund the callable portion of the series 2006 school improvement and refunding general obligation bonds. The issuance proceeds of \$2,204,504 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt and to pay the issuance costs of \$63,699. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The principal balance outstanding of the defeased bonds was \$1,945,000 at June 30, 2025.

The refunding issue is comprised of term bonds that mature at \$735,000, \$535,000 and \$600,000 on December 1, 2028, 2030 and 2032, respectively. The rate on the term bonds is 4.00%. The bonds will be retired through the bond retirement fund (a nonmajor governmental fund).

The Term Bonds maturing on December 1, 2028 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amount as follows:

<u>Date</u>	<u>Principal Amount to be Redeemed</u>
December 1, 2026	\$ 235,000
December 1, 2027	245,000

The remaining principal amount of such Term Bonds (\$255,000) will be paid at stated maturity on December 1, 2028.

The Term Bonds maturing on December 1, 2030 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amount as follows:

<u>Date</u>	<u>Principal Amount to be Redeemed</u>
December 1, 2029	\$ 260,000

The remaining principal amount of such Term Bonds (\$275,000) will be paid at stated maturity on December 1, 2030.

The Term Bonds maturing on December 1, 2032 are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amount as follows:

<u>Date</u>	<u>Principal Amount to be Redeemed</u>
December 1, 2031	\$ 300,000

The remaining principal amount of such Term Bonds (\$300,000) will be paid at stated maturity on December 1, 2032.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,979. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Financed purchase agreement: The District has entered into a \$1,482,000 financed purchase agreement for the purpose of constructing, improving, and equipping the high school track and related facilities. The agreement has an interest rate of 4.26%, will be paid from the general fund and matures on December 1, 2032. At June 30, 2025, \$12,831 of the financed purchase agreement is unspent.

The financed purchase agreement is considered a direct borrowing. Direct borrowings occur when the District issues a security directly to an investor. Direct borrowings have terms negotiated directly with the investor and are not offered for public sale.

Net Pension Liability: The District's net pension liability is described in Note 12. The District pays obligations related to employee compensation from the fund benefitting from their service.

Net OPEB Liability/Asset: The District's net OPEB liability/asset is described in Note 13. The District pays obligations related to employee compensation from the fund benefitting from their service.

The following is a summary of the future debt service requirements to maturity for the District's debt:

Fiscal Year Ended	2014 Refunding Bonds		
	Current Interest Bonds		
	Principal	Interest	Total
2026	\$ 220,000	\$ 4,400	\$ 224,400
Total	<u>\$ 220,000</u>	<u>\$ 4,400</u>	<u>\$ 224,400</u>

Fiscal Year Ended	2015 Refunding Bonds		
	Term Bonds		
	Principal	Interest	Total
2026	\$ -	\$ 74,800	\$ 74,800
2027	235,000	70,100	305,100
2028	245,000	60,500	305,500
2029	255,000	50,500	305,500
2030	260,000	40,200	300,200
2031 - 2033	<u>875,000</u>	<u>53,500</u>	<u>928,500</u>
Total	<u>\$ 1,870,000</u>	<u>\$ 349,600</u>	<u>\$ 2,219,600</u>

Fiscal Year Ended	Financed Purchase Agreement		
	Principal	Interest	Total
2026	\$ 132,000	\$ 49,331	\$ 181,331
2027	137,000	43,601	180,601
2028	143,000	37,637	180,637
2029	149,000	31,418	180,418
2030	156,000	24,921	180,921
2031 - 2033	<u>507,000</u>	<u>32,994</u>	<u>539,994</u>
Total	<u>\$ 1,224,000</u>	<u>\$ 219,902</u>	<u>\$ 1,443,902</u>

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

B. Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2025, are a voted debt margin of \$13,106,675 (including available funds of \$414,824) and an unvoted debt margin of \$164,243.

NOTE 10 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 320 days for certified employees and 328 days for classified employees. Upon retirement, payment is made for 25% of an employee's accumulated sick leave up to a maximum of 80 days for certified employees and 82 days for classified employees.

