

**NEW MIAMI LOCAL SCHOOL DISTRICT
BUTLER COUNTY**

SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2025



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

Board of Education
New Miami Local School District
600 Seven Mile Avenue
Hamilton, Ohio 45011

We have reviewed the *Independent Auditors' Report* of the New Miami Local School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., for the audit period July 1, 2024 through June 30, 2025. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

KEITH FABER
Ohio Auditor of State

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

March 31, 2026

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
New Miami Local School District:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Miami Local School District (the "School District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements 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 the School District as of June 30, 2025, and the respective changes in financial position thereof for the 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 – Prior Period Restatement

As discussed in Note 17 to the financial statements, the School District restated the prior period financial statements to correct an error. 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 the 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.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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, the budgetary comparison information, the schedules of proportionate share of net pension liability, schedules of pension contributions, schedules of proportionate share of net OPEB liability (asset) and schedules of OPEB contributions, as 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the 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 GAAS. 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 18, 2025, on our consideration of the 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 the 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 the School District's internal control over financial reporting and compliance.

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 18, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis provides key information from management highlighting the overall financial performance of the New Miami Local School District (the "School District") for the fiscal year ended June 30, 2025. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the School District's financial statements.

Financial Highlights

Major financial highlights for fiscal year 2025 are listed below:

- The assets and deferred outflows of resources the School District exceeded its liabilities and deferred inflows of resources at year-end by \$3.5 million. Of this amount, \$9.4 million is invested in capital assets, net of accumulated depreciation and related debt. The School District also reported an unrestricted deficit net position balance of \$6.8 million due to its recognition of its proportionate share of the state-wide retirement systems' unfunded liabilities.
- In total, net position increased by \$208,244.
- The School District had \$12.8 million in expenses related to governmental activities; only \$1.8 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$11.3 million, made up primarily of property and income taxes and State Foundation payments, provided the majority of funding for these programs.
- The General Fund balance decreased by \$158,363, from \$2,890,649 at June 30, 2024 to \$2,732,286 at June 30, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

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Management's Discussion and Analysis
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The statement of activities presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The School District has no business-type activities.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between government funds and governmental activities.

The School District accounts for its activities using many individual funds. The most significant funds are reported in separate columns in the governmental fund financial statements. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the School District as a whole. Some funds are required to be established by State law. Also, the School District may also establish separate funds to show that it is meeting legal requirements for using grants or other money.

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

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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.

Other information. In addition to basic financial statements and accompanying notes, this report also contains required supplementary information regarding the budget of the General Fund and required pension and other postemployment benefit information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A. Net Position at Fiscal Year-End

The following table presents a condensed summary of the School District's overall financial position at June 30, 2025 and 2024:

		<u>FY2025</u>	<u>FY2024</u>
Assets:			
Current and other assets	\$	6,466,560	6,792,292
Capital assets		<u>10,036,882</u>	<u>10,388,709</u>
Total assets		<u>16,503,442</u>	<u>17,181,001</u>
Deferred outflows of resources		<u>2,059,739</u>	<u>2,486,197</u>
Liabilities:			
Long-term liabilities:			
Due more than one year:			
Net pension liability		8,414,408	9,778,505
Net OPEB liability		382,570	668,003
Other long-term liabilities		1,220,404	973,980
Other liabilities		<u>1,308,959</u>	<u>1,445,578</u>
Total liabilities		<u>11,326,341</u>	<u>12,866,066</u>
Deferred inflows of resources		<u>3,702,038</u>	<u>3,153,162</u>
Net position:			
Net investment in capital assets		9,378,561	9,645,748
Restricted:			
For capital purposes		40,264	56,315
For other purposes		895,026	916,323
Unrestricted (deficit)		<u>(6,779,049)</u>	<u>(6,970,416)</u>
Total net position	\$	<u>3,534,802</u>	<u>3,647,970</u>

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The net pension liability is reported pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. The net other postemployment benefits (OPEB) asset and liability are reported pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Prior accounting for pensions (GASB Statement No. 27) and OPEB (GASB Statement No. 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 Statement Nos. 68 and 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio statewide pension and OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

As required by GASB Statement Nos. 68 and 75, the required net pension liability and the net OPEB asset and liability equal the School District's proportionate share of each plan's collective:

1. Present value of estimated future pension and 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. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. 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 health care 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 systems are responsible for the administration of the pension and OPEB plans.

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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 or net OPEB liabilities. 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 part for the unfunded portion. Due to the unique nature of how the net pension and net OPEB liabilities are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

The largest portion of the School District's net position (\$9.4 million) is in net investment in capital assets. The School District uses these capital assets to provide educational services to its students. Accordingly, these assets are not available for future spending. An additional portion of the School District's net position (\$935,290) represents resources that are subject to external restrictions on how they may be used.

Due to the recognition of its proportionate share of the net pension and net OPEB liabilities, the School District's unrestricted net position ended the fiscal year with a deficit balance of \$6.8 million. However, if the components of recording the net pension and OPEB liabilities are removed from the statement of net position, the School District's unrestricted net position would be a positive \$2.4 million. We feel this is important to mention as the management of the School District has no control over the management of the state-wide retirement plans or the benefits offered; both of which control the net pension and OPEB liabilities that significantly impact the School District's financial statements.

Total assets decreased by around 4%, due to pandemic-related grant funding coming to an end and recognizing depreciation expense on capital assets. Liabilities decreased by around 12%, primarily due to a decrease in the net pension and net OPEB liabilities, due to better investment gains in the state-wide retirement system investment portfolios that provide additional resources for benefit obligations.

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B. Governmental Activities During Fiscal Year 2025

The following table presents a condensed summary of the School District's activities during fiscal year 2025 and 2024 and the resulting change in net position:

	<u>FY2025</u>	<u>FY2024</u>
Revenues:		
Program revenues:		
Charges for services and sales	\$ 287,053	\$ 335,171
Operating grants and contributions	<u>1,482,071</u>	<u>2,495,821</u>
Total program revenues	<u>1,769,124</u>	<u>2,830,992</u>
General revenues:		
Property and income taxes	2,137,032	1,703,363
Grants and entitlements	8,571,063	7,865,913
Investment earnings	154,967	143,332
Miscellaneous	<u>405,529</u>	<u>48,114</u>
Total general revenues	<u>11,268,591</u>	<u>9,760,722</u>
Total revenues	<u>13,037,715</u>	<u>12,591,714</u>
Expenses:		
Instruction	7,277,093	7,217,892
Support services:		
Pupil	886,983	968,871
Instructional staff	470,105	452,467
Board of Education	113,484	78,408
Administration	1,185,066	1,123,092
Fiscal	217,015	287,772
Business	16,046	25,991
Operation and maintenance of plant	1,055,662	1,166,911
Pupil transportation	773,821	771,970
Central	57,865	62,121
Non-instructional services	280,320	262,608
Interest and fiscal charges	25,142	27,877
Food services	<u>470,869</u>	<u>492,943</u>
Total expenses	<u>12,829,471</u>	<u>12,938,923</u>
Change in net position	208,244	(347,209)
Beginning net position, <i>as previously presented</i>	3,647,970	3,995,179
Change in accounting principle	<u>(321,412)</u>	<u>-</u>
Beginning net position, <i>as restated</i>	<u>3,326,558</u>	<u>3,995,179</u>
Ending net position	<u>\$ 3,534,802</u>	<u>\$ 3,647,970</u>

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Of the total governmental activities revenues of \$13,037,715, \$1,769,124 (13.6%) is from program revenue. This means that the School District relied on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, 19.0% (\$2,137,032) comes from property and income taxes and 76.1% (\$8,571,063) is from state funding. The School District's operations are reliant upon its property and income taxes and the State's foundation program.

In total, net position of the School District increased by \$208,244. Total revenues grew by 3.5% as decreases in grants and contributions from sunseting pandemic-related grants were offset by an increase in property and income taxes and grants and entitlements. The increase in property taxes was attributable to swings in the amount of property tax collections available from the Butler County Auditor between fiscal year ends. These cash flow timing differences have continued to fluctuate based on recent changes in the housing market and related property valuations. Grants and entitlements growth was due to the continued phase in of the State's Fair School Funding formula. Total expenses decreased by 1%, due to decreases in pension and OPEB expenses associated with the decreases in the related liabilities.

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 14% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$7,277,093 but program revenue contributed to fund 12% of those costs. Thus, general revenues of \$6,391,751 were needed to support the remainder of the instruction costs.

