

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

**SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024**





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

We have reviewed the *Independent Auditor's Report* of the Nelsonville-York City School District, Athens County, prepared by Julian & Grube, Inc., for the audit period July 1, 2023 through June 30, 2024. 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 Nelsonville-York City School District is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

**April 29, 2025**

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

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## **Independent Auditor's Report**

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

To the Members of the Board of Education:

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nelsonville-York City School District, Athens County, Ohio, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Nelsonville-York City School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Nelsonville-York City School District, as of June 30, 2024, and the respective changes in financial position, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***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 Nelsonville-York City School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of net pension and other postemployment benefit assets and liabilities and pension and other postemployment benefit contributions, and budgetary comparison information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Nelsonville-York City School District's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2025, on our consideration of the Nelsonville-York City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Nelsonville-York City School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Nelsonville-York City School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
January 27, 2025

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The management's discussion and analysis of the Nelsonville-York City School District's ("the District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2024 are as follows:

- The District's net position of governmental activities increased \$1,115,140 which represents a 30.28% increase from 2023's net position.
- General revenues accounted for \$14,909,613 in revenue or 69.56% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$6,525,023 or 30.44% of total revenues of \$21,434,636.
- The District had \$20,319,496 in expenses related to governmental activities; only \$6,525,023 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$14,909,613 were adequate to provide for these programs.
- The District's major governmental fund are the general fund and the ESSER fund. The general fund had \$16,187,846 in revenues and \$15,938,243 in expenditures. During fiscal year 2024, the general fund's fund balance increased \$249,603 from \$5,076,576 to \$5,326,179.
- The ESSER fund had \$523,876 in revenues and \$1,960,222 in expenditures. During fiscal year 2024, the ESSER fund's fund balance decreased \$1,436,346 from a deficit of \$200 to a deficit of \$1,436,546.

**Using the Basic Financial Statements**

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

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

**Reporting the District as a Whole**

***Statement of Net Position and the Statement of Activities***

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The statement of net position and the statement of activities answer this question. These statements include all assets, deferred outflows, liabilities, deferred inflows, revenues and expenses using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**Reporting the District's Most Significant Funds**

***Fund Financial Statements***

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

***Governmental Funds***

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

***Notes to the Basic Financial Statements***

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

***Required Supplementary Information***

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for June 30, 2024 and June 30, 2023.

	<b>Net Position</b>	
	Governmental Activities 2024	Governmental Activities 2023
<b><u>Assets</u></b>		
Current and other assets	\$ 13,171,529	\$ 13,480,979
Net OPEB asset	1,074,196	1,438,554
Capital assets, net	<u>15,718,646</u>	<u>15,463,900</u>
Total assets	<u>29,964,371</u>	<u>30,383,433</u>
<b><u>Deferred outflows of resources</u></b>		
Unamortized deferred charges on debt refunding	19,497	32,713
Pensions	3,197,646	3,975,585
OPEB	<u>526,596</u>	<u>329,209</u>
Total deferred outflows of resources	<u>3,743,739</u>	<u>4,337,507</u>
<b><u>Liabilities</u></b>		
Current liabilities	2,226,214	2,806,711
Long-term liabilities:		
Due within one year	499,105	457,338
Due in more than one year:		
Net pension liability	14,789,799	15,389,129
Net OPEB liability	884,719	804,852
Other amounts	<u>4,316,710</u>	<u>4,661,191</u>
Total liabilities	<u>22,716,547</u>	<u>24,119,221</u>
<b><u>Deferred inflows of resources</u></b>		
Property taxes levied for next fiscal year	3,177,480	3,099,474
Pensions	1,216,959	1,558,689
OPEB	<u>1,798,896</u>	<u>2,260,468</u>
Total deferred inflows of resources	<u>6,193,335</u>	<u>6,918,631</u>
<b><u>Net position</u></b>		
Net investment in capital assets	12,145,115	11,536,962
Restricted	2,982,520	2,942,467
Unrestricted (deficit)	<u>(10,329,407)</u>	<u>(10,796,341)</u>
Total net position	<u>\$ 4,798,228</u>	<u>\$ 3,683,088</u>

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$4,798,228.

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

At year-end, capital assets represented 52.46% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment and vehicles. The District's net investment in capital assets at June 30, 2024, was \$12,145,115. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

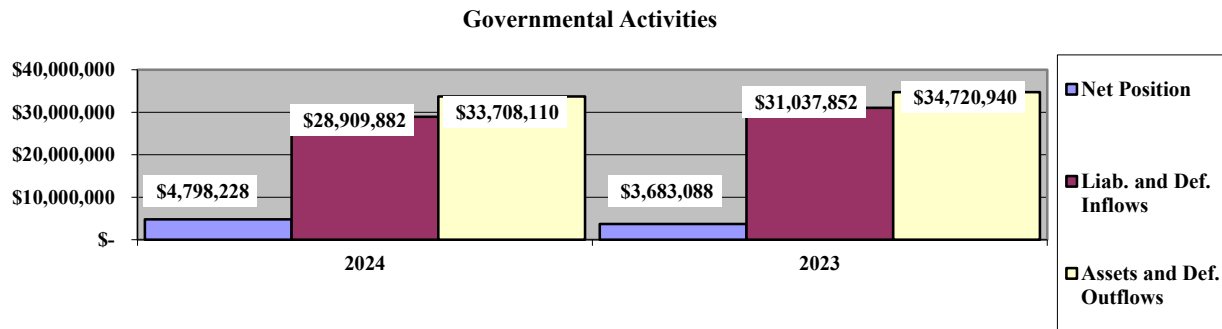
**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
ATHENS COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Long-term liabilities increased for the District primarily because of a increase in the net pension liability. These liabilities are outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

A portion of the District's net position, \$2,982,520, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position was a deficit of \$10,329,407. The deficit balance in unrestricted net position was the result of reporting the net pension liability required by GASB 68.

The graph below illustrates the District's governmental activities assets plus deferred outflows, liabilities plus deferred inflows and net position at June 30, 2024 and 2023.



The table below shows the changes in net position for governmental activities between fiscal years 2024 and 2023.

**Change in Net Position**

	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 391,528	\$ 368,543
Operating grants and contributions	5,867,318	3,974,490
Capital grants and contributions	266,177	300,000
General revenues:		
Property taxes	3,631,975	3,513,858
Grants and entitlements	10,789,082	10,260,993
Investment earnings	392,753	258,006
Other	95,803	46,679
Total revenues	<u>21,434,636</u>	<u>18,722,569</u>

- Continued

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Change in Net Position (Continued)**

	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 8,740,215	\$ 7,984,868
Special	3,110,844	3,143,631
Vocational	456,441	401,197
Other	111,470	1,879
Support services:		
Pupil	871,057	850,271
Instructional staff	848,865	671,523
Board of education	97,294	94,586
Administration	1,374,413	1,215,697
Fiscal	391,572	407,314
Operations and maintenance	1,540,778	1,414,319
Pupil transportation	973,947	933,256
Operation of non-instructional services:		
Food service operations	793,526	778,962
Other non-instructional services	12,282	9,230
Extracurricular activities	509,301	401,047
Interest and fiscal charges	144,913	153,651
Unallocated depreciation	<u>342,578</u>	<u>345,951</u>
Total expenses	<u>20,319,496</u>	<u>18,807,382</u>
Change in net position	1,115,140	(84,813)
Net position at beginning of year	<u>3,683,088</u>	<u>3,767,901</u>
Net position at end of year	<u><u>\$ 4,798,228</u></u>	<u><u>\$ 3,683,088</u></u>

**Governmental Activities**

Net position of the District's governmental activities increased \$1,115,140. Total governmental expenses of \$20,319,496 were offset by program revenues of \$6,525,023 and general revenues of \$14,909,613. Program revenues supported 32.11% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, and unrestricted grants and entitlements. These revenue sources represent 67.28% of total governmental revenue.

