

OHIO AUDITOR OF STATE
KEITH FABER



Mogadore
Local School District

Performance Audit

October 2023

OHIO AUDITOR OF STATE
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To the Mogadore Local School District community,

The Auditor of State's Office recently completed a performance audit for the Mogadore Local School District (the District). The District was selected for a performance audit based on its projected financial condition. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas. The performance audit has been provided at no cost to the District through state funds set aside to provide analyses for districts that meet certain criteria, including conditions that would lead to fiscal distress.

This performance audit report contains recommendations, supported by detailed analysis, to enhance the District's overall economy, efficiency, and/or effectiveness. This report has been provided to the District and its contents have been discussed with the appropriate elected officials and District management. The District has been encouraged to use the recommendations contained in the report and to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report.

This data-driven analysis of operations provides the District valuable information which can be used to make important financial decisions. Additional resources related to performance audits are available on the Ohio Auditor of State's website.

This performance audit report can be accessed online through the Auditor of State's website at <http://www.ohioauditor.gov> and choosing the "Search" option.

Sincerely,

Keith Faber
Auditor of State
Columbus, Ohio

October 5, 2023

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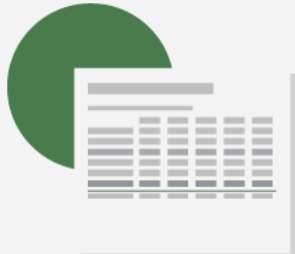
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Introduction

The public expects and deserves government entities to be good stewards of taxpayer dollars. School officials have a responsibility to maximize program outcomes and success while minimizing costs. Transparent management of taxpayer dollars promotes a good relationship with the constituents served by a school district. School districts in Ohio are required to submit budget forecasts to the Ohio Department of Education (ODE)¹ annually in the fall, with updates to the forecast submitted in the spring.² These documents provide three years of historical financial data, as well as the projected revenues and expenses for a five-year period.

Ohio Department of Education Five-Year Forecasts

Ohio school districts provide a five-year financial forecast to ODE twice a year. These forecasts provide an overview of a district's financial health. To ensure all interested parties are able to understand the forecasts, ODE has developed a guide with information including definitions of key terms, general ideas of what a good forecast should contain, and a line by line explanation of the forecast.



[Click here for the full document.](#)

The Ohio Auditor of State's Office Ohio Performance Team (OPT) routinely reviews the submitted forecasts in order to identify districts which may benefit from a performance audit. These audits are designed to assist school districts that are struggling financially. We use data-driven analyses to produce and support recommendations that identify opportunities for improved operations, effectiveness, increased transparency, and reductions in cost. While we



NOTE TO REPORT USERS

Due to the COVID-19 pandemic, districts received federal funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The aid was provided through Elementary and Secondary School Emergency Relief (ESSER) funding. Nearly \$500 million was allocated to traditional public schools and community schools throughout Ohio. Districts are allowed to use this funding on a variety of expenditures, and may, for a short time, impact the five-year forecasts.

¹During the course of the audit, the state budget bill (House Bill 33 of the 135th General Assembly) was passed, which included several legislative changes impacting the Ohio Department of Education. Under the new legislation ODE would be renamed the Department of Education and Workforce and become a cabinet-level agency reporting to the Governor of Ohio. Except for the duties and powers retained by the State Board, as enumerated in HB 33, the Department of Education and Workforce would be responsible for primary, secondary, special, and career-technical education in Ohio. At the time of publication, the Department restructuring and other changes to ODE are on hold due to litigation on the constitutionality of changes to the duties of the State Board of Education.

²ORC § 5705.391 and OAC 3301-92-04.

have the authority to initiate a performance audit for school districts facing financial distress, any school district can request, and benefit from, an audit.³

Mogadore Local School District

Mogadore Local School District (MLSD or the District) is located in Summit County and, as of fiscal year (FY) 2022, had 779 students enrolled. The District spans approximately 3 square miles and has a median income of \$38,264. Of the total enrolled students, approximately 16.7 percent were students with disabilities.

The District is projecting deficit fund balances beginning in the current fiscal year. To address this deficit, it has placed a 5.9-mill levy on the November 2023 ballot. If passed, the levy would raise approximately \$635,000 annually, or approximately \$207 for every \$100,000 in assessed property value, and be used for general operating expenses. Revenue from the levy would be collected beginning immediately and the first payment to the District would be in January 2024.

Audit Methodology

Our audit focuses on identifying opportunities where expenditures may be reduced as the District administration can make decisions in these areas. The information, which was presented to District officials, is based on a combination of peer district comparisons, industry standards, and statewide requirements.

Two groups of peer districts were identified for the purpose of this audit. The first, local peers, is comprised of districts in the surrounding area and is used for labor market comparisons, such as salary schedules. The second peer group, primary peers, are districts located throughout Ohio and are chosen based on having similar or better academic performance while maintaining relatively lower spending per pupil. Primary peer districts are used for financial comparisons and analyses regarding operations such as staffing levels. See [Appendix A](#) for a list of all districts used in our peer comparisons.

Financial Condition

The Ohio Auditor of State monitors the fiscal health of school districts and at times may declare a state of fiscal caution, watch, or emergency.⁴ These declarations are based on specific criteria and are designed to identify situations where the solvency of a district is threatened and provide appropriate assistance to resolve financial issues. MLSD was placed under fiscal caution on June 30, 2023.

³Performance audits are conducted using Generally Accepted Government Auditing Standards guidelines, see [Appendix A](#) for more details.

⁴ ORC § 3316.03

In November 2022, the District released its required annual five-year forecast. This forecast, as seen in the row titled “results of operations” projected that the District’s expenditures would exceed revenues in each year of the forecast period. However, MLSD assumed the passage of a levy in May 2023 that would provide enough new revenue to prevent an overall General Fund deficit in each year except for FY 2023, the first year of the forecast period. Because the District showed negative fund balances in the current year and future positive fund balances were reliant on the passage of a new levy, and in consultation with ODE, we chose to conduct a performance audit of the District’s operations.

Financial Condition Overview (November 2022 Forecast)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Total Revenue	\$11,643,430	\$12,314,340	\$12,164,728	\$12,480,569	\$12,879,543
Total Expenditures	\$12,597,579	\$12,509,453	\$12,842,937	\$13,119,477	\$13,583,693
Results of Operations	(\$954,149)	(\$195,113)	(\$678,209)	(\$638,908)	(\$704,150)
Beginning Cash Balance	\$1,159,318	\$205,169	\$10,056	(\$668,153)	(\$1,307,062)
Ending Cash Balance	\$205,169	\$10,056	(\$668,153)	(\$1,307,062)	(\$2,011,212)
Encumbrances	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Budget Reserve	\$322,201	\$0	\$0	\$0	\$0
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of New Levies	\$0	\$477,500	\$1,432,500	\$2,387,500	\$3,342,500
Ending Fund Balance	(\$192,032)	\$412,556	\$689,347	\$1,005,438	\$1,256,288

Source: ODE

In May 2023, after the failure of the levy, the District released its semi-annual forecast. The District projected it would not have a negative fund balance in FY 2023, primarily due to the elimination of a budget reserve that had been in the previous forecast. However, the row labeled “results of operations” projected larger deficits on an annual basis. Combined with the failed levy, the projected cash balance deficit in FY 2027 grew to more than \$10 million in the May forecast compared to \$2 million in the previous November forecast. A summary of this forecast is provided in the table on the following page.

Financial Condition Overview (May 2023 Forecast)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Total Revenue	\$12,645,932	\$11,672,480	\$11,873,239	\$11,984,615	\$12,056,267
Total Expenditures	\$13,648,834	\$13,469,695	\$14,049,531	\$14,764,558	\$15,469,291
Results of Operations	(\$1,002,902)	(\$1,797,215)	(\$2,176,292)	(\$2,779,943)	(\$3,413,024)
Beginning Cash Balance	\$1,159,411	\$156,509	(\$1,640,706)	(\$3,816,998)	(\$6,596,941)
Ending Cash Balance	\$156,509	(\$1,640,706)	(\$3,816,998)	(\$6,596,941)	(\$10,009,965)
Encumbrances	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Budget Reserve	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of New Levies	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$81,509	(\$1,715,706)	(\$3,891,998)	(\$6,671,941)	(\$10,084,965)

Source: ODE

The District hired an interim Treasurer who was responsible for the creation of the May 2023 forecast. A number of factors led to the steep decline in the projected fiscal condition of the District. These factors include, but are not limited to, the repayment of loans that the District had received.

In September, 2023, the District approved a new forecast as a part of the fiscal recovery plan required of districts that are placed in fiscal caution. The September forecast, as seen in the table on the following page, shows an improved financial condition compared to the May 2023 forecast. The change in projections is due in part to the Treasurer's increased understanding of District operations and ability to make more precise assumptions. Additionally, the District made staffing reductions between FY 2023 and FY 2024 that were not reflected in the May forecast. Finally, the District was able to use updated state funding information in the September forecast, which was not available when the May forecast was created.