Governmental Activities				
	Total Cost of Services	Program Revenue	Revenues as a % of Total Costs	Net Cost of Services
Instruction	\$ 7,277,093	885,342	12%	6,391,751
Support services	4,776,047	286,735	6%	4,489,312
Non-instructional services	280,320	50,484	18%	229,836
Food services	470,869	546,563	116%	(75,694)
Interest and fiscal charges	25,142	-	0%	25,142
Total	\$ 12,829,471	1,769,124	14%	11,060,347

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FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS

Governmental funds

The School District has one major fund: the General Fund. Assets of the General Fund comprise 94% of total governmental fund assets.

General Fund. Fund balance at June 30, 2025 was \$2,732,286, with a fund balance of \$2,706,431 assigned to next year's budget and public school. The General Fund experienced a \$158,363 decrease in fund balance compared to last fiscal year's decrease of \$574,179. Revenues increased by 14.5% due to an increase in tax and intergovernmental revenue, as discussed previously. Expenditures increased by 9.8% primarily due to general inflationary increases.

GENERAL FUND BUDGETARY HIGHLIGHTS

The schedule comparing the School District's original and final budgets and actual results is included in the required supplementary information. Overall, General Fund expenditures came in \$1,347,465 under the final budget. The variances among the functions was mainly due to conservative budgeting.

Significant differences between the actual and final budgets exist due to the School District's budget methodology. The School District's budget is passed with expenditures and other uses equal to the estimated available resources. Thus, the School District "over budgets" expenditures and budgets for contingencies.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. At June 30, 2025, the School District had \$10,036,882 invested in a broad range of capital assets, including land, buildings, equipment and right-to-use leased assets. During fiscal year 2025, the School District completed and put into service the HVAC project. After factoring in depreciation expense, capital assets decreased approximately \$352,000. See Note 5 to the financial statements for more detail.

Capital Assets at Year-End (Net of Depreciation)		
	<u>FY2025</u>	<u>FY2024</u>
Land	\$ 428,932	428,932
Construction in progress	-	469,114
Buildings and improvements	8,963,740	8,694,364
Equipment and furniture	644,210	796,299
Total	<u>\$ 10,036,882</u>	<u>10,388,709</u>

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Debt

At June 30, 2025, the School District had \$658,321 outstanding on loans and a lease liability. See Note 11 to the financial statements for more detail.

REQUESTS FOR ADDITIONAL INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's office at the New Miami Local School District, 600 Seven Mile Avenue, Hamilton, Ohio 45011.

NEW MIAMI LOCAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2025

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 3,869,893
Receivables:	
Taxes	1,850,849
Accounts	3,248
Intergovernmental	73,826
Interest	232
Supplies inventory	28,503
Net OPEB asset	640,009
Nondepreciable capital assets	428,932
Depreciable capital assets, net	9,607,950
Total assets	16,503,442
Deferred Outflows of Resources:	
Pension	1,719,106
OPEB	340,633
Total deferred outflows of resources	2,059,739
Liabilities:	
Accounts payable	85,424
Accrued wages and benefits payable	1,063,428
Intergovernmental payable	158,169
Accrued interest payable	1,938
Noncurrent liabilities:	
Due within one year	302,343
Due within more than one year:	
Net pension liability	8,414,408
Net OPEB liability	382,570
Other amounts due more than one year	918,061
Total liabilities	11,326,341
Deferred Inflows of Resources:	
Property taxes levied for next fiscal year	1,274,845
Pension	1,334,091
OPEB	1,093,102
Total deferred inflows of resources	3,702,038
Net Position:	
Net investment in capital assets	9,378,561
Restricted for:	
Capital projects	40,264
Post-retirement benefits	640,009
Other purposes	255,017
Unrestricted (deficit)	(6,779,049)
Total net position	\$ 3,534,802

See accompanying notes to the basic financial statements.

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Statement of Activities

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:				
Current:				
Instruction:				
Regular	\$ 4,853,460	\$ 213,827	\$ 268,242	\$ (4,371,391)
Special education	2,227,453	-	337,597	(1,889,856)
Other	196,180	-	65,676	(130,504)
Support services:				
Pupil	886,983	-	1,126	(885,857)
Instructional staff	470,105	-	189,673	(280,432)
Board of Education	113,484	-	-	(113,484)
Administration	1,185,066	-	44,976	(1,140,090)
Fiscal	217,015	-	-	(217,015)
Business	16,046	-	-	(16,046)
Operation and maintenance of plant	1,055,662	-	15,286	(1,040,376)
Pupil transportation	773,821	-	35,674	(738,147)
Central	57,865	-	-	(57,865)
Non-instructional services:				
Extracurricular activities	277,773	50,484	-	(227,289)
Community services	2,547	-	-	(2,547)
Food service	470,869	22,742	523,821	75,694
Interest on long-term debt	25,142	-	-	(25,142)
Total Governmental Activities	<u>\$ 12,829,471</u>	<u>\$ 287,053</u>	<u>\$ 1,482,071</u>	<u>(11,060,347)</u>

General Revenues:

Property taxes, levied for general purposes	1,255,999
Income taxes	881,033
Grants and entitlements not restricted to specific programs	8,571,063
Investment earnings	154,967
Miscellaneous	405,529
Total general revenues	<u>11,268,591</u>
Change in net position	208,244
Net position beginning of year, <i>as previously presented</i>	3,647,970
Change in accounting principle	<u>(321,412)</u>
Net position beginning of year, <i>as restated</i>	<u>3,326,558</u>
Net position end of year	<u>\$ 3,534,802</u>

See accompanying notes to the basic financial statements.

NEW MIAMI LOCAL SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2025

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in pooled cash and investments	\$ 3,597,726	\$ 272,167	\$ 3,869,893
Receivables:			
Taxes	1,850,849	-	1,850,849
Accounts	1,998	1,250	3,248
Interest	232	-	232
Intergovernmental	10,276	63,550	73,826
Supplies inventory	3,918	24,585	28,503
Interfund receivable	13,501	-	13,501
Total assets	<u>\$ 5,478,500</u>	<u>\$ 361,552</u>	<u>\$ 5,840,052</u>
Liabilities:			
Accounts payable	\$ 74,151	\$ 11,273	\$ 85,424
Accrued wages and benefits payable	1,028,360	35,068	1,063,428
Intergovernmental payable	142,999	15,170	158,169
Interfund payable	-	13,501	13,501
Total liabilities	<u>1,245,510</u>	<u>75,012</u>	<u>1,320,522</u>
Deferred Inflows of Resources:			
Property taxes levied for next fiscal year	1,274,845	-	1,274,845
Unavailable revenue	225,859	7,488	233,347
Total deferred inflows of resources	<u>1,500,704</u>	<u>7,488</u>	<u>1,508,192</u>
Fund Balances:			
Nonspendable	3,918	24,585	28,503
Restricted	-	263,208	263,208
Assigned	2,706,431	-	2,706,431
Unassigned	21,937	(8,741)	13,196
Total fund balances	<u>2,732,286</u>	<u>279,052</u>	<u>3,011,338</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,478,500</u>	<u>\$ 361,552</u>	<u>\$ 5,840,052</u>

See accompanying notes to the basic financial statements.

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

Total Governmental Fund Balances	\$	3,011,338
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		10,036,882
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Compensated absences	(562,083)	
Lease liability	(3,321)	
HB264 loan obligations	(655,000)	
Accrued interest payable	(1,938)	(1,222,342)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		233,347
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The net pension and net OPEB liabilities are not due and payable in the current period. The net OPEB assets are not available to pay for current period expenditures. Therefore, the assets, liabilities and related deferred outflows and inflows of resources are not reported in the governmental funds:

Deferred outflows - pension and OPEB	2,059,739	
Deferred inflows - pension and OPEB	(2,427,193)	
Net OPEB asset	640,009	
Net pension liability	(8,414,408)	
Net OPEB liability	(382,570)	(8,524,423)

Net Position of Governmental Activities	\$	<u>3,534,802</u>
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See accompanying notes to the basic financial statements.