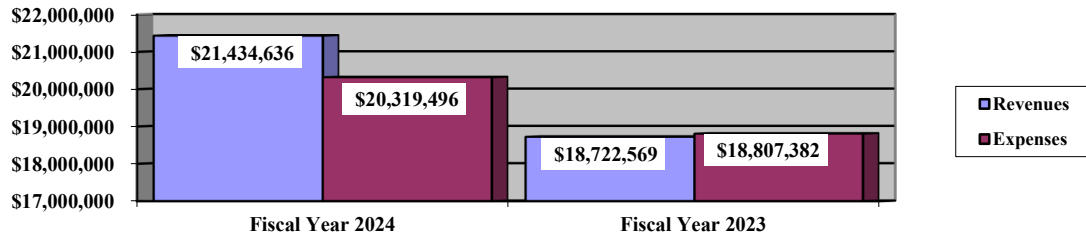
The District's revenue increased by \$2,712,067 in fiscal year 2024. This was primarily due to increased grants.

Overall, expenses of the governmental activities increased \$1,512,114 or 8.04%. This increase is primarily the result of increases in regular, instructional staff, administration, extracurricular activities, and operations and maintenance expenses in fiscal year 2024.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Governmental Activities - Revenues and Expenses**



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

**Governmental Activities**

	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
<b>Program expenses</b>				
Instruction:				
Regular	\$ 8,740,215	\$ 6,726,955	\$ 7,984,868	\$ 7,203,448
Special	3,110,844	1,090,003	3,143,631	1,300,302
Vocational	456,441	316,289	401,197	327,227
Other	111,470	(1,225)	1,879	1,879
Support services:				
Pupil	871,057	475,819	850,271	563,314
Instructional staff	848,865	666,183	671,523	571,639
Board of education	97,294	97,294	94,586	94,586
Administration	1,374,413	1,290,693	1,215,697	1,123,046
Fiscal	391,572	391,572	407,314	407,314
Operations and maintenance	1,540,778	1,432,369	1,414,319	1,114,319
Pupil transportation	973,947	655,752	933,256	843,624
Operation of non-instructional services:				
Food service operations	793,526	(152,629)	778,962	(99,125)
Other non-instructional services	12,282	12,282	9,230	9,049
Extracurricular activities	509,301	305,625	401,047	204,125
Interest and fiscal charges	144,913	144,913	153,651	153,651
Unallocated depreciation	342,578	342,578	345,951	345,951
<b>Total expenses</b>	<b>\$ 20,319,496</b>	<b>\$ 13,794,473</b>	<b>\$ 18,807,382</b>	<b>\$ 14,164,349</b>

The dependence upon tax and other general revenues for governmental activities is apparent as 65.48% of instructional activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 67.89%. The District's taxpayers and unrestricted grants and entitlements from the State are by far the primary support for District's students.

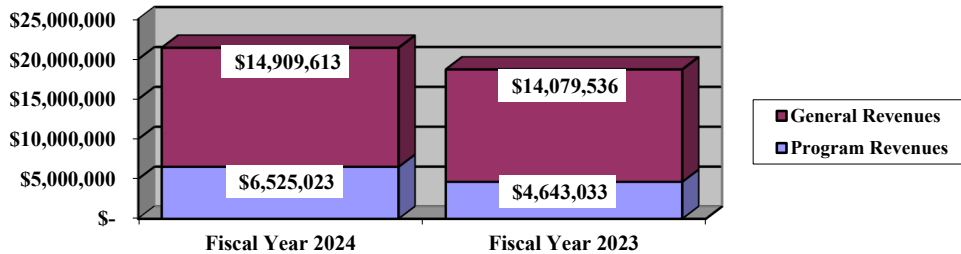
The graph that follows presents the District's governmental activities revenue for fiscal years 2024 and 2023.



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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds reported a combined fund balance of \$5,819,354, which is less than last year's total of \$7,112,559. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2024 and 2023.

	<u>Fund Balance June 30, 2024</u>	<u>Fund Balance June 30, 2023</u>	<u>Change</u>
<b>Major funds:</b>			
General	\$ 5,326,179	\$ 5,076,576	\$ 249,603
Elementary and Secondary School Emergency	(1,436,546)	(200)	(1,436,346)
Other governmental	<u>1,929,721</u>	<u>2,036,183</u>	<u>(106,462)</u>
Total	<u>\$ 5,819,354</u>	<u>\$ 7,112,559</u>	<u>\$ (1,293,205)</u>

**General Fund**

The District's general fund's fund balance increased \$249,603.

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

	<u>2024 Amount</u>	<u>2023 Amount</u>	<u>Percentage Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 3,301,882	\$ 3,206,193	2.98 %
Tuition and fees	133,779	205,082	(34.77) %
Earnings on investments	382,238	239,120	59.85 %
Intergovernmental	12,274,144	11,605,614	5.76 %
Other revenues	<u>95,803</u>	<u>46,679</u>	105.24 %
Total	<u>\$ 16,187,846</u>	<u>\$ 15,302,688</u>	5.78 %
<b><u>Expenditures</u></b>			
Instruction	\$ 9,278,431	\$ 9,429,092	(1.60) %
Support services	5,441,221	4,888,889	11.30 %
Operation of non-instructional services	12,282	9,030	36.01 %
Extracurricular activities	234,888	240,823	(2.46) %
Facilities acquisition and construction	759,283	645,462	17.63 %
Debt service	<u>212,138</u>	<u>162,635</u>	30.44 %
Total	<u>\$ 15,938,243</u>	<u>\$ 15,375,931</u>	3.66 %

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Earnings on investments increased \$143,118 or 59.85% due to better market conditions during fiscal year 2024. Taxes increased due primarily to increased collections in fiscal year 2024. Intergovernmental revenues increased 5.76% due to increased grant revenue in fiscal year 2024. All other revenues remained consistent with the prior year. Total revenue increased 5.78% from fiscal year 2023.

Expenditures increased 3.66% from fiscal year 2023. General fund support services expenditures increased by \$552,332 or 11.30%. Facilities acquisition and construction increased \$113,821 by 17.63% due to a greater amount of construction and asset purchases in fiscal year 2024 related to the District's new track and field project. All other expenditures remained consistent with the prior year.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2024, the District amended its general fund budget numerous times. For the general fund, original budgeted revenues and other financing sources were \$14,974,700 and final budgeted revenues and other financing sources were increased to \$16,100,382. Actual revenues and other financing sources for fiscal year 2024 were \$16,100,282. This represents a \$100 decrease from the final budgeted revenues and other financing sources.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$17,251,304 were increased to \$17,884,565 in the final budget. The actual budget basis expenditures for fiscal year 2024 totaled \$17,575,687, which was \$308,878 less than the final budget appropriations.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2024, the District had \$15,718,646 invested in land, construction in progress, land improvements, buildings and improvements, furniture, fixtures and equipment, and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2024 balances compared to June 30, 2023:

	<b>Capital Assets at June 30 (Net of Depreciation)</b>	
	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Land	\$ 135,512	\$ 135,512
Construction in progress	1,494,110	1,302,030
Land improvements	613,597	468,438
Building and improvements	12,295,663	12,709,464
Furniture, fixtures and equipment	428,131	435,621
Vehicles	<u>751,633</u>	<u>412,835</u>
Total	<u>\$ 15,718,646</u>	<u>\$ 15,463,900</u>

Total additions during fiscal year 2024 were \$1,109,071. The total depreciation expense for fiscal year 2024 was \$778,075, and the District's disposals, net of depreciation, were \$76,250.

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

***Debt Administration***

At June 30, 2024, the District had \$3,655,000 in general obligation bonds and finance purchase agreements outstanding. Of this total, \$341,000 is due within one year and \$3,314,000 is due in greater than one year. The following table summarizes the bonds, note and finance purchase agreement outstanding.

**Outstanding Debt, at Year End**

	Governmental Activities 2024	Governmental Activities 2023
General obligation bonds	\$ 2,305,000	\$ 2,515,000
Finance purchase agreement	1,350,000	1,482,000
Total	<u>\$ 3,655,000</u>	<u>\$ 3,997,000</u>

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

**Current Financial Related Activities**

**State Budget:**

The District is largely dependent upon state funding. Nearly 75% of the District's general fund revenues come from the State. The Fair School Funding plan allocates our budget per student to be \$8,400 per pupil with nearly \$6,300 of that coming from the state. Disadvantaged Pupil Funding is a large part of our state funding. The District participates in the Community Eligibility Provision in the lunchroom and as a result is able to claim nearly 100% of our students as economically disadvantaged.