Financial Condition Overview (September 2023 Forecast)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Revenue	\$13,154,950	\$12,383,271	\$12,953,772	\$13,237,422	\$13,532,953
Total Expenditures	\$13,972,764	\$12,635,633	\$13,041,054	\$13,464,336	\$13,906,452
Results of Operations	(\$817,814)	(\$252,362)	(\$87,282)	(\$226,914)	(\$373,499)
Beginning Cash Balance	\$581,658	(\$236,156)	(\$488,518)	(\$575,801)	(\$802,716)
Ending Cash Balance	(\$236,156)	(\$488,518)	(\$575,801)	(\$802,716)	(\$1,176,214)
Encumbrances	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Budget Reserve	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of New Levies	\$306,965	\$916,559	\$1,522,640	\$2,128,144	\$2,731,020
Ending Fund Balance	(\$79,191)	\$278,041	\$796,839	\$1,175,428	\$1,404,806

Source: MLSD

In the September 2023 forecast, the District continues to project deficit spending throughout the course of the forecast period, ending with a projected deficit of \$1.1 million in FY 2028. The District has projected, with the exception of FY 2024, to have a positive ending fund balance. However, this positive balance is reliant on the passage of the levy on the November, 2023 ballot.

School Funding

Historically, school funding in Ohio has been a partnership between the state and local districts. Local districts can raise funds through property and income taxes and the state provides funding primarily through a foundation formula, which is intended to ensure a basic level of education funding for all students. Districts may also receive some funding from other sources, such as federal grants. In FY 2022, of the approximately \$26.1 billion in reported revenue for public education in Ohio, nearly 80 percent, or \$20.7 billion, came from state and local sources.

State Funding

On July 4, 2023, House Bill 33 of the 135th General Assembly (the biennial budget bill) was signed by the Governor. This bill included changes to the state foundation funding formula, which was enacted in 2021 and is commonly referred to as the Fair School Funding Plan, and is expected to increase funding for most public schools. The funding increases will be phased-in at 50 percent in FY 2024 and 66.67 percent in FY 2025.⁵ During the phase in period, the amount of

⁵ See <https://www.legislature.ohio.gov/download?key=21197&format=pdf>

state funding received in any given year may be less than what would have been received if the formula were fully funded. ODE transitioned to the new funding model in January of 2022.

Local Funding

Local revenue can be raised through a combination of property and income taxes. While property taxes are assessed on both residential and business properties within a district, income tax is assessed only on residents.⁶ Approximately one-third of Ohio school districts currently have an income tax.

Property Tax

Property taxes levied in Ohio are subject to restrictions in the Ohio Constitution⁷ and the Ohio Revised Code (ORC).⁸ These restrictions limit the amount of tax that can be levied without voter approval to 10 mills⁹ or 1 percent of property value. While the Constitutional limitation is based on fair market value, the ORC sets a more restrictive limit based on taxable value, which is defined as 35 percent of fair market value. These taxes are split between the various taxing districts that operate where a property is located.

The 10 mills allowed by the Constitution are typically referred to as inside, or un-voted mills. Inside mills for school districts varies. On average, school districts have approximately 4.7 inside mills, and the remainder of property tax revenue would come from voted, or outside millage.

School districts can obtain additional property tax revenue through voter approved bonds and levies. These taxes can have a variety of purposes that are defined in the authorizing language which are generally divided into three broad categories: general operations, permanent improvement, and construction.

Levies may be defined as either a fixed-rate or a fixed-sum. A fixed-rate levy identifies the number of mills that will be assessed in order to raise revenues. If new construction occurs within the district, the rate will apply, and the district would realize additional revenues. Current expense levies, used for general operations, and permanent improvement levies are typically fixed-rate. A fixed-sum levy identifies an amount that will be generated from the levy. While there may be an estimated millage rate, the actual rate will vary based on assessed property values. If new construction occurs within the district, there would be no new revenues for a fixed-sum levy. Emergency levies¹⁰ for general operations, and bond levies for the financing of new buildings, are typically fixed-sum levies.

⁶ See <https://tax.ohio.gov/wps/portal/gov/tax/individual/school-district-income-tax>

⁷ Ohio Const. Art. XII, Section 2.

⁸ Ohio Rev. Code § 5705.02.

⁹ A mill is defined as one-tenth of one percent or \$1 for every \$1,000 of taxable value.

¹⁰ Authorized by ORC §5705.194.

Ohio has historically had laws which limit the impact rising property values can have on property taxes. The most recent version of these limitations was enacted in 1976 and requires that the amount collected on fixed-rate millage is frozen at the dollar value collected in its first year.¹¹ In subsequent years, with exceptions such as new construction, a district would not receive additional revenue from a levy as property values increased.¹² Instead, the outside mills are subject to reduction factors¹³ which lower the effective millage rate in order to maintain the preceding year's level of revenue from the same properties.¹⁴

However, under state law, in order to receive state foundation funding, a district must collect a minimum of 20 mills in property taxes for general purposes, or current expenses.¹⁵ In order to prevent a district from failing to meet this minimum threshold, reduction factors stop being applied once a district reaches an effective rate of 20-mills, colloquially known as the 20-mill floor. Practically speaking, this means that if a district's effective tax rate is reduced to 20 mills for current expenses, the amount of revenue generated from levies will increase with property values unless a new operating levy is approved by voters. It is important to note not all levies count toward the 20-mill floor.

Ultimately, the mixture of property taxes approved by voters can have a wide-ranging impact on both the revenues collected by a district and the amount of tax that individual property owners are required to pay on an annual basis.

Income Tax

A school district income tax is an alternative method of raising local revenue. Like property taxes, an income tax must be approved by voters and may be for either general use or specific purposes, such as bond repayment. Once approved, a tax becomes effective on January 1st of the following year. Unlike municipal income taxes which are generally levied on wages earned in the municipality by both residents and nonresidents, school district income taxes are levied on wages earned by residents of the district, regardless of where the resident may work. Businesses operating within the school district are not required to pay the school district income tax.

A school board, when determining that an income tax is necessary for additional revenue, must submit a resolution to the Ohio Tax Commissioner identifying the amount of revenue to be raised and the tax base to be used for calculations. A school district income tax can be assessed

¹¹ Am.Sub.H.B. No. 920, 136 Ohio Laws, Part II, 3182, 3194.

¹² If property value decreased due to reappraisal, it is possible that a district would receive less revenue than originally intended.

¹³ ORC § 319.301.

¹⁴ We are providing this information for historical purposes only. The law which regulates collection of on outside millage has been amended since enacted in 1976. The District should consult with the most current version of the law for a clear understanding of how this process works today.

¹⁵ The term 'current expense' refers to revenue generated from levies that are not restricted in their use. It does not include bonds or levies that generate revenues for restricted funds, such as Permanent Improvement levies.

on either a traditional tax base or an earned income tax base. The traditional tax base uses the same income base as Ohio’s income tax and the earned income tax base is only earned income from an employer or self-employment. Under the earned income tax base, income such as capital gains or pension payments is not taxable, though this type of income may be taxed under the traditional tax base. Once this information is received, the Tax Commissioner identifies the income tax rate and equivalent property tax millage for the district.

The Ohio Department of Taxation collects income tax through employer withholding, individual quarterly estimated payments, and annual returns. Employers are required to withhold the tax and submit payments to the state under the same rules and guidelines as are currently used for state income taxes. Districts receive quarterly payments from the Department of Taxation and each payment is for the amount collected during the prior quarter. A district receives the total amount of revenue collected less a 1.5 percent fee retained by the state for administration purposes. The amount of revenue collected via income tax each year will vary based on the earnings of the district’s residents.

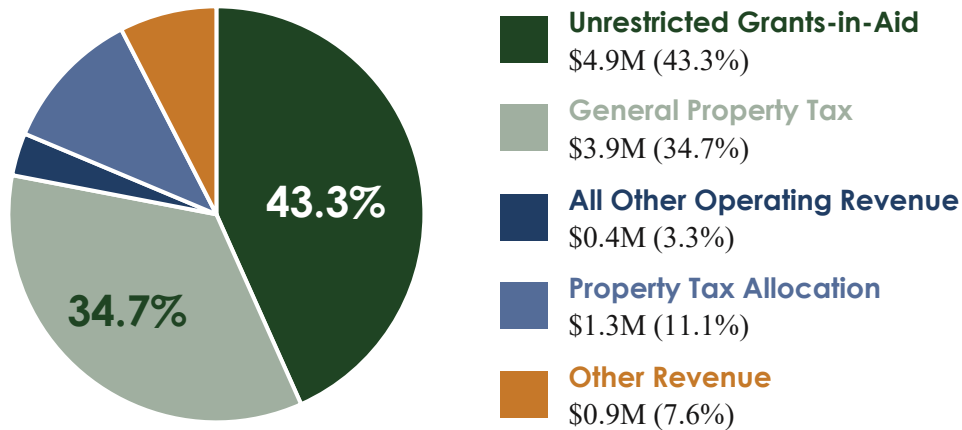
MLSD Revenues

A school district budget is comprised of revenues and expenditures. In FY 2022, the District’s total General Fund revenue was approximately \$11.3 million.¹⁶ The District’s primary sources of revenue are general property taxes, state foundation funding, and property tax allocation. The remaining revenue is comprised of a variety of sources as seen on the following page.