NEW MIAMI LOCAL SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Fiscal Year Ended June 30, 2025

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 2,128,036	\$ -	\$ 2,128,036
Tuition and fees	213,827	-	213,827
Investment income	154,967	-	154,967
Intergovernmental	8,794,767	1,326,155	10,120,922
Charges for services	-	71,286	71,286
Other local revenues	350,187	57,090	407,277
Total revenues	<u>11,641,784</u>	<u>1,454,531</u>	<u>13,096,315</u>
Expenditures:			
Current:			
Instruction:			
Regular	4,317,955	268,906	4,586,861
Special education	2,192,601	154,819	2,347,420
Other instruction	192,038	65,574	257,612
Support services:			
Pupil	902,170	20,121	922,291
Instructional staff	316,691	196,923	513,614
Board of Education	113,735	-	113,735
Administration	1,228,267	50,244	1,278,511
Fiscal	232,946	-	232,946
Business	16,046	-	16,046
Operation and maintenance of plant	1,038,039	41,545	1,079,584
Pupil transportation	748,667	35,423	784,090
Central	57,865	-	57,865
Non-instructional services:			
Extracurricular activities	208,053	63,126	271,179
Community services	-	2,547	2,547
Food services	-	468,613	468,613
Capital outlay	108,100	-	108,100
Debt Service:			
Principal	19,640	65,000	84,640
Interest and fiscal charges	342	24,992	25,334
Total expenditures	<u>11,693,155</u>	<u>1,457,833</u>	<u>13,150,988</u>
Excess (deficiency) of revenues over (under) of expenditures	<u>(51,371)</u>	<u>(3,302)</u>	<u>(54,673)</u>
Other financing sources (uses):			
Transfers in	-	106,992	106,992
Transfers out	(106,992)	-	(106,992)
Total other financing sources (uses):	<u>(106,992)</u>	<u>106,992</u>	<u>-</u>
Net change in fund balance	(158,363)	103,690	(54,673)
Fund balance, beginning of year, <i>as previously presented</i>	2,931,575	134,436	3,066,011
Correction of an error	(40,926)	40,926	-
Fund balance, beginning of year, <i>as restated</i>	<u>2,890,649</u>	<u>175,362</u>	<u>3,066,011</u>
Fund balance, end of year	<u>\$ 2,732,286</u>	<u>\$ 279,052</u>	<u>\$ 3,011,338</u>

See accompanying notes to the basic financial statements.

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

Net Change in Fund Balances - Total Governmental Funds	\$ (54,673)
<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/amortization expense:	
Capital asset additions	258,967
Depreciation and amortization expense	(610,794)
Repayment of loan and lease liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
	84,640
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	
	192
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
	(24,910)
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the funds.	
	(58,792)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	
Pension	847,930
OPEB	26,782
Except for amounts reported as deferred outflows or deferred inflows of resources, changes in the net pension and OPEB assets and liabilities are reported as pension and OPEB expenses in the statement of activities.	
Pension	(467,374)
OPEB	<u>206,276</u>
Change in Net Position of Governmental Activities	\$ <u>208,244</u>

See accompanying notes to the basic financial statements.

NEW MIAMI LOCAL SCHOOL DISTRICT

Statement of Net Position

Fiduciary Funds

June 30, 2025

	Private Purpose Trusts
ASSETS	
Equity in pooled cash and cash equivalents	<u>\$ 8,304</u>
LIABILITIES	
Accounts payable	<u>2,000</u>
NET POSITION	
Held in trust	<u><u>\$ 6,304</u></u>

See accompanying notes to the basic financial statements.

NEW MIAMI LOCAL SCHOOL DISTRICT

Statement of Changes in Net Position

Fiduciary Funds

Fiscal Year Ended June 30, 2025

	Private Purpose Trusts
Additions:	
Contributions	<u>\$ 3,144</u>
Deductions:	
Community gifts, awards and scholarships	<u>134,385</u>
Change in net position	(131,241)
Net position, beginning of year	<u>137,545</u>
Net position, end of year	<u><u>\$ 6,304</u></u>

See accompanying notes to the basic financial statements.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The School District provides education for New Miami, City View Heights, Overpeck and Williamsdale. The School District was chartered in 1937 and currently operates one elementary school (K-6) and one junior-senior high school (7-12) with a total enrollment of approximately 600 students. The School District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The reporting entity is comprised of the primary government. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. This includes general operations, food service, and student related activities of the School District.

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

The School District is associated with three organizations; two of which are defined as a jointly governed organizations and one is an insurance purchasing pool. These organizations include the Butler Technology and Career Development Schools, the Southwest Ohio Computer Association, and the Butler Health Plan. These organizations are presented in Notes 13 and 14 to the basic financial statements.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

B. Basis of Presentation

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no business-type activities.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources are generally included on the balance sheet. Operating statements of these funds present sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

C. Fund Accounting

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

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

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

Fiduciary funds report on net position and changes in net position. The School District's fiduciary funds consist of private-purpose trust funds. The School District's private-purpose trust funds account for scholarship programs for students.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made. The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenues are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, income taxes, interest, tuition, student fees, and grants.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

D. Basis of Accounting – *continued*

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable except for unmatured principal and interest on general long-term debt as well as expenditures related to compensated absences which are recognized when due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, fiduciary funds utilize accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Revenues - Exchange and Non-exchange transactions. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

Non-exchange transactions, in which the School District receives value without directly giving value in return, include property and income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes were levied.

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

Deferred inflows of resources. In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that apply to a future period(s) and so will not be recognized as an inflow of resources until that time. For the School District, deferred inflows of resources include property taxes, unavailable revenue, pension and other postemployment benefits (OPEB). Receivables for property taxes represent amounts that are measurable as of June 30, 2025, but are intended to finance fiscal year 2026 operations. These amounts have been recorded as deferred inflows 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 fund financial statements and represents receivables that will not be collected within the available period (sixty days after fiscal year-end). Deferred inflows of resources from pension and OPEB are reported on the government-wide statement of net position (see Notes 8 and 9).

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

D. Basis of Accounting – *continued*

Deferred outflows of resources. In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net asset that apply to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. For the School District, deferred outflows of resources include pension and OPEB. Deferred outflows of resources from pension and OPEB are reported on the government-wide statement of net position (see Notes 8 and 9)

E. Cash

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet.

The Governmental Accounting Standards Board Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, requires that investments be recorded at their fair value and that changes in the fair value be reported in the operating statement.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds, and those other funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balance.

F. Inventory

All inventories are valued at cost determined on a first-in, first-out basis. Inventory in governmental funds are recorded as expenditures in the governmental fund types when used.

G. Capital Assets

Capital assets, which include property, plant and equipment, and right-to-use leased assets, are reported in the government-wide financial statements. The School District defines capital assets as those with an individual cost of more than \$250 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their acquisition values as of the date received. The School 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 capitalized.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

G. Capital Assets – *continued*

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

Right-to-use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset. All other reported capital assets except land are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	50 years
Building improvements	20 - 25 years
Equipment and furniture	7 - 20 years

H. Compensated Absences

The School District recognizes a liability for compensated absences for leave time that is (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave.

A liability for compensated absences is recorded as incurred in the government-wide financial statements of net position. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

I. 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, 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 fiscal year. Net pension and OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension and OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

J. Interfund Transactions

On fund financials, receivables and payables resulting from short-term interfund loans are classified as "interfund receivable/payable." These amounts are eliminated in the governmental activities column of the statement of net position.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

K. Pensions/ OPEB

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

L. Fund Balance

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

Nonspendable – The nonspendable fund balance category includes amounts that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact. The “not in a spendable form” criterion includes items that are not expected to be converted to cash.

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

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

Assigned – Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the School District Board of Education. The Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

L. Fund Balance – *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 used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

M. Net Position

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

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

N. Estimates

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

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued*

O. Fund Deficits

At June 30, 2025, the following funds have a deficit fund balance:

Other Governmental Funds:		
Early Childhood Education	\$	7,488
Miscellaneous Federal Grants		1,253

The deficit fund balances were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

2. DEPOSITS AND INVESTMENTS

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

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

Inactive deposits are public deposits that the Board has identified as not required for use within the current two-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 that 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 pass book accounts. Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies are permitted to be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

2. DEPOSITS AND INVESTMENTS —*continued*

2. Bonds, notes, debentures, or any other obligations or securities issued by the federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, *Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements*, and amended by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a custodial credit risk policy. At fiscal year-end, \$736,785 of the School District's bank balance of \$986,785 was exposed to custodial credit risk since it was uninsured and collateralized with securities under the Ohio Treasurer's Ohio Pooled Collateral System, but not in the School District's name.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

2. DEPOSITS AND INVESTMENTS—*continued*

Investments

The School District's investments at June 30, 2025 are summarized as follows:

	Measurement Value at 6/30/25	Average Maturity (Years)	Concentration
U.S. Treasuries	\$ 2,928,643	0.10	99.8%
U.S. Money Markets	5,658	0.08	0.2%
	<u>\$ 2,934,301</u>		<u>100.0%</u>

Credit Risk. It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a failure of a counter party, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment securities are registered in the name of the School District.