**Local Revenue:**

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

**Staffing:**

The board recently negotiated a contract with the certified staff that expires in August 2026. The contract has a 4.5% , 4.0% and 2.0% increase in fiscal year 2024, fiscal year 2025 and fiscal year 2026. The classified negotiated agreement does not expire until August 2027 and allows for a \$2.00 increase in fiscal year 2025. \$1.50 in fiscal year 2026 and \$1.00 in fiscal year 2027.

**Health Insurance:**

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

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Sandi Hurd, Treasurer, Nelsonville-York City School District, 2 Buckeye Drive, Nelsonville, Ohio 45764.

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

STATEMENT OF NET POSITION  
JUNE 30, 2024

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 7,423,408
Receivables:	
Property taxes	3,835,502
Accounts	633
Accrued interest	6,428
Intergovernmental	1,887,539
Prepayments	9,195
Materials and supplies inventory	967
Inventory held for resale	7,857
Net OPEB asset	1,074,196
Capital assets:	
Nondepreciable capital assets	1,629,622
Depreciable capital assets, net	14,089,024
Capital assets, net	15,718,646
Total assets	29,964,371
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding	19,497
Pension	3,197,646
OPEB	526,596
Total deferred outflows of resources	3,743,739
<b>Liabilities:</b>	
Accounts payable	143,446
Accrued wages and benefits payable	1,658,894
Intergovernmental payable	162,008
Pension and postemployment benefits payable	242,323
Accrued interest payable	19,543
Long-term liabilities:	
Due within one year	499,105
Due in more than one year:	
Net pension liability	14,789,799
Net OPEB liability	884,719
Other amounts due in more than one year	4,316,710
Total liabilities	22,716,547
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	3,177,480
Pension	1,216,959
OPEB	1,798,896
Total deferred inflows of resources	6,193,335
<b>Net position:</b>	
Net investment in capital assets	12,145,115
Restricted for:	
OPEB	1,074,196
Classroom facilities maintenance	430,939
Debt service	454,160
State funded programs	136,385
Federally funded programs	147,628
Food service operations	225,904
Extracurricular	148,578
Other purposes	364,730
Unrestricted (deficit)	(10,329,407)
Total net position	\$ 4,798,228

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 8,740,215	\$ 97,192	\$ 1,900,655	\$ 15,413	\$ (6,726,955)
Special	3,110,844	45,313	1,975,528	-	(1,090,003)
Vocational	456,441	-	140,152	-	(316,289)
Other	111,470	-	112,695	-	1,225
Support services:					
Pupil	871,057	412	394,826	-	(475,819)
Instructional staff	848,865	562	182,120	-	(666,183)
Board of education	97,294	-	-	-	(97,294)
Administration	1,374,413	-	83,720	-	(1,290,693)
Fiscal	391,572	-	-	-	(391,572)
Operations and maintenance	1,540,778	-	108,409	-	(1,432,369)
Pupil transportation	973,947	-	67,431	250,764	(655,752)
Operation of non-instructional services:					
Food service operations	793,526	72,185	873,970	-	152,629
Other non-instructional services	12,282	-	-	-	(12,282)
Extracurricular activities	509,301	175,864	27,812	-	(305,625)
Interest and fiscal charges	144,913	-	-	-	(144,913)
Unallocated depreciation	342,578	-	-	-	(342,578)
<b>Totals</b>	<b>\$ 20,319,496</b>	<b>\$ 391,528</b>	<b>\$ 5,867,318</b>	<b>\$ 266,177</b>	<b>(13,794,473)</b>
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					3,316,369
Debt service					276,988
Classroom facilities maintenance					38,618
Grants and entitlements not restricted to specific programs					10,789,082
Investment earnings					392,753
Miscellaneous					95,803
Total general revenues					14,909,613
Change in net position					1,115,140
<b>Net position at beginning of year</b>					<b>3,683,088</b>
<b>Net position at end of year</b>					<b>\$ 4,798,228</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

		<i>(Formerly Nonmajor)</i>		
	<b>General</b>	<b>Elementary and Secondary School Emergency</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>				
Equity in pooled cash and investments	\$ 5,360,806	\$ 62	\$ 2,062,540	\$ 7,423,408
Receivables:				
Property taxes	3,499,656	-	335,846	3,835,502
Accounts	625	-	8	633
Accrued interest	5,647	-	781	6,428
Interfund loans	172,375	-	-	172,375
Intergovernmental	51,868	1,436,546	399,125	1,887,539
Prepayments	9,195	-	-	9,195
Materials and supplies inventory	-	-	967	967
Inventory held for resale	-	-	7,857	7,857
Total assets	<u>\$ 9,100,172</u>	<u>\$ 1,436,608</u>	<u>\$ 2,807,124</u>	<u>\$ 13,343,904</u>
<b>Liabilities:</b>				
Accounts payable	\$ 90,084	\$ 35,612	\$ 17,750	\$ 143,446
Accrued wages and benefits payable	236,833	1,247,612	174,449	1,658,894
Compensated absences payable	27,799	-	-	27,799
Intergovernmental payable	51,714	10,900	99,394	162,008
Pension and postemployment benefits payable	103,258	129,884	9,181	242,323
Interfund loans payable	-	12,600	159,775	172,375
Total liabilities	<u>509,688</u>	<u>1,436,608</u>	<u>460,549</u>	<u>2,406,845</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	2,902,834	-	274,646	3,177,480
Delinquent property tax revenue not available	323,374	-	31,455	354,829
Intergovernmental revenue not available	37,794	1,436,546	110,753	1,585,093
Accrued interest not available	303	-	-	303
Total deferred inflows of resources	<u>3,264,305</u>	<u>1,436,546</u>	<u>416,854</u>	<u>5,117,705</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory	-	-	967	967
Prepays	9,195	-	-	9,195
Restricted:				
Debt service	-	-	435,173	435,173
Capital improvements	-	-	174,665	174,665
Classroom facilities maintenance	-	-	426,065	426,065
Food service operations	-	-	232,416	232,416
State funded programs	-	-	110,253	110,253
Federally funded programs	-	-	147,627	147,627
Extracurricular	-	-	148,578	148,578
Scholarships	-	-	233,345	233,345
Other purposes	-	-	131,385	131,385
Assigned:				
Student instruction	51,593	-	-	51,593
Student and staff support	72,396	-	-	72,396
Facilities acquisition and construction	101,196	-	-	101,196
Subsequent year's appropriations	3,979,244	-	-	3,979,244
Unassigned (deficit)	<u>1,112,555</u>	<u>(1,436,546)</u>	<u>(110,753)</u>	<u>(434,744)</u>
Total fund balances (deficit)	<u>5,326,179</u>	<u>(1,436,546)</u>	<u>1,929,721</u>	<u>5,819,354</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 9,100,172</u>	<u>\$ 1,436,608</u>	<u>\$ 2,807,124</u>	<u>\$ 13,343,904</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2024

<b>Total governmental fund balances</b>		\$ 5,819,354
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		15,718,646
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 354,829	
Accrued interest receivable	303	
Intergovernmental receivable	1,585,093	
Total		1,940,225
Unamortized premiums on bonds issued are not recognized in the funds.		(112,693)
Unamortized amounts on refundings are not recognized in the funds.		19,497
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(19,543)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	3,197,646	
Deferred inflows - pension	(1,216,959)	
Net pension liability	(14,789,799)	
Deferred outflows - OPEB	526,596	
Deferred inflows - OPEB	(1,798,896)	
Net OPEB asset	1,074,196	
Net OPEB liability	(884,719)	
Total		(13,891,935)
Long-term liabilities, including bonds payable, notes, and leases are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds and finance purchase agreement	(2,305,000)	
Compensated absences	(1,020,323)	
Financed purchase agreement	(1,350,000)	
Total		(4,675,323)
<b>Net position of governmental activities</b>		<u><u>\$ 4,798,228</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