¹⁶ This total excludes advances to the General Fund. For purposes of comparison, we excluded advances to the General Fund for both MLSD and the peer groups throughout the Revenues section.

FY 2022 Total General Fund Revenue Composition

Total: \$11.3M



Source: ODE

Note: Unrestricted grants-in-aid is comprised primarily of state foundation funding.

Note: All Other Operating Revenue includes tuition, fees, earnings on investments, rentals, and donations.

Note: Property Tax Allocation consists of reimbursements from the state for local taxpayer credits or reductions.

Note: Other Revenue may include Tangible Personal Property Tax, Income Tax, Restricted Grants-in-Aid, Operating Transfers-In, and All Other Financing Sources.

Note: Due to rounding, revenue categories may not sum up to the total listed.

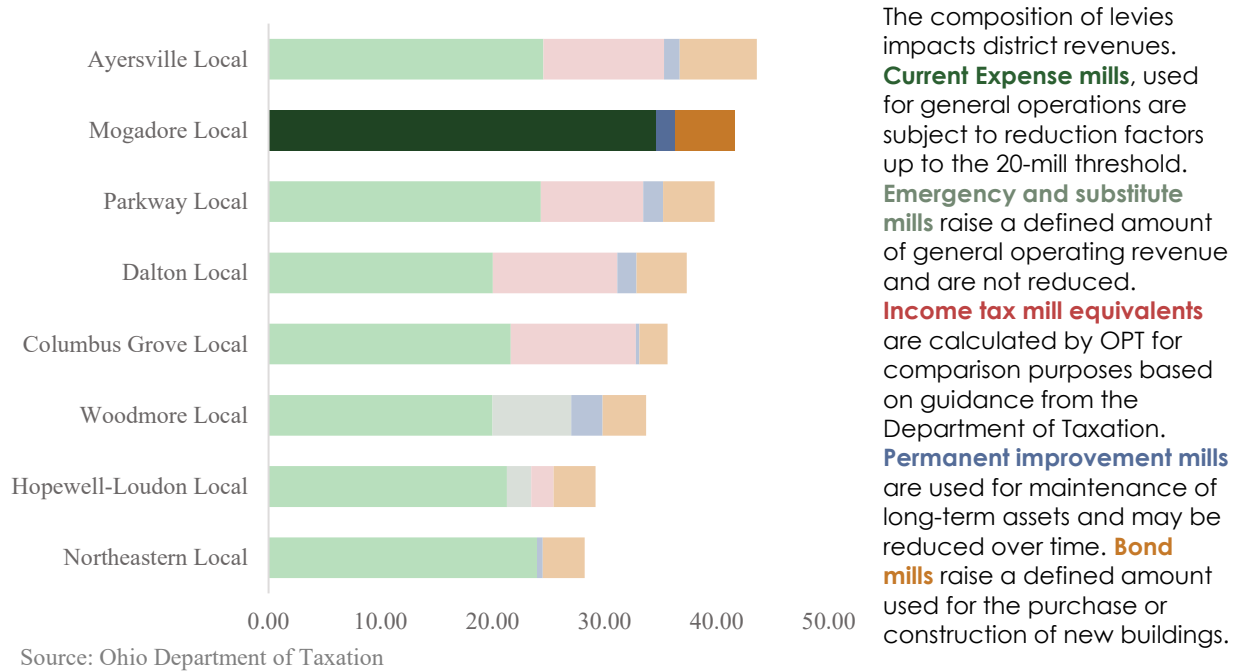
In 2022, MLSD collected revenues on 41.61 mills of property tax for residential properties.¹⁷ This included 5.00 inside mills and 29.57 outside mills for current expenses. In addition to the 34.57 mills collected for current expenses, the District collects additional property tax revenue. In 2022, this additional millage totaled 7.04 mills and was comprised of a permanent improvement levy of 1.73 mills and a bond levy of 5.31 mills.

Because the total millage rate can be rolled back as a result of reduction factors, we compared the total effective millage for MLSD to that of its primary peers. This comparison is found in the chart on the following page. The green portion of the bar represents the current expense millage rate, where two of the peers are on the 20-mill floor. The grey portion represents emergency and substitute revenue which is not subject to reduction factors. The blue represents permanent improvement funds, and the orange represents bond funding. While MLSD does not have a school district income tax, five peers do have revenue from income tax. For comparison purposes, OPT calculated an estimated millage for the revenue generated from income taxes

¹⁷ Residential and agricultural property is considered Class 1 real estate. Commercial Property is considered Class 2 real estate and subject to a different set of reduction factors. The effective millage rate for Class 2 property in 2022 was 57.67.

based on guidance from the Department of Taxation, which is represented by the pink portion of the bars in the chart below.

2022 Millage and Millage Equivalents | Primary Peers



The composition of levies impacts district revenues. Current expense mills, used for general operations are subject to reduction factors up to the 20-mill threshold. Emergency and substitute mills raise a defined amount of general operating revenue and are not reduced. Income tax mill equivalents are calculated by OPT based on guidance provided by the Department of Taxation for comparison purposes. Permanent improvement mills are used for maintenance of long-term assets and may be reduced over time. Bond mills raise a defined amount used for the purchase or construction of new buildings.

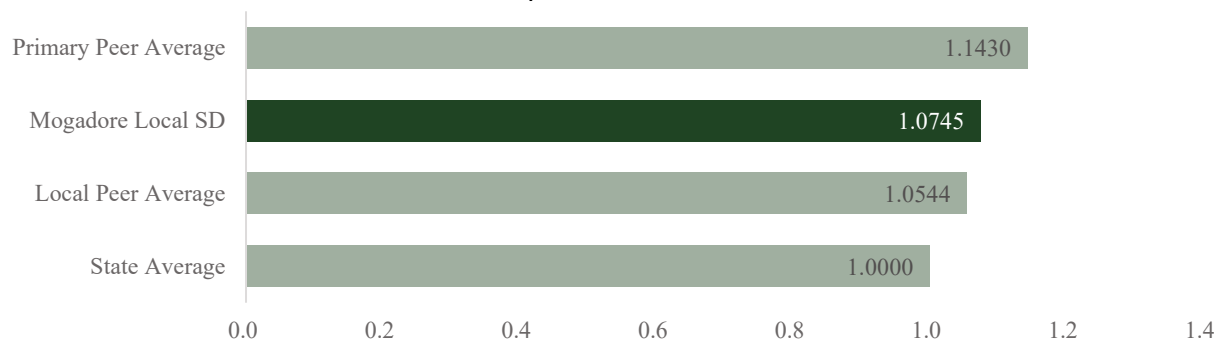
Overall, the District’s total effective millage rate of 41.61 is one of the highest compared to the primary peers. It is important to understand that revenue generated from bond and emergency levies remains the same regardless of changes to property values as they are voted as fixed-sum levies. The current expense millage and permanent improvement millage also stay the same until the 20-mill floor is hit for current expense taxes. At that point, a district at the floor would see additional revenues from increases in value to existing properties. The District relies heavily on current expense mills and is not presently at the 20-mill floor. This means that if property values increase within the District, it will not see additional revenues based on that growth.

Local Tax Effort

ODE uses the Local Tax Effort Index as a measure of taxpayer support for the district in which they reside. This index, one of a number of possible measures for evaluating local effort, was initially developed by the Division of Tax Analysis within the Ohio Department of Taxation and is calculated in the context of the residents’ abilities to pay by determining the relative position of each school district in the state in terms of the portion of residents’ income devoted to supporting public education. This index uses median income data and provides context to better understand a community’s tax burden, not only compared to other districts, but also as a function of the residents’ ability to pay.

On this sliding scale, a value of 1.0 indicates the state average, a baseline against which all districts in the state are weighed. If a district has a local tax effort below 1.0, residents provide a smaller portion of their available income to public education whereas a value above 1.0 indicates the community pays a larger portion of their available income to public education compared to the state average. The index is updated annually by ODE as part of its District Profile Reports, also known as the Cupp Report, to reflect changes in local conditions from year to year.

FY 2022 Local Tax Effort Comparison



Source: ODE

The District’s local tax effort was compared to the local peers, primary peers, and the state average. The District has a local tax effort of 1.0745. This is the 242nd highest local tax effort out of 606 districts in the state, which is approximately the 60th percentile of all districts. By comparison, the local peer average of 1.0544 would rank approximately 259th out of all 606 districts, or the 57th percentile.