Interest Rate Risk. In accordance with the investment policy, the School District manages its exposure to declines in fair value by limiting the maturity of its investment portfolio to five years, unless they are matched to a specific obligation or debt of the School District.

Fair Value Measurements. The School District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. At June 30, 2025, the School District's investment in U.S. Treasuries were in Level 1 of the fair value hierarchy, which are valued using quoted prices in active markets. U.S. money market investments are excluded from fair value measurement requirements, but are valued at amortized cost at June 30, 2025 which approximates fair value.

3. INCOME TAXES

Effective in 1990, the voters of the School District passed a 1% school income tax on wages earned by residents of the School District. The taxes are collected by the State Department of Taxation in the same manner as the state income tax. In the fiscal year ended June 30, 2025, the School District recorded income tax revenue of \$881,033 in the entity-wide financials and a receivable as of June 30, 2025 of \$343,964.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

4. PROPERTY TAXES

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

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

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

The School District receives property taxes from Butler County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025 are available to finance fiscal year 2025 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property and public utility taxes, which became measurable as of June 30, 2025. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2025 in the General Fund was \$62,728.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

4. PROPERTY TAXES—continued

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

		2024 Second- Half Collections	Percent	2025 First- Half Collections	Percent
		Amount		Amount	
Agricultural/Residential and Other Real Estate	\$	66,560,760	91.81%	66,644,880	91.27%
Public Utilities Personal		5,939,330	8.19%	6,374,570	8.73%
Total Assessed Value	\$	<u>72,500,090</u>	100.00%	<u>73,019,450</u>	100.00%

5. CAPITAL ASSETS

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

	Balance 7/1/24	Additions	Disposals	Balance 6/30/25
Governmental Activities				
Nondepreciable:				
Land	\$ 428,932	-	-	428,932
Construction in progress	469,114	53,932	(523,046)	-
Subtotal	<u>898,046</u>	<u>53,932</u>	<u>(523,046)</u>	<u>428,932</u>
Depreciable:				
Buildings and improvements	14,730,670	631,495	-	15,362,165
Equipment and furniture	3,198,124	96,586	-	3,294,710
Right-to-use equipment	75,092	-	-	75,092
Subtotal	<u>18,003,886</u>	<u>728,081</u>	<u>-</u>	<u>18,731,967</u>
Totals at historical cost	<u>18,901,932</u>	<u>782,013</u>	<u>(523,046)</u>	<u>19,160,899</u>
Less accumulated depreciation:				
Buildings and improvements	6,036,306	362,119	-	6,398,425
Equipment and furniture	2,423,970	229,695	-	2,653,665
Right-to-use equipment	52,947	18,980	-	71,927
Total accumulated depreciation	<u>8,513,223</u>	<u>610,794</u>	<u>-</u>	<u>9,124,017</u>
Net depreciable capital assets	<u>9,490,663</u>	<u>117,287</u>	<u>-</u>	<u>9,607,950</u>
Total capital assets, net	\$ <u>10,388,709</u>	<u>171,219</u>	<u>(523,046)</u>	<u>10,036,882</u>

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

5. CAPITAL ASSETS—continued

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

Instruction:	
Regular	\$ 508,727
Special	5,219
Support services:	
Pupil	2,012
Instructional staff	6,742
Administration	4,259
Fiscal	429
Operation and maintenance of plant	79,023
Extracurricular activities	4,025
Food services	<u>358</u>
Total depreciation and amortization expense	\$ <u>610,794</u>

6. INTERFUND TRANSACTIONS

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

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General fund	\$ 13,501	-	-	106,992
Other governmental funds	<u>-</u>	<u>13,501</u>	<u>106,992</u>	<u>-</u>
	\$ <u>13,501</u>	<u>13,501</u>	<u>106,992</u>	<u>106,992</u>

The interfund loans were made to provide operating capital. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the general fund to finance various programs and debt service accounted for in other funds in accordance with budgetary authorizations.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

7. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2025, the School District maintained comprehensive insurance coverage with private carriers for real property, building contents, vehicles and general liability coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There was no significant reduction in coverage from the prior year.

For fiscal year 2025, the School District participated in the Butler Health Plan, a group insurance purchasing pool, in order to provide dental, life, medical, and disability benefits to employees, their dependents and designated beneficiaries and to set aside funds for such purposes. The Plan provides insurance policies in whole or in part through one or more group insurance policies.

8. PENSION PLANS

Net Pension Liability

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

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

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

8. PENSION PLANS—continued

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

Benefits	Eligible to Retire on or before August 1, 2017*	Eligible to Retire 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 year of service; 2.2% for the first 30 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.

Funding Policy – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% 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% for plan members and 14% 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 14% was allocated to only three of the funds (Pension Trust Fund, Death Benefit Fund and Medicare B Fund).

The School District's contractually required contribution to SERS was \$156,574 for fiscal year 2025.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

8. PENSION PLANS—continued

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. For members who were eligible to retire on July 1, 2015, the annual benefit is the greater of the benefit amount calculated upon retirement under the new benefit formula or the frozen benefit amount as of July 1, 2015. Effective August 1, 2021 to July 1, 2023, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age; or 29 years of service credit and age 55; or 5 years of service credit and age 60. Effective August 1, 2023 to May 31, 2025, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit at age 65. Retirement eligibility for reduced benefits is 29 years of service credit at any age; or 5 years of service credit and age 60. Effective June 1, 2025 to July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age or 5 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 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 29 years of service credit at any age or 5 years of service credit and age 60.

The DC Plan allows members to place all 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 Ohio. The remaining 2.91% of the 14% employer rate is allocated to the defined benefit unfunded liabilities. 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 CO Plan offers features of both the DB Plan and the DC Plan. In the CO 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 CO Plan payment is payable to a member on or after age 60 with 5 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 MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

8. PENSION PLANS—continued

New members who choose the DC Plan or CO 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 Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

A DB or CO 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 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance.

Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2025, plan members were required to contribute 14% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2025 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$691,356 for fiscal year 2025. Of this amount, \$131,280 is recorded as an intergovernmental payable.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources for Pensions

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

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$ 1,922,026	\$ 6,492,382	\$ 8,414,408
Proportion of the Net Pension Liability	0.03757%	0.03374%	
Change in Proportion	-0.00240%	-0.00141%	
Pension Expense	\$ 69,723	\$ 397,651	\$ 467,374

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

8. PENSION PLANS—continued

At June 30, 2025, the School 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	\$ 73,381	\$ 408,851	\$ 482,232
Change in assumptions	17,193	299,205	316,398
Change in proportionate share and difference between employer contributions	8,913	63,633	72,546
School District's contributions subsequent to the measurement date	156,574	691,356	847,930
Total Deferred Outflows of Resources	\$ 256,061	\$ 1,463,045	\$ 1,719,106
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ -	\$ 3,555	\$ 3,555
Net difference between projected and actual earnings on pension plan investments	120,222	558,213	678,435
Change in assumptions	-	225,215	225,215
Change in proportionate share and difference between employer contributions	65,773	361,113	426,886
Total Deferred Inflows of Resources	\$ 185,995	\$ 1,148,096	\$ 1,334,091

\$847,930 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	\$ (112,395)	\$ (410,346)	\$ (522,741)
2027	98,641	491,790	590,431
2028	(37,402)	(268,910)	(306,312)
2029	(35,352)	(188,941)	(224,293)
	\$ (86,508)	\$ (376,407)	\$ (462,915)

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

8. PENSION PLANS—continued

Actuarial Assumptions - SERS

The total pension liability is determined by SERS' 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 are presented below:

Valuation Date	June 30, 2024 (the measurement date)
Actuarial Cost Method	Entry age normal
Actuarial Assumptions: Experience Study Date	Period of 5 years ended June 30, 2020
Investment Rate of Return	7.00%, net of investment expenses, including inflation
COLA or "Ad Hoc" COLA	2.00%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement
Future Salary Increases, including Inflation	3.25% - 13.58%
Inflation	2.40%

Mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Health 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. Mortality among contingent survivors were based upon the PUB-2010 General Amount Weighed 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.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

8. PENSION PLANS—continued

The PUB-2010 General Amount Weighted Below Median Employee mortality table was used for active members. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally. The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2015 to June 30, 2020 adopted by the Board on April 15, 2021.