		(Formerly Nonmajor)		
	General	Elementary and Secondary School Emergency	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 3,301,882	\$ -	\$ 315,901	\$ 3,617,783
Intergovernmental	12,274,144	523,876	2,640,286	15,438,306
Investment earnings	382,238	-	11,590	393,828
Tuition and fees	133,779	-	9,700	143,479
Extracurricular	-	-	175,864	175,864
Charges for services	-	-	72,185	72,185
Contributions and donations	481	-	13,730	14,211
Miscellaneous	95,322	-	38,524	133,846
Total revenues	<u>16,187,846</u>	<u>523,876</u>	<u>3,277,780</u>	<u>19,989,502</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	6,530,759	1,146,879	819,834	8,497,472
Special	2,341,071	272,638	514,091	3,127,800
Vocational	405,612	61,096	-	466,708
Other	989	112,695	-	113,684
Support services:				
Pupil	688,628	77,151	125,101	890,880
Instructional staff	603,852	15,929	207,238	827,019
Board of education	97,584	-	-	97,584
Administration	1,278,970	-	83,720	1,362,690
Fiscal	387,697	-	7,802	395,499
Operations and maintenance	1,321,091	93,914	40,246	1,455,251
Pupil transportation	1,063,399	7,840	279,071	1,350,310
Operation of non-instructional services:				
Food service operations	-	-	795,225	795,225
Other non-instructional services	12,282	-	-	12,282
Extracurricular activities	234,888	-	191,701	426,589
Facilities acquisition and construction	759,283	172,080	15,413	946,776
Debt service:				
Principal retirement	132,000	-	210,000	342,000
Interest and fiscal charges	80,138	-	94,800	174,938
Total expenditures	<u>15,938,243</u>	<u>1,960,222</u>	<u>3,384,242</u>	<u>21,282,707</u>
Net change in fund balances	249,603	(1,436,346)	(106,462)	(1,293,205)
Fund balances at beginning of year, as previously reported	5,076,576	-	2,035,983	7,112,559
Adjustment - changes from nonmajor fund to major fund	-	(200)	200	-
<b>Fund balances (deficit) at beginning of year, as adjusted</b>	<u>5,076,576</u>	<u>(200)</u>	<u>2,036,183</u>	<u>7,112,559</u>
<b>Fund balances (deficit) at end of year</b>	<u>\$ 5,326,179</u>	<u>\$ (1,436,546)</u>	<u>\$ 1,929,721</u>	<u>\$ 5,819,354</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>(1,293,205)</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 1,109,071	
Current year depreciation	<u>(778,075)</u>	
Total		330,996
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		
		(76,250)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	14,192	
Earnings on investments	110	
Intergovernmental	<u>1,430,832</u>	
Total		1,445,134
Repayment of bond and finance purchase agreement payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
		342,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	13,313	
Amortization of bond premiums	29,928	
Amortization of deferred charges	<u>(13,216)</u>	
Total		30,025
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,406,652	
OPEB	<u>36,048</u>	
Total		1,442,700
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,243,531)	
OPEB	<u>178,686</u>	
Total		(1,064,845)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(41,415)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>1,115,140</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT**

The Nelsonville-York City School District (the “District”) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The District is governed by a five-member Board of Education (the “Board”) elected by its citizens, which is responsible for the provision of public education to residents of the District.

The District’s facilities are staffed by 48 classified employees, 97 certified employees, and 8 administrators who provide services to 971 students and other community members.

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

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

**A. Reporting Entity**

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

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

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

Parent Teacher Organization  
Athens-Meigs Educational Service Center  
Booster Club

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

*JOINTLY GOVERNED ORGANIZATIONS*

Tri-County Career Center

The Tri-County Career Center (the "Career Center") is a jointly governed organization providing vocational services to its eight member districts, governed by a board of education comprised of eleven members appointed by the participating schools. The board controls the financial activity of the Career Center and reports to the Ohio Department of Education and the Auditor of State of Ohio. The continued existence of the Career Center is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2024, the District made no contributions to the Career Center. Financial information can be obtained from Tri-County Career Center, 15676 State Route 691, Nelsonville, Ohio 45764.

Metropolitan Educational Technology Association (META) Solutions

The District is a participant in META Solutions which is a computer consortium that resulted from the mergers between Tri-Rivers Educational Computer Association (TRECA), Metropolitan Educational Council (MEC), Metropolitan Dayton Educational Cooperative Association (MDECA), Southeastern Ohio Valley Voluntary Education Cooperative (SEOVEC), and South Central Ohio Computer Association (SCOCA). META Solutions develops, implements and supports the technology and instructional needs of schools in a cost-effective manner. META Solutions provides instructional, core, technology and purchasing services for its member districts. The Board of Directors consists of the Superintendents from eleven of the member districts. During fiscal year 2024, the District paid META Solutions \$72,606 for services. Financial information can be obtained from Ashley Widby, who serves as Chief Financial Officer, 100 Executive Drive, Marion, Ohio 43302.

Athens County School Employees Health and Welfare Benefit Association

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

*GROUP PURCHASING POOL*

Ohio School Boards Association Workers' Compensation Group Rating Plan

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

The Plan's business and affairs are conducted by a three-member Board of Directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the Plan to cover the costs of administering the program.

**B. Fund Accounting**

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*GOVERNMENTAL FUNDS*

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

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

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

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

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

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

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

**C. Basis of Presentation and Measurement Focus**

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*Fund Financial Statements* - Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all nonmajor funds are aggregated into one column.

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

**D. Basis of Accounting**

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

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

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

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

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

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

**E. Budgets**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as original budgeted amounts reflect amounts on the certificate of estimated resources in effect when the permanent appropriations were passed. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts on the final amended certificate of estimated resources issued during fiscal year 2024.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during fiscal year 2024.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**F. Cash and Investments**

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

During fiscal year 2024, investments were limited to negotiable and nonnegotiable certificates of deposit, a U.S. Government money market fund and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices.

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

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$382,238 which includes \$84,416 assigned from other District funds.

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

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

**G. Inventory**

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**H. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains its capitalization threshold at \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

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

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

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

**J. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at the balance sheet date by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, all employees with at least twenty years of service were considered expected to become eligible to retire in accordance with GASB Statement No. 16.



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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2024 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

**K. Accrued Liabilities and Long-Term Obligations**

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

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

**L. Fund Balance**

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

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

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

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

**M. Net Position**

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

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

**N. Estimates**

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

**O. Interfund Activity**

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

**P. Bond Premium and Discount/Deferred Charge on Refunding**

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**Q. Prepayments**

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

**R. Fair Value**

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

**S. Interfund Balances**

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

**T. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2024, the District had no extraordinary or special items.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2024, the District has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*", GASB Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*" and Implementation Guide No. 2023-1.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on balances previously reported by the District.

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

GASB Statement No. 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The implementation of GASB Statement No. 100 did not have an effect on the financial statements of the District.

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

**B. Deficit Fund Balances**

Fund balances at June 30, 2024 included the following individual fund deficits:

<u>Major fund</u>	<u>Deficit</u>
ESSER	\$ 1,436,346
<u>Nonmajor governmental funds</u>	
Early Childhood and Education	38,311
21st Century	7
Title I	67,240
IDEA Part B - Preschool Stimulus	338
Student Support and Academic Enrichment	4,857

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

**C. Compliance**

The District had appropriations in excess of estimated resources, in noncompliance with Ohio Revised Code Sections 5705.39 and 5705.36.

The District had appropriations that were greater than actual resources, in noncompliance with Ohio Revised Code Section 5705.36(A)(4).

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**A. Deposits with Financial Institutions**

At June 30, 2024, the carrying amount of all District deposits, including \$229,856 in nonnegotiable certificates of deposit, was \$725,832 and the bank balance of all District deposits was \$982,582. Of the bank balance, \$479,856 was covered by the FDIC and \$502,726 was covered by the Ohio Pooled Collateral System.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a reduced rate set by the Treasurer of State. For fiscal year 2024, the District's financial institutions were approved for a collateral rate of 102 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**B. Investments**

As of June 30, 2024, the District had the following investments and maturities:

Measurement/ Investment type	Measurement value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
<i>Fair value:</i>					
Negotiable CD's	\$ 1,449,053	\$ 247,954	\$ 246,552	\$ 481,480	\$ 473,067
U.S. Government money market	710,706	710,706	-	-	-
<i>Amortized cost:</i>					
STAR Ohio	<u>4,537,817</u>	<u>4,537,817</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 6,697,576	\$ 5,496,477	\$ 246,552	\$ 481,480	\$ 473,067

The weighted average maturity of investments is 0.15 years.