Revenue per Pupil

Revenue per pupil, broken down by type of funding, is another way to compare funding sources between Ohio school districts. Because our audit focuses on the projected deficit in the five-year forecast, we reviewed only the forecasted fund revenues for this purpose.¹⁸ In FY 2022, the

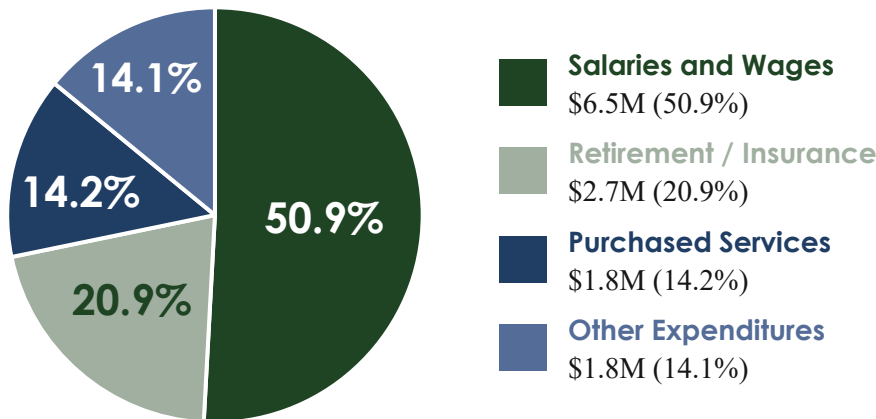
¹⁸ Forecasted funds include the District’s General Fund and funds derived from emergency levies.

District received approximately \$14,628 per pupil, with 40.1 percent, or approximately \$5,869, coming from local taxes.¹⁹ In FY 2022, the primary peer average was \$14,816 in revenue per pupil, with 47.6 percent, or approximately \$7,047, coming from local taxes. The District’s local revenue was lower than the primary peer average in FY 2022.

MLSD Expenditures

In FY 2022, the District’s total expenditures were approximately \$12.7 million.²⁰ The largest source of expenditures was human resources, which includes salaries, wages, and benefits, followed by purchased services. The chart that follows provides additional detail regarding District expenditures.

FY 2022 Total General Fund Expenditure Composition
Total: \$12.7M



Source: ODE

Note: Other Expenditures may include Supplies and Materials, Capital Outlay, Principal on Loans, Interest & Fiscal Charges, Other Objects, Operating Transfers-Out, and All Other Financing Uses.

Note: Due to rounding, expenditure categories may not sum up to the total listed.

Expenditures per Pupil

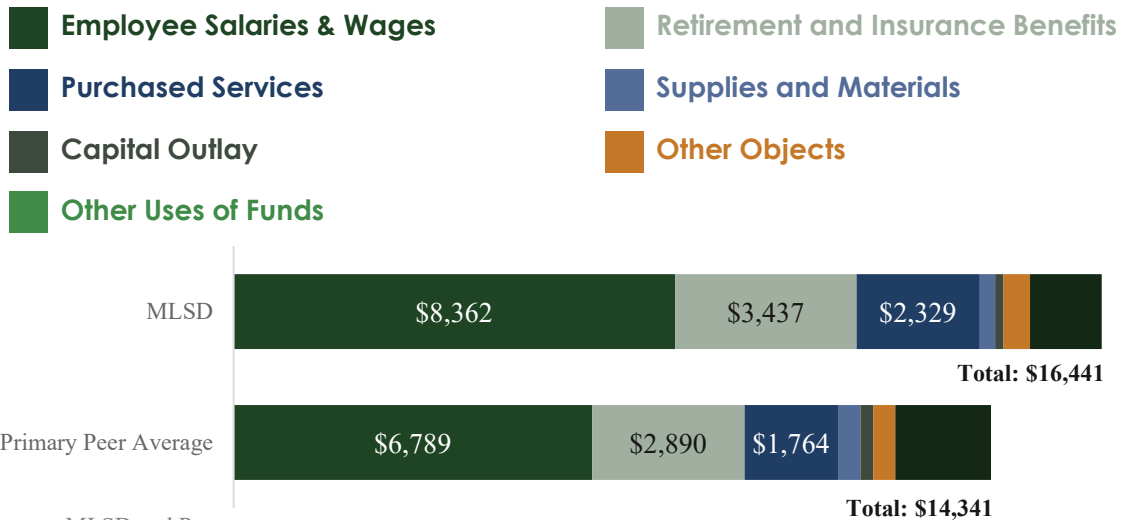
In FY 2022, MLSD spent \$16,441, or 14.6 percent more, per pupil when compared to the primary peer average of \$14,341 per pupil. The District spent more than the primary peer average on employee salaries and wages, employee benefits, purchased services, and other objects. The District spent less than the primary peer average on supplies and materials, capital

¹⁹ The Cupp Report, issued by ODE, provides information on all revenues received by a district. Because of this, the percentage of revenues from local revenues in the Cupp report may vary from the amount in our report due to the inclusion of additional revenues. This is particularly true when reviewing FY 2021 data as districts received federal funding for COVID-19 relief through ESSER grants.

²⁰ This total excludes advances from the General Fund. For purposes of comparison, we excluded advances from the General Fund for both MLSD and the peer groups throughout the Expenditures section.

outlay, and other uses of funds.²¹ The chart that follows provides a graphic comparison of expenditures per pupil for MLSD and the primary peer average.

FY 2022 Total Expenditures Per Pupil



Source: MLSD and Peers
Note: Excludes Advances

²¹ The category of “Other Objects” includes things such as interest on loans, memberships in professional organizations, County Board of Education contributions, and various types of non-healthcare insurance. “Other Uses of Funds” mainly consists of transfers, and contingencies within the various accounting dimensions.

Results of the Audit

Based on an initial analysis of the District’s data as compared to its peer groups, the following scope areas were included for detailed review and further analyses: Financial Management, Human Resources, Facilities, Transportation, and Food Service. We identified ten recommendations which would result in reduced expenses or improve the District’s operational management based on industry standards and peer averages. The table below provides a summary of the recommendations.

Summary of Recommendations

Recommendations	Savings
R.1 Develop Formal Plans	\$0
R.2 Monitor Open Enrollment	\$0
R.3 Eliminate Administrative and Administrative Support Positions above the Peer Average	\$147,000
Eliminate 1.0 FTE Building Office Support Staff	\$82,000
Eliminate 1.0 FTE Central Office Support Staff	\$65,000
R.4 Eliminate Direct Student Education and Support Positions above the Peer Average	\$596,000
Eliminate 5.0 FTE General Education Teachers	\$484,000
Eliminate 2.0 FTE Tutor/Small Group Instructors	\$68,000
Eliminate 1.24 FTE Monitoring Staff	\$44,000
R.5 Renegotiate Select Collective Bargaining Agreement Provisions	\$0
R.6 Align Salary Schedules	\$0
R.7 Align Employer Insurance Costs with SERB Regional Average	\$139,000
R.8 Align Facilities Non-Regular Labor Expenditures with Peer Average	\$31,000
R.9 Eliminate 1 Bus Route	\$37,000
R.10 Monitor Food Service Operations	\$0
Total Cost Savings from Performance Audit Recommendations	\$950,000

Note: Numbers in this table are rounded down to provide conservative estimates and for readability purposes.

Note: These estimated savings reflect the average annual savings that could be achieved in FY 2024 through the remainder of the forecast period.

Our recommendations that are based on industry standards and peer comparisons are projected to save the District approximately \$950,000 annually, if fully implemented. The financial impact of these recommendations on the September 2023 five-year forecast is shown in the following table. This table reflects the actual annual financial impact along with the cumulative impact of the implementation of these recommendations on the five-year forecast and the associated reduction in the projected deficit. It should be noted that some of these recommendations may require contract negotiations and savings may not be realized immediately.

Results of the Audit Recommendations (September 2023 Forecast)

	FY 2025	FY 2026	FY 2027	FY 2028
Original Ending Fund Balance	(\$638,518)	(\$725,801)	(\$952,716)	(\$1,326,214)
Cumulative Balance of Standard Recommendations	\$861,758	\$1,797,111	\$2,781,678	\$3,817,350
Revised Ending Fund Balance with Standard Recommendations	\$223,240	\$1,071,310	\$1,828,962	\$2,491,136

Source: MLSD

Implementation of the recommendations identified using best practices and peer comparisons would fully address the projected deficit beginning in FY 2025, without the passage of the new levy. However, due to the significant variation in the District's most recent five-year forecasts and its dependence on new revenue to alleviate deficit spending on an annual basis, we identified additional recommendations that could be considered if the District needed to identify further cost savings measures.

The District could consider options that would further reduce expenditures by going beyond alignment with peer averages and industry standards. In some cases, the cost saving measures may include reducing services to state mandated minimum levels.

The implementation of these measures could change the type or level of services offered by the District. It is important for MLSD officials to carefully consider the needs of the students and families served by the District when implementing any of these additional cost saving measures. The potential cost savings associated with the additional recommendations are seen in the table below. These estimated savings reflect the average annual savings that could be achieved in FY 2025 through the remainder of the forecast period.

Additional Recommendations

Recommendations	Savings
R.11 Eliminate the General Fund Subsidy for Extracurricular Activities	\$284,000
R.12 Implement a Salary Freeze	\$224,000
R.13 Eliminate 1.0 FTE Librarian positions	\$139,000
R.14 Eliminate up to 13.0 FTE Additional Classroom Teachers (State Minimums)	\$1,665,000

Note: Numbers in this table are rounded down to the nearest \$1,000 to provide conservative estimates and for readability purposes.