B. Insurance Benefits

The District has elected to provide employee medical/surgical benefits, dental and prescription drug benefits through the Athens County School Employees Health and Welfare Benefit Association. The employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 11 - RISK MANAGEMENT

A. Comprehensive

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

<u>Coverage Type</u>	<u>Coverage Amount</u>
Uninsured motorists (\$100 deductible):	
Per person	\$1,000,000
Per accident	1,000,000
General liability:	
Per occurrence	4,000,000
Total per year	6,000,000
Public official bonds:	
Treasurer	100,000
Superintendent/Board President (each)	10,000
Buildings and contents (\$2,500 deductible):	69,542,019
Automobile liability	
Per Person	1,000,000
Per accident	4,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no reduction in coverage from the prior year for buildings and contents and automobile liability.

B. Workers' Compensation

For fiscal year 2025, the District participated in the Ohio School Board Association Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "equity pooling fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The firm of Sedgwick CompManagement provides administrative, cost control and actuarial services to the Plan.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability/Asset

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire 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; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

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

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$367,915 for fiscal year 2025. Of this amount, \$49,365 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The District's contractually required contribution to STRS was \$1,053,410 for fiscal year 2025. Of this amount, \$169,918 is reported as pension and postemployment benefits payable.

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

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.052402600%	0.055232500%	
Proportion of the net pension liability current measurement date	<u>0.052001500%</u>	<u>0.056411490%</u>	
Change in proportionate share	<u>-0.000401100%</u>	<u>0.001178990%</u>	
Proportionate share of the net pension liability	\$ 2,660,189	\$ 10,854,482	\$ 13,514,671
Pension expense	\$ 125,119	\$ 667,633	\$ 792,752

THIS SPACE IS INTENTIONALLY LEFT BLANK

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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	\$ 101,563	\$ 683,545	\$ 785,108
Changes of assumptions	23,797	500,235	524,032
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	269,314	269,314
Contributions subsequent to the measurement date	367,915	1,053,410	1,421,325
Total deferred outflows of resources	<u>\$ 493,275</u>	<u>\$ 2,506,504</u>	<u>\$ 2,999,779</u>
	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ -	\$ 5,943	\$ 5,943
Net difference between projected and actual earnings on pension plan investments	166,391	933,264	1,099,655
Changes of assumptions	-	376,531	376,531
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	116,728	66,790	183,518
Total deferred inflows of resources	<u>\$ 283,119</u>	<u>\$ 1,382,528</u>	<u>\$ 1,665,647</u>

\$1,421,325 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	\$ (195,774)	\$ (491,987)	\$ (687,761)
2027	116,427	1,006,245	1,122,672
2028	(29,486)	(265,551)	(295,037)
2029	(48,926)	(178,141)	(227,067)
Total	<u>\$ (157,759)</u>	<u>\$ 70,566</u>	<u>\$ (87,193)</u>

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

In 2024, mortality rates were based on the following:

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

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

As of June 30, 2024:

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

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 4,069,718	\$ 2,660,189	\$ 1,473,438

Actuarial Assumptions - STRS

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

	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%, effective July 1, 2017	0.00%, effective July 1, 2017

For the June 30, 2024 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

* Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 17,510,182	\$ 10,854,482	\$ 5,224,904

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

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2025, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the District's surcharge obligation was \$41,022.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$41,022 for fiscal year 2025. Of this amount, \$41,022 is reported as pension and postemployment benefits payable.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB			
liability/asset prior measurement date	0.053702500%	0.055232500%	
Proportion of the net OPEB			
liability/asset current measurement date	<u>0.052673300%</u>	<u>0.056411490%</u>	
Change in proportionate share	<u>-0.001029200%</u>	<u>0.001178990%</u>	
Proportionate share of the net			
OPEB liability	\$ 536,476	\$ -	\$ 536,476
Proportionate share of the net			
OPEB asset	\$ -	\$ (1,070,018)	\$ (1,070,018)
OPEB expense	\$ (85,155)	\$ (231,587)	\$ (316,742)