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2024:

Measurement/ <u>Investment type</u>	Measurement <u>value</u>	<u>% of Total</u>
<i>Fair value:</i>		
Negotiable CD's	\$ 1,449,053	21.64
U.S. Government money market	710,706	10.61
<i>Amortized cost:</i>		
STAR Ohio	<u>4,537,817</u>	<u>67.75</u>
	<u>\$ 6,697,576</u>	<u>100.00</u>

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

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2024:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 725,832
Investments	<u>6,697,576</u>
Total	<u>\$ 7,423,408</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 7,423,408</u>
Total	<u>\$ 7,423,408</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 5 - INTERFUND TRANSACTIONS**

Interfund balances at June 30, 2024 as reported on the fund financial statements, consist of the following individual interfund receivable and interfund payable:

<u>Receivable fund</u>	<u>Payable funds</u>	<u>Amount</u>
General fund	ESSER fund	\$ 12,600
General fund	Nonmajor governmental funds	159,775

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2024 are reported on the statement of net position.

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Public utility real and personal property taxes received in calendar year 2024 became a lien on December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Athens and Hocking Counties. The County Auditors periodically advance to the District their portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available as an advance at June 30, 2024 and 2023 were:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Major governmental funds:		
General fund	\$ 273,448	\$ 268,278
Nonmajor governmental funds:		
Bond retirement fund	25,712	25,066
Classroom facilities maintenance fund	4,033	4,169

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

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2024 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end.



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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 6 - PROPERTY TAXES – (Continued)**

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

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

The assessed values upon which the fiscal year 2024 taxes were collected are:

	2023 Second Half Collections		2024 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 103,860,020	69.36	\$ 117,127,230	71.65
Public utility personal	<u>45,880,070</u>	<u>30.64</u>	<u>46,352,080</u>	<u>28.35</u>
Total	<u>\$ 149,740,090</u>	<u>100.00</u>	<u>\$ 163,479,310</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$30.12		\$29.92	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2024 consisted of property taxes, accounts, accrued interest, and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of Federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 3,835,502
Accounts	633
Accrued interest	6,428
Intergovernmental	<u>1,887,539</u>
Total	<u>\$ 5,730,102</u>

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 8 - CAPITAL ASSETS**

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

	<u>Balance 6/30/23</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/24</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 135,512	\$ -	\$ -	\$ 135,512
Construction in progress	<u>1,302,030</u>	<u>192,080</u>	<u>-</u>	<u>1,494,110</u>
Total capital assets, not being depreciated	<u>1,437,542</u>	<u>192,080</u>	<u>-</u>	<u>1,629,622</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,710,933	275,332	(305,000)	1,681,265
Building and improvements	26,039,165	136,149	-	26,175,314
Furniture, fixtures and equipment	1,284,894	61,906	(23,196)	1,323,604
Vehicles	<u>2,186,413</u>	<u>443,604</u>	<u>(273,294)</u>	<u>2,356,723</u>
Total capital assets, being depreciated	<u>31,221,405</u>	<u>916,991</u>	<u>(601,490)</u>	<u>31,536,906</u>
<i>Less: accumulated depreciation</i>				
Land improvements	(1,242,495)	(53,923)	228,750	(1,067,668)
Building and improvements	(13,329,701)	(549,950)	-	(13,879,651)
Furniture, fixtures and equipment	(849,273)	(69,396)	23,196	(895,473)
Vehicles	<u>(1,773,578)</u>	<u>(104,806)</u>	<u>273,294</u>	<u>(1,605,090)</u>
Total accumulated depreciation	<u>(17,195,047)</u>	<u>(778,075)</u>	<u>525,240</u>	<u>(17,447,882)</u>
Governmental activities capital assets, net	<u>\$ 15,463,900</u>	<u>\$ 330,996</u>	<u>\$ (76,250)</u>	<u>\$ 15,718,646</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 205,142
<u>Support services:</u>	
Instructional staff	13,380
Administration	256
Operations and maintenance	96,764
Pupil transportation	98,880
Extracurricular activities	13,863
<u>Operation of non-instructional services:</u>	
Food service operations	7,212
Unallocated depreciation	<u>342,578</u>
Total depreciation expense	<u>\$ 778,075</u>

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - LONG-TERM OBLIGATIONS**

A. During the fiscal year 2024, the following changes occurred in governmental activities long-term obligations.

	Issue Date	Balance 06/30/23	Additions	Reductions	Balance 06/30/24	Amounts Due in One Year
<b>Governmental activities:</b>						
General obligation bonds:						
Refunding bonds:	2014					
Current interest bonds		\$ 645,000	\$ -	\$ (210,000)	\$ 435,000	\$ 215,000
Refunding bonds:	2015					
Term bonds		1,870,000	-	-	1,870,000	-
Total general obligation bonds		2,515,000	-	(210,000)	2,305,000	215,000
Other long-term obligations:						
Financed-purchase agreement	2023	1,482,000	-	(132,000)	1,350,000	126,000
Net pension liability		15,389,129	-	(599,330)	14,789,799	-
Net OPEB liability		804,852	79,867	-	884,719	-
Compensated absences payable		978,908	225,540	(156,326)	1,048,122	158,105
Total governmental activities long-term liabilities		<u>\$ 21,169,889</u>	<u>\$ 305,407</u>	<u>\$ (1,097,656)</u>	20,377,640	<u>\$ 499,105</u>
Add: unamortized premium					112,693	
Total on statement of net position					<u>\$ 20,490,333</u>	

Series 2014 refunding general obligation bonds - On January 21, 2014, the District issued general obligation bonds (series 2014 refunding bonds) to advance refund the callable portion of the series 2006 school improvement and refunding general obligation bonds. The issuance proceeds of \$2,370,316 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt and to pay the issuance costs of \$75,243. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The principal balance outstanding of the defeased bonds was \$450,000 at June 30, 2024.

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Series 2015 refunding general obligation bonds - On January 15, 2015, the District issued general obligation bonds (series 2015 refunding bonds) to advance refund the callable portion of the series 2006 school improvement and refunding general obligation bonds. The issuance proceeds of \$2,204,504 were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt and to pay the issuance costs of \$63,699. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The principal balance outstanding of the defeased bonds was \$1,945,000 at June 30, 2024.

At June 30, 2023, the refunding issue is comprised of term bonds that mature at \$735,000, \$535,000 and \$600,000 on December 1, 2028, 2030 and 2032, respectively. The rate on the term bonds is 4.00%. The bonds will be retired through the bond retirement fund (a nonmajor governmental fund).

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

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

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

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

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

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*Financed purchase agreement:* The District has entered into a \$1,482,000 financed purchase agreement for the purpose of constructing, improving, and equipping the high school track and related facilities. The agreement has an interest rate of 4.26%, will be paid from the general fund and matures on December 1, 2032. At June 30, 2024, \$174,665 of the financed purchase agreement is unspent.

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

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

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

*Compensated Absences:* Compensated absences will be paid from the fund from which the employee is paid, which is primarily the general fund.

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

Fiscal Year Ended	2014 Refunding Bonds		
	Current Interest Bonds		
	Principal	Interest	Total
2025	\$ 215,000	\$ 12,562	\$ 227,562
2026	220,000	4,400	224,400
Total	<u>\$ 435,000</u>	<u>\$ 16,962</u>	<u>\$ 451,962</u>

Fiscal Year Ended	2015 Refunding Bonds		
	Term Bonds		
	Principal	Interest	Total
2025	\$ -	\$ 74,800	\$ 74,800
2026	-	74,800	74,800
2027	235,000	70,100	305,100
2028	245,000	60,500	305,500
2029	255,000	50,500	305,500
2030 - 2033	<u>1,135,000</u>	<u>93,700</u>	<u>1,228,700</u>
Total	<u>\$ 1,870,000</u>	<u>\$ 424,400</u>	<u>\$ 2,294,400</u>

Fiscal Year Ended	Financed Purchase Agreement		
	Principal	Interest	Total
2025	\$ 126,000	\$ 54,826	\$ 180,826
2026	132,000	49,331	181,331
2027	137,000	43,601	180,601
2028	143,000	37,637	180,637
2029	149,000	31,418	180,418
2030 - 2033	<u>663,000</u>	<u>57,915</u>	<u>720,915</u>
Total	<u>\$ 1,350,000</u>	<u>\$ 274,728</u>	<u>\$ 1,624,728</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**B. Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2024, are a voted debt margin of \$12,843,311 (including available funds of \$435,173) and an unvoted debt margin of \$163,479.