When considering implementation of recommendations that may take staffing or services below industry standards, the District must consider the impact on overall operations. District officials may wish to consider implementing any of these additional recommendations, or some combination of them, based on the current financial condition of the District.

Standard Recommendations

Financial Management

Any organization needs to consider both short-term needs and long-term goals when developing policies and procedures related to financial management. This requires strategic planning in order to identify the best use of available resources. School districts, in particular, must have sound planning processes in place so that they can effectively and transparently provide services to their residents. We reviewed MLSD’s financial management policies to determine if there were areas for improved management.

Recommendation 1: Develop Formal Plans

MLSD should develop formal plans within the various operational areas of the District in order to meet financial, programmatic, and operational needs.

Impact

School districts should have multiple formal plans that identify future needs and guide each operational area of the district. It is important that a district has a long-term strategic plan tied to a formal capital plan, as well as a facilities maintenance plan, fleet maintenance plan, and bus replacement plan. This allows the district to ensure the needs of all operational can be met in an efficient and effective manner.

Methodology

We interviewed District officials and confirmed that the District does not have a strategic plan, capital plan, facilities preventative maintenance plan, fleet preventative maintenance plan, and a bus replacement plan. We then compared the District’s current planning practices to industry standards and best practices to identify opportunities for improvement.

Analysis

Each operational area within the District has specific planning needs which should be considered and included in planning documents. Specific criteria related to each type of plan is addressed below.

Strategic Plan

The Government Finance Officers Association (GFOA) provides guidance to governmental entities in the development and maintenance of effective long-term planning. *Establishment of Strategic Plans* (GFOA, 2005) defines strategic planning as “a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and

respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization’s mission, and achieve consensus on strategies and objectives for achieving that mission.”

Key steps in the strategic planning process include:

- Initiating the strategic planning process;
- Preparing a mission statement;
- Assessing and identifying environmental factors and critical issues;
- Agreeing upon and developing strategies for a small number of broad goals;
- Creating and action plan, including measurable objectives and performance measures;
- Obtaining approval of the plan; and,
- Implementing, monitoring, and reassessing the plan.

Capital Plan

According to *Multi-Year Capital Planning* (GFOA, 2022), public entities should “prepare and adopt comprehensive, fiscally sustainable, and multi-year capital plans to ensure effective management of capital assets.” The GFOA further states that “a prudent multi-year capital plan identifies and prioritizes expected needs based on a strategic plan, establishes project scope and cost, details estimated amounts of funding from various sources, and projects operating and maintenance costs.”

MLSD should develop a formal capital plan and ensure it is tied to the overall strategic plan.

Facilities Preventative Maintenance Plan

According to the *Planning Guide for Maintaining School Facilities* (National Center for Education Statistics, 2003), a comprehensive facility maintenance program is a school district’s foremost tool for protecting its investment in school facilities and is the cornerstone of any effective maintenance initiative. A good maintenance program is built on a foundation of preventative maintenance. An effective maintenance program begins with an audit of buildings, grounds, and equipment.

Once facilities data has been assembled, structural items and pieces of equipment can be selected for preventative maintenance. Once the items that should receive preventative maintenance are identified, planners must decide on the frequency and type of inspections. Manufacturers’ manuals are a good place to start when developing this schedule; they usually provide guidelines about the frequency of preventative service, as well as a complete list of items that must be maintained. Once this information is assembled, it must be formatted so that preventative maintenance tasks can be scheduled easily. Ideally, scheduling should be handled by a computerized maintenance management program; however, tasks can be efficiently managed using a manual system as well.

Fleet Preventative Maintenance Plan

According to the *Public Works Management Practices Manual* (American Public Works Association, 2014), a preventative maintenance program should be developed for all equipment and includes scheduling preventative maintenance, recording performance, and monitoring the preventative maintenance program. A fleet preventative maintenance program should call for the scheduled maintenance and the program should be evaluated to ensure its efficacy.

Bus Replacement Plan

In *School Bus Replacement Considerations* (NASDPTS, 2002), the National Association of State Directors of Pupil Transportation recommends that the timely replacement of school buses should be a planned process. While available funding is a key consideration for the replacement of school buses, there are two other major factors which should be considered:

- First, the need to keep up with federal standards for the safety, fuel efficiency, or exhaust emission requirements; and,
- Second, the operating and maintenance expenses on a school bus, or group of school buses.

While the rule of thumb for bus replacement is between 12 and 15 years of age, reviewing maintenance costs for each bus may identify buses that should be replaced sooner or kept in service longer. With accurate and thorough records on the operating and maintenance costs of all school buses in a fleet, a District will have the data necessary to understand when to make replacement decisions. The District currently has four active buses, which were all purchased in 2018.

Conclusion

Formal plans help an organization address financial, programmatic, and operational needs. By developing these plans and tying a formal capital plan to the overall strategic plan, the District will be able to efficiently and effectively allocate its limited resources. In particular, by understanding and mapping out both routine expenditures and large purchases, the District will improve its ability to avoid unexpected or unnecessary expenses.

Recommendation 2: Monitor Open Enrollment

MLSD should continuously monitor and actively manage its open enrollment program and make strategic decisions to optimize its impact on educational programs, district operations, revenues, and expenditures.

Impact

While there is no direct financial impact of this recommendation, monitoring and managing open enrollment can assist the District in making more informed decisions on its open enrollment program, which can impact staffing, facilities, finances, and overall operations.

Background

While students in Ohio have an assigned, or home, district, they may attend school outside of their district through open enrollment. ORC § 3313.98 requires all school districts to adopt a resolution that either prohibits open enrollment into their district, permits open enrollment to any student, or permits open enrollment to students living in adjacent districts. If a district permits open enrollment, it must have policies in place that address specific criteria outlined in ORC § 3313.98 including application guidelines, capacity limitations, and prioritization of resident students and previously enrolled open enrollment students.

The District has two school buildings, one for kindergarten through sixth grade named O.H. Somers Elementary School (Primary School) and one for seventh through twelfth grade named Mogadore Jr/Sr High School (High School). MLSD does accept open enrollment students and has a policy that allows students from all districts. In FY 2023, open enrollment students represented a large portion of the District’s total student population. Of the 772 students, 216, or approximately 28 percent were open enrollment students.²² Because open enrollment is such a large portion of the District’s total enrollment, it is important to monitor as it can have a significant impact on educational programs, district operations, revenues, and expenditures

Methodology

In addition to reviewing the District’s overall open enrollment policies and procedures, we reviewed open enrollment and its impact on MLSD from both an operational and fiscal standpoint. Specifically, we analyzed three separate areas to identify how open enrollment levels can impact the District. Classroom teacher staffing levels, both with and without open enrollment students were identified to determine if the District could optimize open enrollment to minimize the need to hire or retain additional teachers. In order to conduct this analysis, we used data from the District that identified the number of resident and open enrollment students by grade level.²³

²² As reported in the FY 2023 SFPR, which is available on the ODE website.

²³ Due to the difference in data sources, the student enrollment number used for analysis is slightly lower than the number stated in the SFPR report and enrollment data provided by ODE.

Building capacity was also analyzed to determine if there were opportunities to close buildings. Finally, we reviewed the amount of revenue from state and local sources on a per student basis to identify the difference between resident students and open enrollment students.

It should be noted that a variety of operational areas were not included in our open enrollment analysis. In particular, having open enrollment students may allow the District to offer additional programs and courses. These include both educational opportunities such as electives at the high school level and extracurricular activities such as sports or academic clubs. We acknowledge that a reduction in open enrollment students may impact other operational decisions made by the District.

Analysis

Although the District’s open enrollment policy conforms to the broad requirements in ORC § 3313.98, it has not formerly established policies or procedures for monitoring and managing open enrollment in terms of capacity limits by grade, school building, and/or educational program. As identified in **Recommendation 1**, there is no District-wide formal strategic plan. In addition, the District lacks strategic goals or objectives that are specific to open enrollment. This means that the District may lack the ability to make meaningful decisions that will impact operations both on a short-term and long-term basis.

While enrollment drives all areas of a district’s operations, we focused on staffing, building capacity, and revenue to identify the impact that open enrollment has on MLSD.

Impact on Staffing

In FY 2023, MLSD had three classroom teachers in each grade level at the Primary School and approximately 24 total teachers at the High School. According to the CBA, the District strives to maintain a 25:1 student to teacher ratio at the Primary School and a 30:1 student to teacher ratio at the High School. Because teachers instruct specific subjects based on their certification at the High School and students in this building move classrooms based on their schedule, classroom size may vary by class and by period. Due to this, we used averages for analysis at this building.

Our analysis, as seen in the table on the following page, determined the District’s ability to reduce its teaching staff by grade level at the Primary School and on an overall basis at the High School. It is important to note that the analysis involving the High School did not take into consideration credit requirements or subject areas and focused exclusively on the student to teacher ratios.