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 the Statement of Investment Policy. ORC 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.

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

Discount Rate – Total pension liability was calculated using the discount rate of 7.0%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0%). 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

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.0%, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%), or one percentage point higher (8.0%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$2,940,433	\$1,922,026	\$1,064,582

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

8. PENSION PLANS—continued

Actuarial Assumptions - STRS

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

Inflation	2.50%
Salary increases	Varies by service from 2.5% to 8.5%
Payroll increases	3.00%
Investment rate of return	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%
Cost-of-living adjustments (COLA)	0%

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 Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00%	6.90%
International Equity	22.00%	7.70%
Alternatives	19.00%	9.10%
Fixed Income	22.00%	4.50%
Real Estate	10.00%	5.10%
Liquidity Reserves	1.00%	2.40%
	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 2.4%, and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Assumption and benefit changes since the prior measurement date include: retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages, and demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

8. PENSION PLANS—continued

Discount Rate – The discount rate used to measure the total pension liability was 7.0% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS'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 pension plan investments of 7.0% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2024.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.0%, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.0%) or one-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$10,473,351	\$6,492,382	\$3,125,167

Social Security System

All employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2025, members of the Board of Education have elected social security. The School District's liability is 6.2% of wages paid.

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

Net OPEB Liability (Asset)

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

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

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

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

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description—SERS' Health Care program provides health care 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.

Funding Policy— 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. SERS' 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, SERS shall manage the Health Care Fund on a pay-as-you-go basis.

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 fiscal year 2025, there was no portion allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

For fiscal year 2025, the minimum compensation amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the School District's surcharge obligation was \$26,782.

Plan Description - State Teachers Retirement System (STRS)

Plan Description— The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing, multiple-employer health care plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS Board to offer this plan.

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and partial reimbursement of the monthly Medicare Part B premiums. Pursuant to the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. 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 to recover part of the cost for providing prescription coverage since all eligible STRS 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. Nearly all health care plan enrollees, for the most recent year, 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, no employer allocation was made to the health care fund.

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

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

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

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability/(Asset)	\$ 382,570	\$ (640,009)	\$ (257,439)
Proportion of the Net OPEB Liability/(Asset)	0.03756%	0.03374%	
Change in Proportion	-0.00299%	-0.00141%	
OPEB (Negative) Expense	\$ (57,501)	\$ (148,775)	\$ (206,276)

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—continued

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	-	\$ 27,824	\$ 27,824
Net difference between projected and actual earnings on OPEB plan investments	1,868	-	1,868
Change in assumptions	164,198	78,776	242,974
Change in proportionate share and difference between employer contributions	26,147	15,038	41,185
School District's contributions subsequent to the measurement date	26,782	-	26,782
Total Deferred Outflows of Resources	\$ 218,995	\$ 121,638	\$ 340,633
Deferred Inflows of Resources			
Differences between expected and actual experience	\$ 412,510	\$ 68,971	\$ 481,481
Net difference between projected and actual earnings on OPEB plan investments	-	27,479	27,479
Change in assumptions	175,737	288,640	464,377
Change in proportionate share and difference between employer contributions	119,146	619	119,765
Total Deferred Inflows of Resources	\$ 707,393	\$ 385,709	\$ 1,093,102

\$26,782 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	\$ (124,002)	\$ (93,719)	\$ (217,721)
2027	(94,666)	(41,104)	(135,770)
2028	(72,713)	(53,390)	(126,103)
2029	(57,744)	(49,575)	(107,319)
2030	(57,182)	(39,807)	(96,989)
2031-2034	(108,873)	13,524	(95,349)
	\$ (515,180)	\$ (264,071)	\$ (779,251)

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

9. OTHER POSTEMPLOYMENT BENEFITS (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. 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 consider the employee's entire career with the employer and 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 are presented below:

Valuation Date	June 30, 2024 (the measurement date)
Actuarial Cost Method	Entry age normal
Actuarial Assumptions:	
Experience Study Date	Period of 5 years ended June 30, 2020
Investment Rate of Return	7.00%, net of investment expenses, including inflation
Municipal Bond Index Rate:	
Prior Measurement Date	3.86%
Current Measurement Date	3.93%
Year Fiduciary Net Position is Projected to be depleted	2059
Single Equivalent Interest Rate:	
Prior Measurement Date	4.27%
Current Measurement Date	4.88%
Future Salary Increases, including Inflation	3.25% - 13.58%
Inflation	2.40%
Health Care Cost Trend Rate	7.00% - 4.40%

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—continued

Mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Health 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. Mortality among contingent survivors were based upon the 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. The PUB-2010 General Amount Weighted Below Median Employee mortality table was used for active members. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The long-term expected rate of return is reviewed as part of the regular experience studies prepared every five years for SERS. 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.:

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

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 SERS at the state statute contribution rate of 1.5% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and no contributions from basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2059 by SERS' actuaries. equivalent interest rate for both the June 30, 2023 and the June 30, 2024 total OPEB liability.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93% at June 30, 2024 and 3.86% at June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and the Health Care Cost Trend Rates – The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability calculated using the discount rate of 4.88%, as well as what the School District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.88%) and one percentage point higher (5.88%) than the current rate.

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
School District's proportionate share of the net OPEB liability	\$510,143	\$382,570	\$281,195

The following table presents the net OPEB liability calculated using current health care cost trend rates, as well as what the School District's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (6.00% decreasing to 3.40%) and one percentage point higher (8.00% decreasing to 5.40%) than the current rates.

	1% Decrease (6.00% decreasing to 3.40%)	Current Cost Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$258,603	\$382,570	\$545,514

Actuarial Assumptions – STRS

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

Salary increases	Varies by service from 2.5% to 8.5%	
Payroll increases	3.0%	
Investment rate of return	7.0%, net of investment expenses, including inflation	
Discount rate of return	7.0%	
Health care cost trends	<u>Initial</u>	<u>Ultimate</u>
Medical		
Pre-Medicare	7.50%	3.94%
Medicare	-112.22%	3.94%
Prescription Drug		
Pre-Medicare	8.00%	3.94%
Medicare	-15.14%	3.94%

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

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 Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Asset Class	Target Allocation*	Long-Term Expected Rate of Return**
Domestic Equity	26.00%	6.90%
International Equity	22.00%	7.70%
Alternatives	19.00%	9.10%
Fixed Income	22.00%	4.50%
Real Estate	10.00%	5.10%
Liquidity Reserves	1.00%	2.40%
	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 2.4%, and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Benefit term changes since the prior measurement date include 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.

Discount Rate – The discount rate used to measure the total OPEB liability was 7.0% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2024. Therefore, the long-term expected rate of return on OPEB plan assets of 7.0% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued*

Sensitivity of the School District's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate and the Health Care Cost Trend Rates – The following table presents the School District's proportionate share of the net OPEB (asset) calculated using the current period discount rate assumption of 7.0%, as well as what the School District's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.0%) and one percentage point higher (8.0%) than the current rate. Also shown is the net OPEB (asset) as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB (asset)	\$ (520,370)	\$ (640,009)	\$ (744,121)
	1% Decrease	Current Cost Trend Rates	1% Increase
School District's proportionate share of the net OPEB (asset)	\$ (751,154)	\$ (640,009)	\$ (506,343)

10. EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave are derived from negotiated agreements and State laws. Classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. All employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to maximum of 200 days for classified employees and teachers, and 253 days for administrators. Upon retirement, classified employee can receive payment for 25% of accrued, but unused sick leave up to a maximum of 50 days; teachers and administrators can receive payment for 30% of accrued, but unused sick leave up to a maximum of 55 days.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

11. LONG-TERM OBLIGATIONS

The changes in the School District's long-term liabilities during fiscal year 2025 were as follows:

	<i>Restated</i> Balance Outstanding 7/1/24	Additions	Deletions	Balance Outstanding 6/30/25	Due Within One Year
Loan from direct borrowings	\$ 720,000	\$ -	\$ (65,000)	\$ 655,000	\$ 67,000
Lease liability	22,961	-	(19,640)	3,321	3,321
Compensated absences *	552,431	9,652	-	562,083	232,022
	<u>\$ 1,295,392</u>	<u>9,652</u>	<u>(84,640)</u>	<u>1,220,404</u>	<u>302,343</u>

* the change in compensated absences is a net change

In April 2019, the School District entered into a direct borrowing installment loan agreement in the amount of \$1,010,000 for HB264 energy conservation improvements. The loan matures on December 1, 2033 and bears an interest rate of 3.55%. The loan agreement contains a provision that in an event of default, outstanding amounts become immediately due if the School District is unable to make the payment. This loan will be retired from the debt service fund.