**NOTE 10 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

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

**B. Insurance Benefits**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 11 - RISK MANAGEMENT**

**A. Comprehensive**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees and natural disasters. During fiscal year 2024, the District contracted with Ohio School Plan for various types of insurance as follows:

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

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

**B. Workers' Compensation**

For fiscal year 2024, the District participated in the Ohio School Board Association Workers' Compensation Group Rating Plan (the "Plan"), an insurance purchasing pool. The intent of the Plan is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the Plan. A participant will then either receive money from or be required to contribute to the "equity pooling fund". This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The firm of Sedgwick CompManagement provides administrative, cost control and actuarial services to the Plan.

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**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

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

***Net Pension Liability/Net OPEB Liability/Asset***

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

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

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

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

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

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

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



**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Plan Description - The District's non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, 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](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2023, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2024.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$306,576 for fiscal year 2024. Of this amount, \$17,411 is reported as pension and postemployment benefits payable.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined (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. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0% upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3% of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1% of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

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

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

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

The District's contractually required contribution to STRS was \$1,100,076 for fiscal year 2024. Of this amount, \$188,864 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.056181800%	0.055556950%	
Proportion of the net pension liability current measurement date	<u>0.052402600%</u>	<u>0.055232500%</u>	
Change in proportionate share	<u>-0.003779200%</u>	<u>-0.000324450%</u>	
Proportionate share of the net pension liability	\$ 2,895,514	\$ 11,894,285	\$ 14,789,799
Pension expense	\$ 147,113	\$ 1,096,418	\$ 1,243,531

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 124,455	\$ 433,640	\$ 558,095
Changes of assumptions	20,510	979,560	1,000,070
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	232,829	232,829
Contributions subsequent to the measurement date	<u>306,576</u>	<u>1,100,076</u>	<u>1,406,652</u>
Total deferred outflows of resources	<u>\$ 451,541</u>	<u>\$ 2,746,105</u>	<u>\$ 3,197,646</u>

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 26,392	\$ 26,392
Net difference between projected and actual earnings on pension plan investments	40,698	35,647	76,345
Changes of assumptions	-	737,326	737,326
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>208,158</u>	<u>168,738</u>	<u>376,896</u>
Total deferred inflows of resources	<u>\$ 248,856</u>	<u>\$ 968,103</u>	<u>\$ 1,216,959</u>

\$1,406,652 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$ (83,462)	\$ (89,872)	\$ (173,334)
2026	(168,531)	(305,324)	(473,855)
2027	145,945	1,159,168	1,305,113
2028	<u>2,157</u>	<u>(86,046)</u>	<u>(83,889)</u>
Total	<u>\$ (103,891)</u>	<u>\$ 677,926</u>	<u>\$ 574,035</u>

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment 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.

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

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

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

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

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 4,273,630	\$ 2,895,514	\$ 1,734,713

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 and June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2023 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00 %</u>	

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table represents the net pension liability as of June 30, 2023, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 18,290,777	\$ 11,894,285	\$ 6,484,602

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

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

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

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

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



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$36,048.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$36,048 for fiscal year 2024. Of this amount, \$36,048 is reported as pension and postemployment benefits payable.

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

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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, 2024, STRS did not allocate any employer contributions to post-employment health care.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

The net OPEB liability/asset was measured as of June 30, 2023, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.057325200%	0.055556950%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.053702500%</u>	<u>0.055232500%</u>	
Change in proportionate share	<u>-0.003622700%</u>	<u>-0.000324450%</u>	
Proportionate share of the net OPEB liability	\$ 884,719	\$ -	\$ 884,719
Proportionate share of the net OPEB asset	\$ -	\$ (1,074,196)	\$ (1,074,196)
OPEB expense	\$ (125,059)	\$ (53,627)	\$ (178,686)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 1,845	\$ 1,675	\$ 3,520
Net difference between projected and actual earnings on OPEB plan investments	6,855	1,920	8,775
Changes of assumptions	299,149	158,244	457,393
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	13,686	7,174	20,860
Contributions subsequent to the measurement date	<u>36,048</u>	<u>-</u>	<u>36,048</u>
Total deferred outflows of resources	<u>\$ 357,583</u>	<u>\$ 169,013</u>	<u>\$ 526,596</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 456,282	\$ 163,844	\$ 620,126
Net difference between projected and actual earnings on OPEB plan investments	-	-	-
Changes of assumptions	251,268	708,741	960,009
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>216,517</u>	<u>2,244</u>	<u>218,761</u>
Total deferred inflows of resources	<u>\$ 924,067</u>	<u>\$ 874,829</u>	<u>\$ 1,798,896</u>

\$36,048 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2025.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$ (178,705)	\$ (311,846)	\$ (490,551)
2026	(159,611)	(142,762)	(302,373)
2027	(100,817)	(55,479)	(156,296)
2028	(63,380)	(74,772)	(138,152)
2029	(51,962)	(68,588)	(120,550)
Thereafter	<u>(48,057)</u>	<u>(52,369)</u>	<u>(100,426)</u>
Total	<u>\$ (602,532)</u>	<u>\$ (705,816)</u>	<u>\$ (1,308,348)</u>

***Actuarial Assumptions - SERS***

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%

Investment rate of return:

Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation

Municipal bond index rate:

Current measurement date	3.86%
Prior measurement date	3.69%

Single equivalent interest rate, net of plan investment expense,  
including price inflation:

Current measurement date	4.27%
Prior measurement date	4.08%

Medical trend assumption:

Current measurement date	6.75 to 4.40%
Prior measurement date	7.00 to 4.40%

In 2023, the following mortality assumptions were used:

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

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,130,924	\$ 884,719	\$ 690,577

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 649,973	\$ 884,719	\$ 1,195,790

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 actuarial valuation, compared with June 30, 2022 actuarial valuation, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%
Discount rate of return	7.00%	7.00%
Blended discount rate of return	N/A	N/A
Health care cost trends		
	Initial	Ultimate
Medical		
Pre-Medicare	7.50%	4.14%
Medicare	-10.94%	4.14%
Prescription Drug		
Pre-Medicare	-11.95%	4.14%
Medicare	1.33%	4.14%

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

For the June 30, 2023 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

**Assumption Changes Since the Prior Measurement Date** - The discount rate remained unchanged at 7.00% for the June 30, 2023 valuation.

**Benefit Term Changes Since the Prior Measurement Date** - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	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 2.25% and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	\$ 909,166	\$ 1,074,196	\$ 1,217,919
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	\$ 1,224,588	\$ 1,074,196	\$ 893,050

**NOTE 14 - SET-ASIDES**

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2023	\$ -
Current year set-aside requirement	223,209
Current year qualifying expenditures	(120,374)
Current year offsets	<u>(102,835)</u>
Total	<u>\$ -</u>
Balance carried forward to fiscal year 2025	<u>\$ -</u>
Set-aside balance June 30, 2024	<u>\$ -</u>



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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 15 - CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

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

**NOTE 16 - OTHER COMMITMENTS**

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

	Year-End
<u>Fund</u>	<u>Encumbrances</u>
General fund	\$ 212,538
ESSER fund	297,626
Other governmental	<u>494,981</u>
Total	<u>\$ 1,005,145</u>