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

At June 30, 2025, the 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	\$ -	\$ 46,516	\$ 46,516
Net difference between projected and actual earnings on OPEB plan investments	2,622	-	2,622
Changes of assumptions	230,253	131,705	361,958
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	9,820	4,007	13,827
Contributions subsequent to the measurement date	<u>41,022</u>	<u>-</u>	<u>41,022</u>
Total deferred outflows of resources	<u>\$ 283,717</u>	<u>\$ 182,228</u>	<u>\$ 465,945</u>
	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	\$ 578,461	\$ 115,316	\$ 693,777
Net difference between projected and actual earnings on OPEB plan investments	-	45,944	45,944
Changes of assumptions	246,438	482,573	729,011
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>247,368</u>	<u>8,446</u>	<u>255,814</u>
Total deferred inflows of resources	<u>\$ 1,072,267</u>	<u>\$ 652,279</u>	<u>\$ 1,724,546</u>

\$41,022 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/asset in the fiscal year ending June 30, 2026.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2026	\$ (205,267)	\$ (162,496)	\$ (367,763)
2027	(147,365)	(73,303)	(220,668)
2028	(110,465)	(93,021)	(203,486)
2029	(99,302)	(86,704)	(186,006)
2030	(98,516)	(70,370)	(168,886)
Thereafter	<u>(168,657)</u>	<u>15,843</u>	<u>(152,814)</u>
Total	<u>\$ (829,572)</u>	<u>\$ (470,051)</u>	<u>\$ (1,299,623)</u>

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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

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

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

In 2024, the following mortality assumptions were used:

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

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

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

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

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

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

As of June 30, 2024:

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the proportionate share of the net OPEB liability, what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what the proportionate share of the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 715,370	\$ 536,476	\$ 394,319
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 362,637	\$ 536,476	\$ 764,971

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

For the June 30, 2024 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

* Final target weights reflected at October 1, 2022.

**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 869,995	\$ 1,070,018	\$ 1,244,082
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,255,839	\$ 1,070,018	\$ 846,544

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 14 - SET-ASIDES

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2024	\$ -
Current year set-aside requirement	248,097
Current year qualifying expenditures	(144,289)
Current year offsets	<u>(103,808)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2026	<u>\$ -</u>
Set-aside balance June 30, 2025	<u>\$ -</u>

NOTE 15 - CONTINGENCIES

A. Grants

The District receives significant financial assistance from numerous Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

B. Litigation

The District is not a party to legal proceedings that, in the opinion of management, would have a material adverse effect on the financial statements.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 16 - OTHER COMMITMENTS

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

<u>Fund</u>	Year-End <u>Encumbrances</u>
General fund	\$ 329,550
Other governmental	<u>172,719</u>
Total	<u><u>\$ 502,269</u></u>