Open Enrollment Analysis

ENROLLMENT BY GRADE					CLASS SIZE				
Grade	Reg	OE	Total	OE % of Total	CURRENT		1 LESS TEACHER		
					Teachers	Total / Class	With OE	Without OE	Empty Seats
K	40	17	57	29.8%	3	19.0	28.5	20.0	5.0
1	40	13	53	24.5%	3	17.7	26.5	20.0	5.0
2	47	17	64	26.6%	3	21.3	32.0	23.5	1.5
3	45	10	55	18.2%	3	18.3	27.5	22.5	2.5
4	45	18	63	28.6%	3	21.0	31.5	22.5	2.5
5	41	14	55	25.5%	3	18.3	27.5	20.5	4.5
6	45	19	64	29.7%	3	21.3	32.0	22.5	2.5
7-12	239	112	351	31.9%	24	14.6	19.5	13.3	16.7
Total	542	220	762	28.9%	45	16.9			

Source: MLSD

As seen in the table, if no changes are made to the current enrollment, the District will be unable to make a staffing reduction for any grade in the Primary School and remain in-line with the 25:1 student to teacher ratio. However, if all open enrollment students were removed, the District could eliminate one teacher per grade level at the Primary School and remain within the 25:1 student to teacher ratio. Further, the District may have an opportunity to optimize open enrollment and reduce the number of teachers in each grade level by strategically filling classrooms with open enrollment students to achieve a 25:1 student to teacher ratio as appropriate.

The table also shows the average student to teacher ratio at the High School, which is currently 14.6:1, or well under the CBA guidance. Using this number, it appears that reductions could be made and remain within the 30:1 ratio while maintaining all open enrollment students. If the District eliminated one teacher per grade level at the High School, or a total of six teachers, the student to teacher ratio would be 19.5:1. However, it is again important to note that our analysis did not consider class schedules, credit requirements for graduation, and the logistics of scheduling students that move throughout the building during the day.

Generally, our analysis indicates that the manner in which open enrollment is deployed throughout the District is resulting in maintaining staff above and beyond what would be needed to educate resident students. However, the District will need to consider the impacts of any such adjustments to the open enrollment practices prior to implementing any changes. It is possible that a loss of open enrollment students could lead to a loss in revenue that exceeds the savings

from teacher staff reductions. Further, the District may need to alter programs and courses that are currently offered due to a reduction in student enrollment.

Building Capacity

According to industry standards, a school building should not exceed 90 percent capacity. Currently both school buildings are under capacity with the Primary School being at 68.5 percent and High School at 55.0 percent.

Closing a building can result in cost savings from the reduction in maintenance and upkeep costs. The High School has a larger total capacity than the Primary School, so we determined if there was an opportunity to close the Primary School and educate all students in the High School. Using the FY 2023 total enrollment, we found that the school would be at 162 percent capacity, and using only resident students, the building would be at 115 percent capacity. In neither scenario would the District be able to make a building reduction. It is important to note, if MLSD could reduce a building, it would require building modifications to house students in grades K-6.

State and Local Revenue

As discussed at the beginning of this report, school funding is generated primarily through state and local sources. The state revenue provided to districts is based on a complex formula that considers a variety of factors related to the cost of education. Once a formula amount is identified, the school district receives monthly payments from ODE based on the number of students enrolled, regardless of where they reside. Local revenue is raised through property and income taxes, and are voted on by residents of the district. Open enrollment has no impact on the local revenue generated by the District. Due to this, for purposes of our analysis, the local revenue generated by the District's taxes are assigned only to resident students.

In FY 2023, the District received an average of approximately \$9,166 in state funding for each student that is enrolled. The District received an additional \$8,054 per resident student in local revenue. This means that for resident students, the District received approximately \$17,220 in state and local funding, while for open enrollment students, the District received only \$9,166 in state funding.²⁴ Revenue per student was calculated from the District's September 2023 five-year forecast.

State revenue reported in the five-year forecast is based on the state share of MLSD's base cost per student, targeted assistance, and other additional funding, such as students with disabilities or participating in career technical education and for transportation services. Reducing open enrollment students will result in a corresponding loss of revenue of the base cost for these students and funding from any additional component each open enrollment students receives. While this loss of revenue is a short-term consideration, there is a potential long-term impact as

²⁴ Revenue per student was calculated using data from the District's September 2023 five-year forecast.

well. Because MLSD's base cost includes the open enrollment students, reducing the number of these students could result in an increase in the District's share of the based cost per pupil, which would reduce the base costs funding received from the state.

Ultimately, open enrollment is complex and can impact a school district in a variety of ways. Without strategic plans and goals, the District is at risk of incurring costs above and beyond what it can reasonably afford, which can negatively impact the education of resident students. When considering the impact of open enrollment, the District would need to determine the impact of increases in revenue along with additional expenditures, such as teaching staff, increased utilities or maintenance supplies, or other items.

Conclusion

MLSD should continuously monitor and actively manage its open enrollment program and make strategic decisions which aim to optimize its open enrollment population and maximize the revenue generated. In addition to developing the plans identified in **Recommendation 1**, the District should develop and follow a policy that strategically identifies the number of open enrollment students to accept by grade level on annual basis, which would help the District to achieve long-term goals and objectives. In doing so, the District will also need to consider potential changes to its operations, particularly in regards to the programs and services it provides to students.

Human Resources

Human resources (HR) expenditures are significant to both the operational and financial conditions within school districts. OPT reviewed MLSD’s staffing levels, CBA provisions, salaries, and insurance offerings and compared them to peer districts. Certain staff, including Title I and Special Education staffing, were excluded from our analyses due to various legal and contractual requirements within these programs.

Recommendation 3: Eliminate Administrative Support Positions Above the Peer Average

MLSD should consider eliminating administrative support positions above the primary peer average.

Impact

By reducing administrative support positions to be in line with the primary peer average, the District could save an average of approximately \$147,000 annually.²⁵

Background

The District employs individuals in administrative support positions who are responsible for activities related to the daily operations of the District. While these positions provide support to administrators, students, and educators at MLSD, the District may be able to reduce some positions based on peer comparisons.

Methodology

Staffing levels for the District were identified and compared to primary peer averages on a per 1,000 student and per-building basis.²⁶ Areas where MLSD could reduce administrative support staff include:

- 1.0 FTE Central Office Support Staff; and,
- 1.0 FTE Building Office Support Staff.

²⁵ Calculated savings are based on the salary and benefits of the lowest tenured employee in each position category.
²⁶ A Full-Time Equivalent (FTE) was used to identify staffing levels, based on ODE reporting guidelines.

Central Office Support Staff

MLSD employs 4.0 FTEs in central office support staff. The District is 1.27 FTEs above the peer average. Eliminating 1.0 FTE central office support position could save an average of approximately \$65,000 annually.

Building Office Support Staff

MLSD employs 4.35 FTEs in building office support staff. The District is 1.81 FTEs above the peer average on a per-1,000 student basis and 1.26 FTEs above the peer average on a per-building basis. Eliminating 1.0 FTE building office support position could save an average of approximately \$82,000 annually.

Conclusion

The District should eliminate 2.0 FTE administrative support positions. Eliminating these positions could save an average of approximately \$147,000 annually and bring its staffing to a level consistent with the primary peer average.

Recommendation 4: Eliminate Direct Student Education and Support Positions above the Peer Average

MLSD should consider eliminating direct student education and support positions above the primary peer average.

Impact

By reducing direct student education and support staff to be in line with the primary peer average, the District could save an average of approximately \$596,000 annually.²⁷

Background

Direct education and support positions perform functions that assist students in an educational setting directly in some manner. Positions may include a variety of professionals including teachers, educational support specialists, and counselors. Based on peer comparisons, MLSD could eliminate staffing positions in several categories.

Methodology/Analysis

Staffing levels for the District were identified and compared to primary peer averages on a per-1,000 student basis. Areas where MLSD could reduce direct student education and support positions include:

- 5.0 FTE Teaching Staff;
- 2.0 FTE Tutor/Small Group Instructor; and,
- 1.24 FTE Monitors.

Teaching Staff

MLSD employs 42.95 FTE teaching staff. Teaching staff positions include general education, gifted and talented, career technical, and limited English proficiency teachers. When examining these positions in total, the District is 5.05 FTEs above the peer average. Eliminating 5.0 FTE teaching positions could save an average of approximately \$484,000 annually.

Tutor/Small Group Instructor

MLSD employs 2.50 FTE tutor/small group instructors, which is 2.12 FTEs above the peer average. Eliminating 2.0 FTE tutor/small group instructor positions could save an average of approximately \$68,000 annually.

²⁷ Calculated savings are based on the salary and benefits of the lowest tenured employee in each position category.

Monitoring Staff

MLSD employs 2.44 FTE monitoring staff, which is 1.24 FTEs above the peer average. Eliminating 1.24 FTE monitoring staff could save an average of approximately \$44,000 annually.

Conclusion

The District should eliminate 8.24 FTEs from its direct student education and support positions. Eliminating these positions could save an average of approximately \$596,000 annually and bring its staffing to a level consistent with the primary peer average.