In 2020, the School District entered into a lease agreement for the right-to-use copiers used throughout the district. The lease agreement is for a five-year term and expires in August 2025 with an interest rate of 2.443% and will be retired from the general fund.

All general obligation debt is supported by the full faith and credit of the School District. The School District's voted legal debt margin was \$6,571,751 with an unvoted debt margin of \$73,019 at June 30, 2025.

Principal and interest requirements to retire the direct borrowing installment loan at June 30, 2025 are:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 67,000	22,667	89,667
2027	70,000	20,253	90,253
2028	72,000	17,750	89,750
2029	75,000	15,176	90,176
2030	77,000	12,496	89,496
2031-2034	294,000	21,193	315,193
Total	<u>\$ 655,000</u>	<u>109,535</u>	<u>764,535</u>

Principal and interest requirements to retire the lease liability at June 30, 2025 are:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 3,321	10	3,331

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

12. FUND BALANCES

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

<u>Fund Balances</u>	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<i>Nonspendable</i>			
Inventory	\$ 3,918	24,585	28,503
<i>Restricted for</i>			
Food Service Operations	-	150,882	150,882
Private Grants and Donations	-	38,422	38,422
Classroom Facilities Maintenance	-	28,905	28,905
Athletics and student activities	-	32,370	32,370
Capital Improvements	-	11,359	11,359
<i>Total Restricted</i>	-	263,208	263,208
<i>Assigned to</i>			
Public School Support	44,066	-	44,066
Budget Resource	2,662,365	-	2,662,365
<i>Total Assigned</i>	2,706,431	-	2,706,431
<i>Unassigned (Deficit)</i>	21,937	(8,741)	13,196
<i>Total Fund Balance</i>	\$ 2,732,286	279,052	3,011,338

Encumbrances

The School District utilizes encumbrance accounting to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2025, the amount of encumbrances expected to be honored upon performance by the respective vendors in the next fiscal year were as follows:

General Fund	\$ 71,351
Other Governmental Funds	30,387
	<u>\$ 101,738</u>

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

13. INSURANCE PURCHASING POOL

Butler Health Plan

The School District participates in the Butler Health Plan, an insurance purchasing pool, formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's employees, eligible dependents and designated beneficiaries. The Board of Directors consists of one representative from each of the participating members and is elected by the vote of a majority of the member school districts. Financial information can be obtained from Butler Health Plan at P. O. Box 526, Middletown, Ohio 45042.

14. JOINTLY GOVERNED ORGANIZATIONS

Butler Technology and Career Development Schools

The Butler Technology and Career Development Schools (Butler Tech), a jointly governed organization, is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from each of the participating school districts' elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Butler Tech was formed for the purpose of providing vocational education opportunities to the students of the member school districts which includes the students of the School District. The School District has no ongoing financial interest in nor responsibility for Butler Tech. To obtain financial information, write to Butler Tech, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

Southwest Ohio Computer Association

The Southwest Ohio Computer Association (SWOCA) was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the member schools of the three county consortiums supports SWOCA based upon per pupil charge dependent upon the software package utilized. SWOCA is governed by a board of directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating School District is limited to its representation on the Board. To obtain financial information, write to SWOCA, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

15. CONTINGENCIES

Litigation

The School District's attorney estimates that potential claims against the School District from legal proceedings would not materially affect the financial statements of the School District.

State and Federal Funding

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2025, if applicable, cannot be determined at this time.

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

15. CONTINGENCIES—continued

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (ODEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODEW adjustments for fiscal year 2025 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2025 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

16. REQUIRED SET-ASIDES

The School District is required by State statute to annually set aside in the general fund an amount based on the statutory formula for the acquisition, maintenance, and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The following cash basis information describes the change in the year-end set aside amounts for capital acquisition. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside reserve balance as of June 30, 2024	\$ -
Current year set-aside requirement	131,430
Current year qualifying expenditures	<u>(632,323)</u>
Total	\$ <u><u>(500,893)</u></u>
Balance carried forward to fiscal year 2026	\$ <u><u>-</u></u>

Excess qualified expenditures for capital improvements do not carry forward.

17. RESTATEMENTS

During fiscal year 2025, the School District recorded a prior period adjustment for over accruing accrued wages and benefits payable in a grant fund, instead of the general fund. The correction of an error had the following impact on beginning fund balances:

	<u>General Fund</u>	<u>Other Governmental Funds</u>
Fund balance, beginning of year, <i>as previously presented</i>	\$ 2,931,575	\$ 134,436
Adjustments:		
Correction of an error	<u>(40,926)</u>	<u>40,926</u>
Fund balance, beginning of year, <i>as restated</i>	<u><u>\$ 2,890,649</u></u>	<u><u>\$ 175,362</u></u>

NEW MIAMI LOCAL SCHOOL DISTRICT
Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2025

17. RESTATEMENTS—*continued*

During fiscal year 2025, the School District implemented GASB Statement No. 101, *Compensated Absences*. GASB Statement No. 101 provides updated guidance on accounting for and reporting compensated absences, which includes recognizing a liability for leave that is attributable to service already rendered and is more likely than not to be used or otherwise paid or settled. The implementation of GASB Statement No. 101 had the following impact on beginning net position:

	<u>Governmental Activities</u>
Net position beginning of year, <i>as previously presented</i>	\$ 3,647,970
Adjustments:	
Change in accounting principle	<u>(321,412)</u>
Net position beginning of year, <i>as restated</i>	<u>\$ 3,326,558</u>

REQUIRED SUPPLEMENTARY INFORMATION

NEW MIAMI LOCAL SCHOOL DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual (Non-GAAP Budgetary Basis)

General Fund

Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes	\$ 2,149,200	\$ 2,113,444	\$ 2,113,444	\$ -
Tuition and fees	228,000	205,574	205,574	-
Interest	100,000	155,112	155,112	-
Intergovernmental	7,856,640	8,835,486	8,835,486	-
Other local revenues	4,000	19,796	19,796	-
Total revenues	<u>10,337,840</u>	<u>11,329,412</u>	<u>11,329,412</u>	<u>-</u>
Expenditures:				
Current:				
Instruction:				
Regular	4,565,760	4,705,761	4,265,329	440,432
Special education	2,455,800	2,570,800	2,157,884	412,916
Other instruction	168,620	213,170	187,635	25,535
Support services:				
Pupil	929,189	1,007,275	901,583	105,692
Instructional staff	322,835	357,235	315,678	41,557
Board of Education	106,830	136,830	109,112	27,718
Administration	1,285,324	1,363,474	1,290,910	72,564
Fiscal	296,912	298,912	258,830	40,082
Business	27,000	27,000	16,046	10,954
Operation and maintenance of plant	1,140,438	1,142,038	1,083,336	58,702
Pupil transportation	809,228	839,228	749,568	89,660
Central	64,200	69,855	61,628	8,227
Non-instructional services:				
Extracurricular activities	204,380	223,800	210,374	13,426
Capital outlay	108,100	108,100	108,100	-
Total expenditures	<u>12,484,616</u>	<u>13,063,478</u>	<u>11,716,013</u>	<u>1,347,465</u>
Excess of expenditures over revenues	(2,146,776)	(1,734,066)	(386,601)	1,347,465
Other financing sources (uses):				
Transfers in	132,385	132,385	132,385	-
Transfers out	(100,000)	(107,000)	(106,992)	8
Advances in	156,909	156,909	156,909	-
Advances out	-	(14,000)	(13,501)	499
Other uses	(1,558,537)	(2,114,141)	-	2,114,141
Other sources	-	163,894	163,894	-
Total other financing sources (uses):	<u>(1,369,243)</u>	<u>(1,781,953)</u>	<u>332,695</u>	<u>2,114,648</u>
Net change in fund balance	(3,516,019)	(3,516,019)	(53,906)	\$ 3,462,113
Fund balance, beginning of year	3,332,736	3,332,736	3,332,736	
Prior year encumbrances appropriated	183,283	183,283	183,283	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,462,113</u>	

See accompanying notes to required supplementary information.