NOTE 17 - COVID-19

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

REQUIRED SUPPLEMENTARY INFORMATION

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - over (under) Actual Amounts
	Original	Final		
Budgetary revenues:				
Property taxes	\$ 3,425,000	\$ 3,420,548	\$ 3,427,140	\$ 6,592
Intergovernmental	10,951,500	11,964,398	11,964,398	-
Investment earnings	254,500	344,877	344,877	-
Tuition and fees	136,000	287,228	287,228	-
Miscellaneous	90,000	28,949	28,949	-
Total budgetary revenues	14,857,000	16,046,000	16,052,592	6,592
Budgetary expenditures:				
Current:				
Instruction:				
Regular	8,350,290	8,138,710	5,411,780	(2,726,930)
Special	2,955,312	3,050,924	2,395,427	(655,497)
Vocational	542,396	511,212	378,022	(133,190)
Other	4,128	3,886	1,002	(2,884)
Support services:				
Pupil	878,917	902,915	673,051	(229,864)
Instructional staff	680,805	705,354	509,803	(195,551)
Board of education	122,015	169,850	163,808	(6,042)
Administration	1,547,426	1,549,773	1,460,435	(89,338)
Fiscal	484,241	515,033	489,595	(25,438)
Operations and maintenance	1,571,018	1,745,355	1,611,610	(133,745)
Pupil transportation	1,010,015	982,359	898,173	(84,186)
Operation of non-instructional services:				
Other non-instructional services	12,217	32,900	18,481	(14,419)
Extracurricular activities	292,960	307,757	261,683	(46,074)
Facilities acquisition and construction	349,844	403,317	285,593	(117,724)
Debt service:				
Principal retirement	133,861	126,000	126,000	-
Interest and fiscal charges	58,246	54,826	44,187	(10,639)
Total budgetary expenditures	18,993,691	19,200,171	14,728,650	(4,471,521)
Budgetary excess (deficiency) of revenues over (under) expenditures	(4,136,691)	(3,154,171)	1,323,942	4,478,113
Budgetary other financing sources (uses):				
Refund of prior year's expenditures	10,000	13,563	13,563	-
Refund of prior year's receipts	-	(21,500)	(21,236)	264
Transfers (out)	(154,046)	(145,000)	(5,270)	139,730
Advances in	-	172,375	172,375	-
Advances (out)	(5,843)	(182,110)	(182,110)	-
Sale of capital assets	5,000	1,602	1,602	-
Total budgetary other financing sources (uses)	(144,889)	(161,070)	(21,076)	139,994
Net change in fund balance	(4,281,580)	(3,315,241)	1,302,866	4,618,107
Budgetary fund balance at beginning of year	5,081,037	5,081,037	5,081,037	-
Prior year encumbrances appropriated	302,336	302,336	302,336	-
Budgetary fund balance at end of year	<u>\$ 1,101,793</u>	<u>\$ 2,068,132</u>	<u>\$ 6,686,239</u>	<u>\$ 4,618,107</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary	Final Budget -
			Basis	over (under)
				Actual Amounts
Budgetary revenues and other financing sources	\$ 20,000	\$ 3,102,563	\$ 3,102,563	\$ -
Budgetary expenditures and other financing uses	428,213	3,102,625	3,102,625	-
Net change in fund balance	(408,213)	(62)	(62)	-
Budgetary fund balance (deficit) at beginning of year	(333,176)	(333,176)	(333,176)	-
Prior year encumbrances appropriated	333,238	333,238	333,238	-
Budgetary fund balance (deficit) at end of year	<u>\$ (408,151)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE IS INTENTIONALLY LEFT BLANK

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.052001500%	\$ 2,660,189	\$ 2,189,829	121.48%	78.52%
2024	0.052402600%	2,895,514	1,949,929	148.49%	76.06%
2023	0.056181800%	3,038,749	2,231,421	136.18%	75.82%
2022	0.059047400%	2,178,678	1,986,179	109.69%	82.86%
2021	0.060260700%	3,985,770	1,951,679	204.22%	68.55%
2020	0.062812200%	3,758,164	2,196,200	171.12%	70.85%
2019	0.062833300%	3,598,579	2,102,467	171.16%	71.36%
2018	0.059639400%	3,563,322	1,945,943	183.12%	69.50%
2017	0.062927200%	4,605,690	2,058,621	223.73%	62.98%
2016	0.059810700%	3,412,857	1,800,615	189.54%	69.16%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 367,915	\$ (367,915)	\$ -	\$ 2,627,964	14.00%
2024	306,576	(306,576)	-	2,189,829	14.00%
2023	272,990	(272,990)	-	1,949,929	14.00%
2022	312,399	(312,399)	-	2,231,421	14.00%
2021	278,065	(278,065)	-	1,986,179	14.00%
2020	273,235	(273,235)	-	1,951,679	14.00%
2019	296,487	(296,487)	-	2,196,200	13.50%
2018	283,833	(283,833)	-	2,102,467	13.50%
2017	272,432	(272,432)	-	1,945,943	14.00%
2016	288,207	(288,207)	-	2,058,621	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