**NOTE 17 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2024, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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## REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
<b>Budgetary revenues:</b>				
Property taxes	\$ 3,155,000	\$ 3,296,712	\$ 3,296,712	\$ -
Intergovernmental	11,384,700	12,252,513	12,252,413	(100)
Investment earnings	179,500	310,878	310,878	-
Tuition and fees	205,000	133,779	133,779	-
Miscellaneous	25,500	89,307	89,307	-
Total budgetary revenues	14,949,700	16,083,189	16,083,089	(100)
<b>Budgetary expenditures:</b>				
Current:				
Instruction:				
Regular	7,332,460	7,357,461	7,325,890	(31,571)
Special	2,381,663	2,571,663	2,567,256	(4,407)
Vocational	468,933	468,633	460,784	(7,849)
Other	36,965	1,965	989	(976)
Support services:				
Pupil	699,294	764,294	757,003	(7,291)
Instructional staff	626,209	684,209	640,988	(43,221)
Board of education	132,522	95,522	87,821	(7,701)
Administration	1,374,297	1,292,797	1,276,138	(16,659)
Fiscal	470,775	428,476	406,566	(21,910)
Operations and maintenance	1,449,735	1,435,260	1,382,989	(52,271)
Pupil transportation	1,242,913	1,169,913	1,090,811	(79,102)
Operation of non-instructional services:				
Other non-instructional services	18,761	13,021	9,064	(3,957)
Extracurricular activities	314,656	264,255	245,495	(18,760)
Facilities acquisition and construction	460,571	952,571	939,380	(13,191)
Debt service:				
Principal retirement	90,000	132,000	132,000	-
Interest and fiscal charges	1,050	80,150	80,138	(12)
Total budgetary expenditures	17,100,804	17,712,190	17,403,312	(308,878)
Budgetary excess (deficiency) of revenues over (under) expenditures	(2,151,104)	(1,629,001)	(1,320,223)	308,778
<b>Budgetary other financing sources (uses):</b>				
Refund of prior year's expenditures	25,000	11,181	11,181	-
Transfers (out)	(145,000)	-	-	-
Advances (out)	(5,500)	(172,375)	(172,375)	-
Sale of capital assets	-	6,012	6,012	-
Total budgetary other financing sources (uses)	(125,500)	(155,182)	(155,182)	-
Net change in fund balance	(2,276,604)	(1,784,183)	(1,475,405)	308,778
<b>Budgetary fund balance at beginning of year</b>	6,008,796	6,008,796	6,008,796	-
<b>Prior year encumbrances appropriated</b>	547,646	547,646	547,646	-
<b>Budgetary fund balance at end of year</b>	<u>\$ 4,279,838</u>	<u>\$ 4,772,259</u>	<u>\$ 5,081,037</u>	<u>\$ 308,778</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
Budgetary revenues and other financing sources	\$ -	\$ 536,476	\$ 536,476	\$ -
Budgetary expenditures and other financing uses	1,174,113	869,652	869,652	-
Net change in fund balance	(1,174,113)	(333,176)	(333,176)	-
<b>Budgetary fund balance (deficit) at beginning of year</b>	(94,113)	(94,113)	(94,113)	-
<b>Prior year encumbrances appropriated</b>	94,113	94,113	94,113	-
<b>Budgetary fund balance (deficit) at end of year</b>	<u>\$ (1,174,113)</u>	<u>\$ (333,176)</u>	<u>\$ (333,176)</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.052402600%	\$ 2,895,514	\$ 1,949,929	148.49%	76.06%
2023	0.056181800%	3,038,749	2,231,421	136.18%	75.82%
2022	0.059047400%	2,178,678	1,986,179	109.69%	82.86%
2021	0.060260700%	3,985,770	1,951,679	204.22%	68.55%
2020	0.062812200%	3,758,164	2,196,200	171.12%	70.85%
2019	0.062833300%	3,598,579	2,102,467	171.16%	71.36%
2018	0.059639400%	3,563,322	1,945,943	183.12%	69.50%
2017	0.062927200%	4,605,690	2,058,621	223.73%	62.98%
2016	0.059810700%	3,412,857	1,800,615	189.54%	69.16%
2015	0.057765000%	2,923,454	1,678,543	174.17%	71.70%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 306,576	\$ (306,576)	\$ -	\$ 2,189,829	14.00%
2023	272,990	(272,990)	-	1,949,929	14.00%
2022	312,399	(312,399)	-	2,231,421	14.00%
2021	278,065	(278,065)	-	1,986,179	14.00%
2020	273,235	(273,235)	-	1,951,679	14.00%
2019	296,487	(296,487)	-	2,196,200	13.50%
2018	283,833	(283,833)	-	2,102,467	13.50%
2017	272,432	(272,432)	-	1,945,943	14.00%
2016	288,207	(288,207)	-	2,058,621	14.00%
2015	237,321	(237,321)	-	1,800,615	13.18%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.055232500%	\$ 11,894,285	\$ 7,494,229	158.71%	80.02%
2023	0.055556950%	12,350,380	7,390,700	167.11%	78.88%
2022	0.054121329%	6,919,898	6,696,014	103.34%	87.78%
2021	0.052695020%	12,750,320	6,409,500	198.93%	75.48%
2020	0.054525880%	12,058,071	6,425,136	187.67%	77.40%
2019	0.052139190%	11,464,237	5,981,207	191.67%	77.31%
2018	0.052278430%	12,418,853	5,807,371	213.85%	75.30%
2017	0.051996010%	17,404,632	5,505,664	316.12%	66.80%
2016	0.050938400%	14,077,884	5,395,379	260.92%	72.10%
2015	0.050283750%	12,230,748	5,137,608	238.06%	74.70%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 1,100,076	\$ (1,100,076)	\$ -	\$ 7,857,686	14.00%
2023	1,049,192	(1,049,192)	-	7,494,229	14.00%
2022	1,034,698	(1,034,698)	-	7,390,700	14.00%
2021	937,442	(937,442)	-	6,696,014	14.00%
2020	897,330	(897,330)	-	6,409,500	14.00%
2019	899,519	(899,519)	-	6,425,136	14.00%
2018	837,369	(837,369)	-	5,981,207	14.00%
2017	813,032	(813,032)	-	5,807,371	14.00%
2016	770,793	(770,793)	-	5,505,664	14.00%
2015	755,353	(755,353)	-	5,395,379	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

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

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 36,048	\$ (36,048)	\$ -	\$ 2,189,829	1.65%
2023	38,071	(38,071)	-	1,949,929	1.95%
2022	36,817	(36,817)	-	2,231,421	1.65%
2021	37,198	(37,198)	-	1,986,179	1.87%
2020	23,345	(23,345)	-	1,951,679	1.20%
2019	45,320	(45,320)	-	2,196,200	2.06%
2018	44,749	(44,749)	-	2,102,467	2.13%
2017	31,898	(31,898)	-	1,945,943	1.64%
2016	31,947	(31,947)	-	2,058,621	1.55%
2015	44,055	(44,055)	-	1,800,615	2.45%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

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

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ -	\$ -	\$ -	\$ 7,857,686	0.00%
2023	-	-	-	7,494,229	0.00%
2022	-	-	-	7,390,700	0.00%
2021	-	-	-	6,696,014	0.00%
2020	-	-	-	6,409,500	0.00%
2019	-	-	-	6,425,136	0.00%
2018	-	-	-	5,981,207	0.00%
2017	-	-	-	5,807,371	0.00%
2016	-	-	-	5,505,664	0.00%
2015	-	-	-	5,395,379	0.00%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 - BUDGETARY PROCESS**

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

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

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

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

**Net Change in Fund Balance**

	<u>General fund</u>	<u>ESSER Fund</u>
Budget basis	\$ (1,475,405)	\$ (333,176)
Net adjustment for revenue accruals	98,886	(12,600)
Net adjustment for expenditure accruals	1,167,888	(1,423,808)
Net adjustment for other sources/uses	155,182	-
Funds budgeted elsewhere	716	-
Adjustments for encumbrances	<u>302,336</u>	<u>333,238</u>
GAAP Basis	<u>\$ 249,603</u>	<u>\$ (1,436,346)</u>

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

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**PENSION**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2024.

*Changes in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

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

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.
- For fiscal year 2024, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.69% to 3.86%, (b) single equivalent interest rate when from 4.08% to 4.27% and (c) medical trend assumptions went from 7.00% to 4.40% to 6.75% to 4.40%.

**STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO**

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2024.

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

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.
- For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from -68.78% initial - 3.94% ultimate to -10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to -11.95% initial - 4.14% ultimate; Medicare from -5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.