NEW MIAMI LOCAL SCHOOL DISTRICT

Required Supplementary Information

 Schedules of School District's Proportionate Share of the Net Pension Liability
 and School District Pension Contributions
 School Employees Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School 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
2016	0.03459%	\$ 1,973,882	\$ 1,137,003	173.60%	69.16%
2017	0.03480%	2,546,951	1,031,771	246.85%	62.98%
2018	0.03748%	2,239,545	1,108,964	201.95%	69.50%
2019	0.03970%	2,273,710	1,202,630	189.06%	71.36%
2020	0.03961%	2,370,090	1,336,948	177.28%	70.85%
2021	0.04132%	2,732,839	1,199,893	227.76%	68.55%
2022	0.03800%	1,402,244	1,438,121	97.51%	82.86%
2023	0.03826%	2,069,606	1,192,614	173.54%	75.82%
2024	0.03997%	2,208,516	1,071,179	206.18%	76.06%
2025	0.03757%	1,922,026	1,300,650	147.77%	78.52%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 144,448	\$ (144,448)	\$ -	\$ 1,031,771	14.00%
2017	155,255	(155,255)	-	1,108,964	14.00%
2018	162,355	(162,355)	-	1,202,630	13.50%
2019	180,488	(180,488)	-	1,336,948	13.50%
2020	167,985	(167,985)	-	1,199,893	14.00%
2021	201,337	(201,337)	-	1,438,121	14.00%
2022	166,966	(166,966)	-	1,192,614	14.00%
2023	149,965	(149,965)	-	1,071,179	14.00%
2024	182,091	(182,091)	-	1,300,650	14.00%
2025	156,574	(156,574)	-	1,118,386	14.00%

See Notes to Required Supplementary Information.

NEW MIAMI LOCAL SCHOOL DISTRICT

Required Supplementary Information

Schedules of School District's Proportionate Share of the Net Pension Liability
and School District Pension Contributions
State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School 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
2016	0.03066%	\$ 8,472,438	\$ 3,475,986	243.74%	72.1%
2017	0.03038%	10,168,533	3,593,664	282.96%	66.8%
2018	0.03366%	7,996,244	3,603,986	221.87%	75.3%
2019	0.03141%	6,905,466	3,881,186	177.92%	77.3%
2020	0.03360%	7,429,691	4,312,443	172.28%	77.4%
2021	0.03464%	8,381,263	4,358,471	192.30%	75.5%
2022	0.03506%	4,482,373	4,547,929	98.56%	87.8%
2023	0.03616%	8,039,007	4,244,814	189.38%	78.9%
2024	0.03515%	7,569,989	4,770,443	158.69%	80.0%
2025	0.03374%	6,492,382	4,979,979	130.37%	82.5%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 503,113	\$ (503,113)	\$ -	\$ 3,593,664	14.0%
2017	504,558	(504,558)	-	3,603,986	14.0%
2018	543,366	(543,366)	-	3,881,186	14.0%
2019	603,742	(603,742)	-	4,312,443	14.0%
2020	610,186	(610,186)	-	4,358,471	14.0%
2021	636,710	(636,710)	-	4,547,929	14.0%
2022	594,274	(594,274)	-	4,244,814	14.0%
2023	667,862	(667,862)	-	4,770,443	14.0%
2024	697,197	(697,197)	-	4,979,979	14.0%
2025	691,356	(691,356)	-	4,938,257	14.0%

See Notes to Required Supplementary Information.

NEW MIAMI LOCAL SCHOOL DISTRICT

Required Supplementary Information

Schedules of School District's Proportionate Share of the Net OPEB Liability

and School District OPEB Contributions

School Employees Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability	School District's Proportionate Share of the Net OPEB Liability	School District's Covered Payroll	School 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
2017	0.03473%	\$ 989,978	\$ 1,031,771	95.95%	11.49%
2018	0.03744%	1,004,891	1,108,964	90.62%	12.46%
2019	0.03980%	1,104,250	1,202,630	91.82%	13.57%
2020	0.04011%	1,008,689	1,336,948	75.45%	15.57%
2021	0.04120%	895,389	1,199,893	74.62%	18.17%
2022	0.03882%	734,648	1,438,121	51.08%	24.08%
2023	0.03867%	542,914	1,192,614	45.52%	30.34%
2024	0.04055%	668,003	1,071,179	62.36%	30.02%
2025	0.03756%	382,570	1,300,650	29.41%	44.50%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year	Contractually Required Contributions (3)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 15,286	\$ (15,286)	\$ -	\$ 1,031,771	1.48%
2017	17,664	(17,664)	-	1,108,964	1.59%
2018	25,417	(25,417)	-	1,202,630	2.11%
2019	28,896	(28,896)	-	1,336,948	2.16%
2020	18,539	(18,539)	-	1,199,893	1.55%
2021	23,228	(23,228)	-	1,438,121	1.62%
2022	22,919	(22,919)	-	1,192,614	1.92%
2023	26,508	(26,508)	-	1,071,179	2.47%
2024	22,839	(22,839)	-	1,300,650	1.76%
2025	26,782	(26,782)	-	1,118,386	2.39%

(3) Includes Surcharge.

See Notes to Required Supplementary Information.

NEW MIAMI LOCAL SCHOOL DISTRICT

Required Supplementary Information

 Schedules of School District's Proportionate Share of the Net OPEB Liability/(Asset)
 and School District OPEB Contributions
 State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability/ (Asset)	School District's Proportionate Share of the Net OPEB Liability/ (Asset)	School District's Covered Payroll	School 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
2017	0.03038%	\$ 1,624,639	\$ 3,593,664	45.21%	37.3%
2018	0.03366%	1,313,328	3,603,986	36.44%	47.1%
2019	0.03141%	(504,662)	3,881,186	(13.00%)	176.0%
2020	0.03360%	(556,440)	4,312,443	(12.90%)	174.7%
2021	0.03464%	(608,768)	4,358,471	(13.97%)	182.1%
2022	0.03506%	(739,153)	4,547,929	(16.25%)	174.7%
2023	0.03616%	(936,373)	4,244,814	(22.06%)	230.7%
2024	0.03515%	(683,660)	4,770,443	(14.33%)	168.5%
2025	0.03374%	(640,009)	4,979,979	(12.85%)	158.0%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year	Contractually Required Contributions (3)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ -	\$ -	\$ -	\$ 3,593,664	0.00%
2017	-	-	-	3,603,986	0.00%
2018	-	-	-	3,881,186	0.00%
2019	-	-	-	4,312,443	0.00%
2020	-	-	-	4,358,471	0.00%
2021	-	-	-	4,547,929	0.00%
2022	-	-	-	4,244,814	0.00%
2023	-	-	-	4,770,443	0.00%
2024	-	-	-	4,979,979	0.00%
2025	-	-	-	4,938,257	0.00%

(3) STRS allocated the entire 14% employer contribution rate towards pension benefits.

See Notes to Required Supplementary Information.

NEW MIAMI LOCAL SCHOOL DISTRICT

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2025

Note A Budgetary Basis of Accounting

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

Certain funds accounted for as separate funds internally with legally adopted budgets (budget basis) do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Encumbrances are treated as expenditures for all funds (budget basis) rather than as an expenditure when liquidated (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP statements and the budgetary basis schedule:

		<u>General</u>
Net change in fund balance - GAAP Basis	\$	(158,363)
Increase / (decrease):		
Due to inclusion of Uniform School Supply Fund		(5,936)
Due to inclusion of Rotary Fund		(6)
Due to inclusion of Public School Support Fund		(14,201)
Due to revenues		(269,964)
Due to expenditures		26,228
Due to other sources (uses)		439,687
Due to encumbrances		<u>(71,351)</u>
Net change in fund balance - Budget Basis	\$	<u>(53,906)</u>

NEW MIAMI LOCAL SCHOOL DISTRICT

Required Supplementary Information

Notes to Required Supplementary Information

School Employees Retirement System of Ohio (SERS)

Notes to Pension Information

Changes of Benefit and Funding Terms

For measurement period 2017, the cost-of-living adjustment (COLA) was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.50% with a floor of 0.0% beginning January 1, 2018. In addition, with the authority granted to the Board under Ohio House Bill 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

For measurement period 2018, with the authority granted to the Board under Ohio Senate Bill 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the COLA was reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement periods 2022 through 2024, COLAs were increased from 2.00% to 2.50% in the subsequent calendar years.