Fiscal Year (1)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.056411490%	\$ 10,854,482	\$ 7,857,686	138.14%	82.55%
2024	0.055232500%	11,894,285	7,494,229	158.71%	80.02%
2023	0.055556950%	12,350,380	7,390,700	167.11%	78.88%
2022	0.054121329%	6,919,898	6,696,014	103.34%	87.78%
2021	0.052695020%	12,750,320	6,409,500	198.93%	75.48%
2020	0.054525880%	12,058,071	6,425,136	187.67%	77.40%
2019	0.052139190%	11,464,237	5,981,207	191.67%	77.31%
2018	0.052278430%	12,418,853	5,807,371	213.85%	75.30%
2017	0.051996010%	17,404,632	5,505,664	316.12%	66.80%
2016	0.050938400%	14,077,884	5,395,379	260.92%	72.10%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 1,053,410	\$ (1,053,410)	\$ -	\$ 7,524,357	14.00%
2024	1,100,076	(1,100,076)	-	7,857,686	14.00%
2023	1,049,192	(1,049,192)	-	7,494,229	14.00%
2022	1,034,698	(1,034,698)	-	7,390,700	14.00%
2021	937,442	(937,442)	-	6,696,014	14.00%
2020	897,330	(897,330)	-	6,409,500	14.00%
2019	899,519	(899,519)	-	6,425,136	14.00%
2018	837,369	(837,369)	-	5,981,207	14.00%
2017	813,032	(813,032)	-	5,807,371	14.00%
2016	770,793	(770,793)	-	5,505,664	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE AND TEN FISCAL YEARS

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.052673300%	\$ 536,476	\$ 2,189,829	24.50%	44.50%
2024	0.053702500%	884,719	1,949,929	45.37%	30.02%
2023	0.057325200%	804,852	2,231,421	36.07%	30.34%
2022	0.060521300%	1,145,415	1,986,179	57.67%	24.08%
2021	0.059400100%	1,290,959	1,951,679	66.15%	18.17%
2020	0.063435600%	1,595,272	2,196,200	72.64%	15.57%
2019	0.063704200%	1,767,327	2,102,467	84.06%	13.57%
2018	0.060310000%	1,618,562	1,945,943	83.18%	12.46%
2017	0.063703160%	1,815,776	2,058,621	88.20%	11.49%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ 41,022	\$ (41,022)	\$ -	\$ 2,627,964	2.00%
2024	36,048	(36,048)	-	2,189,829	1.65%
2023	38,071	(38,071)	-	1,949,929	1.95%
2022	36,817	(36,817)	-	2,231,421	1.65%
2021	37,198	(37,198)	-	1,986,179	1.87%
2020	23,345	(23,345)	-	1,951,679	1.20%
2019	45,320	(45,320)	-	2,196,200	2.06%
2018	44,749	(44,749)	-	2,102,467	2.13%
2017	31,898	(31,898)	-	1,945,943	1.64%
2016	31,947	(31,947)	-	2,058,621	1.55%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST NINE AND TEN FISCAL YEARS

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability/(Asset)	District's Proportionate Share of the Net OPEB Liability/(Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2025	0.056411490%	\$ (1,070,018)	\$ 7,857,686	13.62%	158.01%
2024	0.055232500%	(1,074,196)	7,494,229	14.33%	168.52%
2023	0.055556950%	(1,438,554)	7,390,700	19.46%	230.73%
2022	0.054121329%	(1,141,104)	6,696,014	17.04%	174.73%
2021	0.052695020%	(926,115)	6,409,500	14.45%	182.10%
2020	0.054525880%	(903,079)	6,425,136	14.06%	174.74%
2019	0.052139190%	(837,823)	5,981,207	14.01%	176.00%
2018	0.052278430%	2,039,711	5,807,371	35.12%	47.10%
2017	0.051996010%	2,780,760	5,505,664	50.51%	37.30%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2025	\$ -	\$ -	\$ -	\$ 7,524,357	0.00%
2024	-	-	-	7,857,686	0.00%
2023	-	-	-	7,494,229	0.00%
2022	-	-	-	7,390,700	0.00%
2021	-	-	-	6,696,014	0.00%
2020	-	-	-	6,409,500	0.00%
2019	-	-	-	6,425,136	0.00%
2018	-	-	-	5,981,207	0.00%
2017	-	-	-	5,807,371	0.00%
2016	-	-	-	5,505,664	0.00%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 1 - BUDGETARY PROCESS