Recommendation 5: Renegotiate Collective Bargaining Agreement Provisions

MLSD should renegotiate and align its collective bargaining agreement (CBA) provisions with ORC requirements and local peer districts in order to reduce future expenditures and decrease the risk for future liabilities.

Impact

While there is no identified financial implication for this recommendation, the District's certificated and classified CBAs contain certain provisions which may increase future liabilities.

Background

MLSD maintains two collective bargaining agreements:

- Mogadore Education Association, representing certificated staff, effective through June 30, 2024; and,
- Mogadore Educational Support Association OEA/NEA, representing classified staff, effective through December 31, 2024.

Methodology

The District's CBAs were obtained from the State Employment Relations Board (SERB). MLSD's CBAs were then analyzed and compared to ORC requirements and local peer districts' CBAs to highlight any overly generous provisions or potential opportunities to reduce costs or increase operational efficiency.

Analysis

In addition to the following provisions analyzed in depth, we also compared several other provisions to the peer average and ORC. Provisions within the District's CBAs which were in line with the peer average and/or ORC requirement include planning time, lunch breaks, and personal leave for certificated employees, and holiday pay for classified employees.

Further, the District was below the peer average and/or ORC requirement for certificated employees for its attendance incentive, LPDC compensation, tuition reimbursement, mentor compensation (year one), retirement incentive, and internal substitute rate provisions.

Sick Leave Accumulation and Severance Payout: ORC § 124.39 requires that public employees must be paid one quarter of accrued sick leave at retirement, based on a maximum accrual of 120 days. Based on this requirement, employees are eligible for up to 30 days of severance pay. However, public entities may choose to provide severance pay in excess of ORC requirements.

At MLSD, both certificated and classified employees may receive up to 65 days in paid severance, which is more than double the ORC requirement (30 days). Certificated staff severance payouts are 6 days below the local peer average, while classified staff severance payouts are 2 days below the peer average.

Further, the District allows for unlimited sick leave accrual for certificated and classified employees. While four out of the five local peers also offer unlimited sick leave accrual, this provision exceeds the ORC requirement (120 days). Excessive sick leave accrual increases the likelihood of severance payouts that are larger than required by state law and can increase the cost associated with substitutes or overtime.

Vacation Leave: Under the District’s classified CBA, employees are entitled to annual vacation accrual whereby they can earn 600 vacation days over the course of a 30-year career. This exceeds the statutory minimum of 460 days established for full-time employees under ORC § 3319.084. This also exceeds the local peer average of 530 days. Providing employees with more vacation days could increase substitute and overtime costs and increase future liabilities. Direct savings from reducing the vacation schedule could not be quantified; however, this would serve to increase the number of available work hours, at no additional cost to the District.

Conclusion

The District has negotiated CBA provisions that exceed ORC requirements and local peer averages. MLSD should consider renegotiating the provisions discussed above in order to provide cost savings and reduce potential liabilities.

Recommendation 6: Align Salary Schedules

MLSD should align its certificated and classified salary schedules with the local peer average.

Impact

While cost savings are not calculated for this recommendation, aligning certificated and classified salary schedules with the local peer average would result in future cost savings and allow the District to improve its overall fiscal condition.

Background

The District has CBAs for both certificated and classified employees which contain salary schedules. The certificated CBA is in effect until June 30, 2024, and the classified CBA is in effect until December 31, 2024.

Methodology

We used the District's CBAs and salary schedules which were in effect during FY 2023 for purposes of our analysis. The District's certificated and classified salaries over a 30-year career were reviewed and compared to the local peer averages (see [Appendix C](#)). A 30-year career was chosen since school district CBAs are generally structured around a 30-year period. Position categories used in our analysis were determined based on the identification of comparable positions and corresponding salary schedules at the local peer districts. As such, this analysis did not include all of the District's salary schedules. Pay schedules from peer district CBAs were obtained from the SERB website. When updated contracts and salary schedules were unavailable from SERB, they were obtained directly from peer districts.

Analysis

The following certificated categories were identified for salary comparison between the District and the local peers:

- BA; and,
- MA.

MLSD has a higher starting salary in both certificated categories analyzed. Further, the 30-year career compensation for the District is higher than the local peers for both categories examined. The BA schedule was 13.9 percent higher, and the MA schedule was 10.5 percent higher.

The following classified categories were identified for salary comparison between the District and the local peers:

- Secretary;
- Cook Helper/2nd Cook;

- Maintenance;
- Custodian; and,
- Bus Driver.

MLSD has a higher starting salary in all classified categories analyzed. Further, with the exception of the maintenance position, the District has a higher 30-year career compensation, with a range of approximately 6.6 percent to 15.1 percent more, than the local peers in its classified positions.

Conclusion

The salary schedules for the District's certificated and classified employees, for all categories analyzed except maintenance, have a higher 30-year career compensation than the local peer average. To achieve savings, the District should align its salaries with the local peer average. Any future savings achieved would affect the forecasted funds as well as the Food Service Fund, as salaries of food service employees are charged to the Food Service Fund.

Recommendation 7: Align Employer Insurance Costs with SERB Regional Average

The District should align its employer costs for medical and dental insurance premiums with the SERB regional average for other school districts.

Impact

Aligning employer costs with the SERB regional average would reduce expenditures and result in average annual savings of approximately \$139,000 beginning in FY 2025. Savings for FY 2025 are calculated using a full year of savings for the District's certificated employees and a half year of savings for the District's classified employees due to the District's classified CBA expiring on December 31, 2024. This alignment could be accomplished by increasing the employee premium contributions.

Background

The District is part of the Stark County Schools Council, an organization which provides insurance to participating members. MLSD offers one insurance program for medical and prescription coverage, a Preferred Provider Organization (PPO) plan, with an option for single or family coverage. In addition, the District offers one plan for dental coverage, with an option for single or family coverage. These plans are obtained through the Stark County Schools Council, and the District does not have alternative coverage options available through the organization.

At the time of analysis, MLSD had 54 enrollees in the family medical plan and 27 enrollees in the single medical plan. Prescription coverage is included in the medical plan. The District also had 54 enrollees in the family dental plan and 27 enrollees in the single dental plan. The District does not offer vision insurance.

Methodology

We compared the District's medical and dental insurance provisions and costs to the SERB regional peer average for school districts. Peer information was obtained from the FY 2023 SERB survey. The District's medical plan was compared to 82 regional peers and its dental plan was compared to 75 regional peers. This peer average excluded outlier districts whose plans were more than two standard deviations outside the mean. Using the District's assumptions for increases to annual insurance costs, we then projected the potential cost savings over the course of the forecast period.

Analysis

The District offers medical, combined with prescription, and dental coverage to both full-time and part-time employees. These insurance benefits are specified in the District's certificated and classified CBAs, which state that the Board shall provide health and dental insurance through the

Stark County Schools Council of Governments. The insurance premium, or cost of obtaining insurance, is split between the District and the employee on a percentage basis. For full-time certified employees, the District covers 85 percent of the premium. Full-time classified employees contribute 55 percent of certificated employees’ premium contribution amount, which is approximately 8.25 percent. The District pays 50 percent of the premium for all part-time employees. Similarly, dental insurance is offered to certificated and classified employees by MLSD. The District covers 100 percent of the dental insurance premium.

Historically, the District has received insurance premium holidays from the Stark County Schools Council of Governments. These holidays are instances where the insurance has collected revenue that exceeds actual insurance related expenditures in a given year. In FY 2023 the District received one premium holiday. These holidays are not guaranteed; however, the District projects one holiday for each year of the five-year forecast for FY 2024 through FY 2028.

Medical Insurance

Our review of the District’s insurance plan found that, in addition to having a higher total premium than the regional peer average, the coverage and provisions, such as deductibles and copayments, are more generous than the regional peer group. Generally, the medical plan is generous to the employee and has no copayment for office visits and lower deductibles and out of pocket maximums.

Under the current medical insurance plan, as seen in the following tables, the District pays more for medical insurance on a monthly basis than the regional peer group. If the District were to maintain the current insurance plan, it would need an adjustment to shift a greater portion of the premium to the employees to reduce insurance related expenditures. The results of this adjustment are calculated in the following tables.

2023 Monthly Medical Insurance Costs – PPO Certificated

		MLSD		Regional Peer Averages		MLSD Adjustment	
		Costs	% Share	Costs	% Share	Costs	% Share
Single Medical + Rx	District	\$778.23	85.0%	\$760.10	86.6%	\$760.10	83.0%
	Employee	\$137.34	15.0%	\$117.12	13.4%	\$155.47	17.0%
Family Medical + Rx	District	\$1,890.30	85.0%	\$1,843.77	86.5%	\$1,843.77	82.9%
	Employee	\$333.58	15.0%	\$286.78	13.5%	\$380.11	17.1%

Source: MLSD and SERB

2023 Monthly Medical Insurance Costs – PPO Classified

		MLSD		Regional Peer Averages		MLSD Adjustment	
		Costs	% Share	Costs	% Share	Costs	% Share
Single Medical + Rx	District	\$840.04	91.8%	\$760.10	86.6%	\$760.10	83.0%
	Employee	\$75.53	8.3%	\$117.12	13.4%	\$155.47	17.0%
Family Medical + Rx	District	\$2,040.41	91.8%	\$1,843.77	86.5%	\$1,843.77	82.9%
	Employee	\$183.47	8.3%	\$286.78	13.5%	\$380.11	17.1%

Source: MLSD and SERB

To align itself with the SERB regional average for employer cost, the District would need to shift a portion of the medical premium to its employees. As seen in the table above, all employees would need to take on approximately 17 percent of the single and family medical plan premiums.