Notes to OPEB Information

Changes of Benefit and Funding Terms

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

NEW MIAMI LOCAL SCHOOL DISTRICT

Required Supplementary Information

Notes to Required Supplementary Information

School Employees Retirement System of Ohio (SERS)

Notes to OPEB Information (continued)

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2017, the discount rate was reduced from 2.98% to 3.63%.

For measurement period 2018, the discount rate was increased from 3.63% to 3.70% and health care trend rates were updated.

For measurement period 2019, the discount rate was reduced from 3.70% to 3.22% and health care trend rates were updated.

For measurement period 2020, the discount rate was reduced from 3.22% to 2.63%.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the COLA was reduced from 2.50% to 2.00%, the discount rate was reduced from 2.63% to 2.27%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2022, the discount rate was increased from 2.27% to 4.08% and health care trend rates were updated.

For measurement period 2023, the discount rate was changed from 4.08% to 4.27%, health care trend rates were updated, assumption for percentage of pre-Medicare eligible retirees who choose the Wraparound plan was increased from 10% to 20%, health care trend assumption on retiree premiums was updated to not apply the trend to the \$35 surcharge, assumption was added to assume that 15% of pre-65 retirees who waive health care will elect coverage upon Medicare eligibility, and morbidity factors were updated based on the Society of Actuaries' June 2013 research report, Health Care Cost—From Birth to Death by Dale Yamamoto, and from the Actuarial Standards of Practice (ASOP) 6 practice note developed by the American Academy of Actuaries.

For measurement period 2024, the discount rate was increased from 4.27% to 4.88% and health care trend rates were updated.

NEW MIAMI LOCAL SCHOOL DISTRICT

Required Supplementary Information

Notes to Required Supplementary Information

State Teachers Retirement System of Ohio (STRS)

Notes to Pension Information

Changes of Benefit and Funding Terms

For measurement period 2017, the cost-of-living adjustment (COLA) was reduced to zero.

Changes of Assumptions

For measurement period 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and 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. The health and disabled assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement period 2021, the discount rate was adjusted from 7.45% to 7.00%.

For measurement period 2022, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

For measurement period 2024, retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

Notes to OPEB Information

Changes of Benefit and Funding Terms

For measurement period 2017, the subsidy multiplier for non-Medicare benefit recipients was reduced 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 1, 2019.

For measurement period 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

NEW MIAMI LOCAL SCHOOL DISTRICT

Required Supplementary Information

Notes to Required Supplementary Information

State Teachers Retirement System of Ohio (STRS)

Notes to OPEB Information (continued)

Changes of Benefit and Funding Terms (continued)

For measurement period 2019, there was no change to the claims cost process. Claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For measurement period 2020, there was no change to the claims cost process. Claims curves were trended to the fiscal year ending June 30, 2021 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement period 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10%. 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 calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement period 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age-based to service-based.

For measurement period 2023, health care trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

For measurement period 2024, health care trends were updated to reflect emerging claims and 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.

NEW MIAMI LOCAL SCHOOL DISTRICT

Required Supplementary Information

Notes to Required Supplementary Information

State Teachers Retirement System of Ohio (STRS)

Notes to OPEB Information (continued)

Changes of Assumptions

For measurement period 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trends were modified along with the portion of rebated prescription drug costs.

For measurement period 2018, 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. Valuation year per capita health care costs were updated.

For measurement period 2021, the discount rate was adjusted from 7.45% to 7.00%.

For measurement period 2022, health care trends were updated to reflect emerging claims and recoveries experience.

New Miami Local School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

<u>Federal Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>		
<i>(Passed through Ohio Department of Education)</i>		
Nutrition Cluster:		
<i>Non-Cash Assistance (Food Distribution):</i>		
National School Lunch Program	10.555	\$ 28,450
<i>Cash Assistance:</i>		
School Breakfast Program	10.553	140,428
National School Lunch Program	10.555	315,855
<i>Cash Assistance Subtotal</i>		<u>456,283</u>
Nutrition Cluster Total		<u>484,733</u>
Total U.S. Department of Agriculture		<u>484,733</u>
<u>U.S. Department of Education:</u>		
<i>(Passed through Ohio Department of Education)</i>		
Title I Grants to Local Educational Agencies	84.010	202,141
Special Education Cluster:		
Special Education - Grants to States	84.027	156,453
Special Education - Preschool Grants	84.173	1,136
Special Education Cluster Total		<u>157,589</u>
Rural Education	84.358	20,985
Supporting Effective Instruction State Grant	84.367	20,956
Comprehensive Literacy Development	84.371	96,350
Student Support & Academic Enrichment	84.424A	21,234
COVID-19 ARP - Elementary and Secondary School and Emergency Relief Fund (ARP ESSER)	84.425U	272,471
<i>(Passed through Hamilton County Educational Service Center)</i>		
English Language Acquisition State Grants	84.365	<u>566</u>
Total U.S. Department of Education		<u>792,292</u>
Total Federal Awards		\$ <u>1,277,025</u>

See Notes to Schedule of Expenditures of Federal Awards

New Miami Local School District

Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2025

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:

NOTE A - BASIS OF PRESENTATION

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

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C - INDIRECT COST RATE

The School District has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E - FOOD DONATION PROGRAM

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



INDEPENDENT AUDITORS' 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

To the Board of Education
New Miami Local School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Miami Local School District ("School District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 18, 2025, wherein we noted the School District restated prior period financial statements to correct an error.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

School District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of this Report

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 18, 2025



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Education
New Miami Local School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the New Miami Local School District's ("School District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2025. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

We are required to be independent of the 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 the 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 the School District's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a

reasonable user of the report on compliance about the School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 the 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 the 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Clark, Schaefer, Hackett & Co.

Cincinnati, Ohio
December 18, 2025

**New Miami Local School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	yes
Noncompliance material to financial statements noted?	no

Federal Awards

Internal Control over major programs:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported

Type of auditors' report issued on compliance for major programs:	unmodified
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Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	no
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Identification of major programs:

ALN 84.425 Education Stabilization Fund – Subprogram:
-ALN 84.425U COVID-19 ARP – Elementary and Secondary School and Emergency Relief Fund (ARP ESSER)

Child Nutrition Cluster:
-ALN 10.553 – School Breakfast Program
-ALN 10.555 – National School Lunch Program

Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
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Auditee qualified as low-risk auditee?	no
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**New Miami Local School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2025
(continued)**

Section II – Financial Statement Findings

2025-001 Financial Reporting

While preparing financial statements for the year ended June 30, 2025, the School District determined an error existed in the prior year financial statements which required a prior period adjustment. The School District overstated accrued wages and benefits payable in a grant fund and understated accrued wages and benefits payable in the General Fund. The misstatement in the financial statements was not initially identified by the School District's internal control over financial reporting. 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. In this case, the internal controls over the preparation and review of the School District's financial statements did not operate as designed.

We recommend the School District enhance its internal controls over financial reporting with steps such as management's review of conversion documentation for completeness and accuracy and improved communication with hired consultants to ensure the preparation of complete, accurate and reliable financial statements in conformity with generally accepted accounting principles.

Views of Responsible Officials: See the School District's Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs

None



New Miami Local School District
Schedule of Prior Audit Findings
Year Ended June 30, 2025

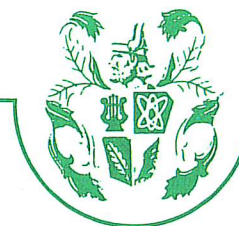
Ms. RHONDA PARKER
SUPERINTENDENT

Mrs. ROBIN BONAR
TREASURER

2024-001: Special Tests and Provisions – Wage Rate Requirements – Material Weakness

The School District lacked procedures to ensure its contractors and subcontractors were submitting weekly certified payrolls for each week the project was on-going.

Status: Corrected



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

Ms. RHONDA PARKER
SUPERINTENDENT

Finding Number	Planned Corrective Action	Anticipated Completion	Responsible Contact Person
2025-001	The School District will continue to enhance its internal controls over financial reporting with steps such as additional management analysis of the financial statements	6/30/2026	Robin Bonar, Treasurer

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OHIO AUDITOR OF STATE KEITH FABER



NEW MIAMI LOCAL SCHOOL DISTRICT

BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 4/14/2026

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