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

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

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

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

Net Change in Fund Balance

	<u>General fund</u>	<u>ESSER Fund</u>
Budget basis	\$ 1,302,866	\$ (62)
Net adjustment for revenue accruals	62,990	(92,182)
Net adjustment for expenditure accruals	(1,253,860)	1,436,608
Net adjustment for other sources/uses	15,806	-
Funds budgeted elsewhere	1,379	-
Adjustments for encumbrances	<u>382,436</u>	<u>-</u>
GAAP Basis	<u>\$ 511,617</u>	<u>\$ 1,344,364</u>

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change in benefit terms:

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

Change in assumptions:

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50% - 18.20% to 3.25% - 13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

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

Changes in assumptions:

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Change in benefit terms:

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

Change in assumptions:

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50% - 5.00% to a range of 5.375% - 4.75% and Pre-Medicare were changed from a range of 7.50% - 5.00% to a range of 7.25% - 4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

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

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Change in benefit terms:

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

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

Change in assumptions:

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

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

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

SUPPLEMENTARY INFORMATION

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO
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/ ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	2024	\$ 15,757
School Breakfast Program	10.553	2025	181,985
Total School Breakfast Program			<u>197,742</u>
National School Lunch Program	10.555	2024	35,419
National School Lunch Program	10.555	2025	416,668
National School Lunch Program - Food Donation	10.555	2025	60,589
Total National School Lunch Program			<u>512,676</u>
Total U.S. Department of Agriculture and Child Nutrition Cluster			<u>710,418</u>
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #3	21.027	COVID-19, 2023	32,548
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #4	21.027	COVID-19, 2023	39,618
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #5	21.027	COVID-19, 2023	75,247
Total Coronavirus State and Local Fiscal Recovery Funds and U.S. Department of Treasury			<u>147,413</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Title I Grants to Local Educational Agencies - Non-competitive, Supplemental School Improvement	84.010A	84.010A, 2024	5,740
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2024	67,704
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	84.010A, 2024	5,700
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2025	573,948
Title I Grants to Local Educational Agencies - Delinquent	84.010A	84.010A, 2025	37,824
Title I Grants to Local Educational Agencies - Non-competitive, Supplemental School Improvement	84.010A	84.010A, 2025	48,097
Title I Grants to Local Educational Agencies - Non-competitive, Supplemental School Improvement	84.010A	84.010A, 2025	47,121
Total Title I Grants to Local Educational Agencies			<u>786,134</u>
Special Education Cluster (IDEA):			
Special Education-Grants to States (IDEA, Part B)	84.027A	84.027A, 2024	12,369
Special Education-Grants to States (IDEA, Part B)	84.027A	84.027A, 2025	154,810
Total Special Education-Grants to States (IDEA, Part B)			<u>167,179</u>
Special Education-Preschool Grants (IDEA, Preschool)	84.173A	84.173A, 2024	696
Special Education-Preschool Grants (IDEA, Preschool)	84.173A	84.173A, 2025	5,507
Total Special Education-Preschool Grants (IDEA, Preschool)			<u>6,203</u>
Total Special Education Cluster (IDEA)			<u>173,382</u>
Twenty-First Century Community Learning Centers	84.287A	84.287A, 2024	147,559
Twenty-First Century Community Learning Centers	84.287A	84.287A, 2025	176,588
Total Twenty-First Century Community Learning Centers			<u>324,147</u>
Rural Education	84.358B	84.358B, 2024	1,740
Rural Education	84.358B	84.358B, 2025	14,092
Total Rural Education			<u>15,832</u>
Supporting Effective Instruction State Grants	84.367A	84.367A, 2024	8,319
Supporting Effective Instruction State Grants	84.367A	84.367A, 2025	16,117
Total Supporting Effective Instruction State Grants			<u>24,436</u>
Student Support and Academic Enrichment Program	84.424A	84.424A, 2024	5,744
Student Support and Academic Enrichment Program	84.424A	84.424A, 2025	35,030
Student Support and Academic Enrichment Program - Stronger Connections Grant	84.424F	84.424F, 2024	22,806
Total Student Support and Academic Enrichment Program			<u>63,580</u>
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	COVID-19, 84.425U, 2024	3,090,025
Total U.S. Department of Education			<u>4,477,536</u>
Total Federal Expenditures			<u>\$ 5,335,367</u>