## **SUPPLEMENTARY INFORMATION**

**NELSONVILLE-YORK CITY SCHOOL DISTRICT  
ATHENS COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE</b>	<b>ASSISTANCE LISTING NUMBER</b>	<b>PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION</b>	<b>TOTAL FEDERAL EXPENDITURES</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through the Ohio Department of Education and Workforce</i>			
<b>Child Nutrition Cluster</b>			
School Breakfast Program	10.553	2023	\$ 32,560
School Breakfast Program	10.553	2024	164,428
<b>Total School Breakfast Program</b>			<u>196,988</u>
National School Lunch Program	10.555	2023	121,114
National School Lunch Program	10.555	2024	369,616
COVID-19 - National School Lunch Program	10.555	COVID-19, 2024	32,408
National School Lunch Program - Food Donation	10.555	2024	63,210
<b>Total National School Lunch Program</b>			<u>586,348</u>
<b>Total Child Nutrition Cluster</b>			<u>783,336</u>
<b>Total U.S. Department of Agriculture</b>			<u>783,336</u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #3	21.027	COVID-19, 2023	29,549
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #4	21.027	COVID-19, 2023	44,217
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #5	21.027	COVID-19, 2023	41,522
<b>Total Coronavirus State and Local Fiscal Recovery Funds and U.S. Department of Treasury</b>			<u>115,288</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through the Ohio Department of Education and Workforce</i>			
Title I Grants to Local Educational Agencies - Non-Competitive, Supplemental School Improvement	84.010A	84.010A, 2023	43,865
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	84.010A, 2023	28,516
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2023	102,279
Title I Grants to Local Educational Agencies - Non-Competitive, Supplemental School Improvement	84.010A	84.010A, 2024	82,964
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	84.010A, 2024	23,570
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2024	427,640
Title I Grants to Local Educational Agencies - Delinquent	84.010A	84.010A, 2024	32,127
<b>Total Title I Grants to Local Educational Agencies</b>			<u>740,961</u>
<b>Special Education Cluster (IDEA)</b>			
Special Education-Grants to States (IDEA, Part B)	84.027A	84.027A, 2023	41,693
Special Education-Grants to States (IDEA, Part B)	84.027A	84.027A, 2024	253,299
<b>Total Special Education-Grants to States (IDEA, Part B)</b>			<u>294,992</u>
Special Education-Preschool Grants (IDEA, Preschool)	84.173A	84.173A, 2023	463
Special Education-Preschool Grants (IDEA, Preschool)	84.173A	84.173A, 2024	5,455
<b>Total Special Education-Preschool Grants (IDEA, Preschool)</b>			<u>5,918</u>
<b>Total Special Education Cluster (IDEA)</b>			<u>300,910</u>
Twenty-First Century Community Learning Centers	84.287A	84.287A, 2023	82,243
Twenty-First Century Community Learning Centers	84.287A	84.287A, 2024	90,176
<b>Total Twenty-First Century Community Learning Centers</b>			<u>172,419</u>
Rural Education	84.358B	84.358B, 2024	15,316
Supporting Effective Instruction State Grants	84.367A	84.367A, 2023	12,400
Supporting Effective Instruction State Grants	84.367A	84.367A, 2024	32,336
<b>Total Supporting Effective Instruction State Grants</b>			<u>44,736</u>
Student Support and Academic Enrichment Program	84.424A	84.424A, 2023	6,848
Student Support and Academic Enrichment Program	84.424A	84.424A, 2024	35,919
Student Support and Academic Enrichment Program - Stronger Connections Grant	84.424F	84.424F, 2024	21,769
<b>Total Student Support and Academic Enrichment Program</b>			<u>64,536</u>
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	COVID-19, 84.425D, 2023	94,114
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	COVID-19, 84.425U, 2023	93,322
COVID-19 - American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	COVID-19, 84.425U, 2024	348,978
<b>Total Education Stabilization Fund (ESF)</b>			<u>536,414</u>
<b>Total U.S. Department of Education</b>			<u>1,875,292</u>
<b>Total Federal Expenditures</b>			<u>\$ 2,773,916</u>

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

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

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

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

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Nelsonville-York City School District under programs of the federal government for the fiscal year ended June 30, 2024 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Nelsonville-York City School District, it is not intended to and does not present the financial position, or changes in net position of the Nelsonville-York City School District. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

**NOTE 2 – DE MINIMIS COST RATE**

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

**NOTE 3 - CHILD NUTRITION CLUSTER**

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

**NOTE 4 – FOOD DONATION PROGRAM**

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

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

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

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nelsonville-York City School District, Athens County, Ohio, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Nelsonville-York City School District's basic financial statements, and have issued our report thereon dated January 27, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

Nelsonville-York City School District

Athens County

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

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Nelsonville-York City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2024-001 and 2024-002.

### **Nelsonville-York City School District's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Nelsonville-York City School District's responses to the findings identified in our audit and described in the accompanying schedule of findings and corrective action plan. The Nelsonville-York City School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

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



Julian & Grube, Inc.

January 27, 2025

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

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

To the Members of the Board of Education:

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

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

We have audited the Nelsonville-York City School District's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Nelsonville-York City School District's major federal programs for the fiscal year ended June 30, 2024. The Nelsonville-York City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings.

In our opinion, the Nelsonville-York City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2024.

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

**Report on Internal Control over Compliance**

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

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

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

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

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

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

Julian & Grube, Inc.  
January 27, 2025



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

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

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

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

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

<b>2. FINDING RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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Finding Number	2024-001
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Noncompliance – Ohio Revised Code Sections 5705.39 and 5705.36

Ohio Revised Code Section 5705.39 requires that a subdivision's total appropriations from each fund should not exceed total estimated resources. In addition, Ohio Revised Code Section 5705.36, in part, requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the last certified amended certificate.

The District did not request timely amended certificates throughout the fiscal year upon notice of increased or decreased resources, and therefore had total appropriations exceeding total estimated resources in the following funds: Elementary and Secondary School Emergency Relief (ESSER) Fund, 21<sup>st</sup> Century Fund, Title I, Disadvantaged Children Fund, Title IV-A Student Support and Academic Enrichment Fund, and Title II-A Supporting Effective Instruction Fund.

With appropriations exceeding estimated resources, the District may spend more funds than in the Treasury or in process of collection and cause fund deficits.

We recommend the District comply with Ohio Revised Code and Auditor of State Bulletin 97-010 and continually monitor appropriations versus estimated resources. If it is determined that estimated resources will be different than initially anticipated, the District should amend its estimate and also amend the appropriations as necessary.

Finding Number	2024-002
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Noncompliance – Ohio Revised Code Section 5705.36(A)(4)

Ohio Revised Code Section 5705.36(A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, the commission shall certify an amended certificate reflecting the deficiency.

The District had appropriations, as approved by the Board of Education, in excess of actual resources in the following funds: Elementary and Secondary School Emergency Relief (ESSER) Fund, 21<sup>st</sup> Century Fund, Title I, Disadvantaged Children Fund, Title IV-A Student Support and Academic Enrichment Fund, and Title II-A Supporting Effective Instruction Fund.

By appropriating more funds than actual resources, the District is at risk of spending more money than is available; this may result in negative fund balances.

We recommend the District monitor estimated resources in comparison with actual resources and appropriations, and if necessary, obtain a decreased amended certificate and amend appropriations accordingly.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
------------------------------------------------------------

None



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

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**2 CFR § 200.511(b)**  
**JUNE 30, 2024**

<b>Finding Number</b>	<b>Year Initially Occurred</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2023-001	2023	<u>Material Weakness-Reporting</u> - 7 CFR §§ 210.7(c), 210.8(c), and 225.9(d)) provide that at a minimum, a claim must include the number of reimbursable meals/milk served by category and type during the period (generally a month) covered by the claim. All meals claimed for reimbursement must (a) be of types authorized by the school food authority's, institution's, or sponsor's administering agency; (b) be served to eligible children; and (c) be supported by accurate meal counts and records indicating the number of meals served by category and type. Eleven percent of the site claim form submission during fiscal year 2023 were underreported.	Partially Corrected	Finding repeated in the management letter



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

**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**JUNE 30, 2024**

<b>Finding Number</b>	<b>Planned Corrective Action</b>	<b>Anticipated Completion Date</b>	<b>Responsible Contact Person</b>
2024-001	The district treasurer will review quarterly the estimated resources included in Amended Certificate and compare these available resources to appropriations. Reviewing these quarterly will insure that the district does not risk spending funds that are not available.		Sandi Hurd, Treasurer
2024-002	The district treasurer will review quarterly the estimated resources included in Amended Certificate and compare these available resources to appropriations. Reviewing these quarterly will insure that the district does not risk spending funds that are not available		Sandi Hurd, Treasurer

# OHIO AUDITOR OF STATE KEITH FABER



**NELSONVILLE-YORK CITY SCHOOL DISTRICT**

**ATHENS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 5/13/2025**

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