The accompanying notes are an integral part of this schedule.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Nelsonville-York City School District under programs of the federal government for the fiscal year ended June 30, 2025 and is prepared in accordance with the cash basis of accounting. 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 Nelsonville-York City School District, it is not intended to and does not present the financial position, or changes in net position of Nelsonville-York City School District. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. Nelsonville-York City School District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - CHILD NUTRITION CLUSTER

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

NOTE 4 – FOOD DONATION PROGRAM

Nelsonville-York City School District reports commodities consumed on the Schedule at the entitlement value. Nelsonville-York City School District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Nelsonville-York City School District
Athens County
2 Buckeye Drive
Nelsonville, OH 45764

To the Members of 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Nelsonville-York City School District, Athens County, Ohio, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Nelsonville-York City School District's basic financial statements, and have issued our report thereon dated December 29, 2025, wherein we noted as described in Note 3 to the financial statements, Nelsonville-York City School District restated beginning net position as a result of a change in accounting principle by implementing 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 Nelsonville-York City School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nelsonville-York City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Nelsonville-York City School District's internal control.

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

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

Nelsonville-York City School District

Athens County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

December 29, 2025

**Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Nelsonville-York City School District
Athens County
2 Buckeye Drive
Nelsonville, OH 45764

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Nelsonville-York City School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Nelsonville-York City School District's major federal programs for the fiscal year ended June 30, 2025. Nelsonville-York City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Nelsonville-York City School 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 each major federal program. Our audit does not provide a legal determination of Nelsonville-York City School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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 Nelsonville-York City School District's federal programs.

Nelsonville-York City School District
Athens County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance

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 Nelsonville-York City School 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 generally accepted auditing standards, *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 Nelsonville-York City School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Nelsonville-York City School 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 Nelsonville-York City School 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 Nelsonville-York City School 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Nelsonville-York City School District
Athens County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance Required by the Uniform Guidance

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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
December 29, 2025

**NELSONVILLE-YORK CITY SCHOOL DISTRICT
ATHENS COUNTY, OHIO**

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

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None reported
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None reported
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Title I Grants to Local Educational Agencies (ALN 84.010), and COVID-19 – Education Stabilization Fund (ALN 84.425)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Nelsonville-York City Schools
 Two Buckeye Drive
 Nelsonville, OH 45764
 Phone: (740)753-4441 Fax: (740)753-1988

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

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2024-001	2024	Ohio Revised Code Section 5705.39 requires that a subdivision's total appropriations from each fund should not exceed total estimated resources. In addition, Ohio Revised Code Section 5705.36, in part, requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the last certified amended certificate. The District had total appropriations exceeding total estimated resources in several funds.	Partially Corrected	Finding repeated in the Management Letter
2024-002	2024	Ohio Revised Code Section 5705.36(A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, the commission shall certify an amended certificate reflecting the deficiency. The District had appropriations, as approved by the Board of Education, in excess of actual resources in several funds.	Fully Corrected	

This page intentionally left blank.

OHIO AUDITOR OF STATE KEITH FABER



NELSONVILLE-YORK CITY SCHOOL DISTRICT

ATHENS 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 5/12/2026

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