Dental Insurance

Under the current dental insurance plan, as seen in the following table, the District pays more for dental insurance on a monthly basis than the regional peer group. If the District were to maintain the current dental insurance plan, it would need an adjustment to shift a greater portion of the premium to employees to reduce insurance related expenditures. The results of this adjustment are calculated in the following table.

2023 Monthly Medical Insurance Costs - Dental

		MLSD		Regional Peer Averages		MLSD Adjustment	
		Costs	% Share	Costs	% Share	Costs	% Share
Single Dental	District	\$97.27	100.0%	\$58.48	85.5%	\$58.48	60.1%
	Employee	\$0.00	0.0%	\$9.89	14.5%	\$38.79	39.9%
Family Dental	District	\$239.79	100.0%	\$142.42	85.0%	\$142.42	59.4%
	Employee	\$0.00	0.0%	\$25.12	15.0%	\$97.37	40.6%

Source: MLSD and SERB

Because the District’s total dental insurance premium is significantly higher than that regional peer group and employees do not have a premium contribution, the premium shift would require the employee to take on a much higher portion of the total premium payment.

Conclusion

MLSD should work to bring its insurance premiums for medical and dental more in line with the SERB regional average. Doing so could result in average annual savings of approximately \$139,000. These savings can be realized by reducing District contributions towards premium costs and exploring alternative insurance options.

Facilities

The changing landscape of education requires periodic reviews of facility staffing and maintenance to ensure that a district is using limited resources wisely. We reviewed MLSD’s facilities staffing levels and non-regular labor expenditures, including temporary, supplemental, and overtime hours, in comparison to best practices and industry standards to determine if there were any areas for improvement.

Recommendation 8: Align Facilities Non-Regular Labor Expenditures with Peer Average

Impact

Aligning non-regular labor expenditures with the primary peer average would save the District an average of approximately \$31,000 annually.

Background

MLSD has employees who are responsible for the cleaning and maintenance of the District’s buildings and grounds. These individuals receive wages and benefits that are defined in the classified CBA.

Methodology

We reviewed the District’s salaries and wages for facilities staff and compared it to peer districts. Facilities wages are split into regular and non-regular categories. The non-regular wages include temporary, supplemental, and overtime hours. We compared MLSD’s use of non-regular labor to the primary peer districts. We then reviewed non-regular labor as a percent of total salaries and wages to determine the extent to which the District could reduce expenditures in this area.

Analysis

MLSD spent approximately \$59,000 on non-regular labor for facilities staff in FY 2022, which accounted for 17.7 percent of total salaries and wages. This is 118 percent greater than the primary peer average for non-regular labor, which was approximately \$27,000. MLSD spends the majority of its non-regular labor expenditures on supplementary labor, which is being charged as compensatory time. MLSD’s level of non-regular labor as a percent of total salaries and wages was approximately 9.3 percent higher than the primary peer average in FY 2022.

The District could take steps to reduce the need for non-regular labor. In particular, MLSD officials could closely monitor the use of supplemental and overtime labor by regular employees to identify trends that could be addressed. If the District were to reduce the percentage of non-

regular labor from 17.7 percent to the peer average of 8.4 percent, it would save an average of \$31,000 annually.

Conclusion

MLSD's facilities non-regular labor as a percent of total salaries and wages is higher than the primary peer average on both a percentage basis and actual dollar amount. The District should align its non-regular labor as a percent of total salaries and wages with the primary peer average. Doing so could save MLSD an average of approximately \$31,000 annually.

Transportation

Transportation of students is a critical function for school districts. Ensuring that busing services are provided in a safe and efficient manner is important for both the well-being of students and the fiscal health of the school district. We examined MLSD’s T-1²⁸ reporting policies and procedures, preventative maintenance procedures, and bus replacement practices in comparison to industry standards and best practices to determine whether there were any areas for improvement.

Recommendation 9: Eliminate 1 Bus Route

MLSD should eliminate one bus route on each tier in order to improve routing efficiency and increase ridership per bus. This would include two total routes out of seven regular routes and one bus from the existing fleet.

Impact

Eliminating one bus route on each tier could save the District an average of approximately \$37,000 in salaries and benefits in each year of implementation over the forecasted period.

Background

In FY 2023, MLSD operated with 4 active buses and no spares. In addition to its regular routes, which transport students to District schools, MLSD transports to one career center. In FY 2023, MLSD transported approximately 204 students on a total of eight routes. The District uses a two-tier system for transportation. Tier I bus routes serve junior high and high school students and Tier II bus routes serve elementary school students. Once a bus is finished collecting and dropping off students on a Tier I route, it may then be used for the transportation of students on Tier II routes.

ORC § 3327.01 establishes minimum transportation requirements, including an obligation to transport all resident K-8 students living two or more miles from their assigned schools, all non-public riders to their destinations if the location is within a 30-minute drive of the otherwise assigned resident school, and all students with disabilities who require transportation. State law does not cap bus ride times for students. MLSD has a policy to transport all resident students that request transportation, regardless of their distance from the school.

²⁸ T-1 reports are submitted annually to certify to ODE the actual number of students transported and the total daily miles traveled. The data is used for calculations of the pupil transportation payment pursuant to ORC § 3317.0212.

Methodology

We conducted interviews with MLSD, and collected bus route sheets, rider count sheets, and the T-1 report. According to the National Highway Traffic Safety Administration, no federal regulation exists for the number of riders placed per seat on a bus, but “generally, they fit three smaller elementary school students or two adult high school students.” Capacity on each bus route was calculated using this industry benchmark with two students per seat on Tier I and three riders per seat on Tier II. The target utilization is 90 percent of total capacity to allow flexibility in responding to changes that affect actual daily ridership.

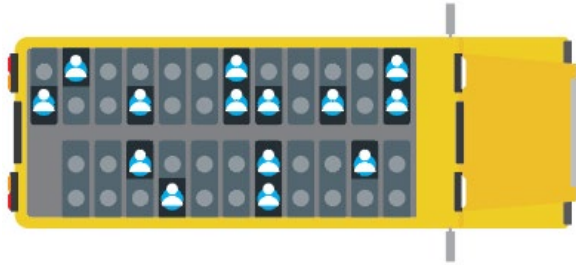
Analysis

MLSD currently transports K-12 students using a two-tiered routing system. In FY 2023, the District operated seven regular education routes, and one career center route. On the FY 2023 T-1 report submitted to ODE, the District reported transporting approximately 204 riders.

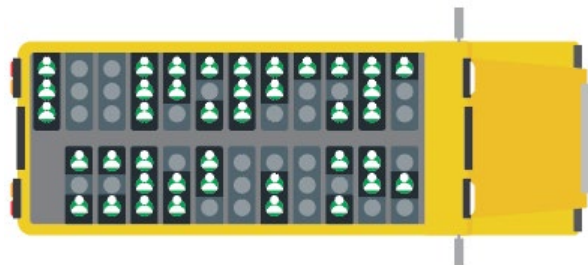
When evaluating opportunities for improved efficiency without significant changes to tiers, start times, and bell schedules, it is important to determine whether all routes that are underutilized can be reasonably improved. This determination can be problematic for special purpose routes and for that reason, the District’s nonpublic route has been excluded from our analysis. After excluding this route, we analyzed three Tier I and four Tier II routes.

The following visuals show a baseline overview of utilization for the regular education routes in Tiers I and II. Based on the analysis of the District’s routes and peak number of riders in FY 2023, as seen in the visuals below, the baseline utilization for existing regular bus routes is well below the total available capacity, indicating that there is opportunity to reduce routes within the District.

Tier I – 31.1% Utilization
14 Riders / 46 Possible Seats



Tier II – 58.4% Utilization
40 Riders / 69 Possible Seats

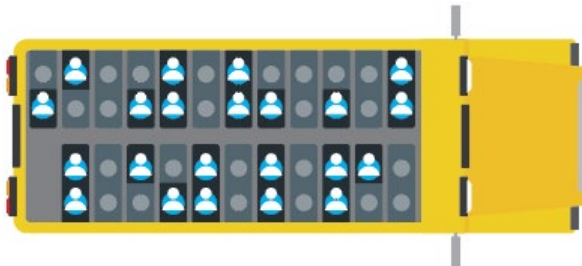


Once baseline utilization indicated there were opportunities for bus route reductions, we reviewed the utilization within each Tier to identify the maximum number of routes that may be reduced without exceeding 90 percent capacity.

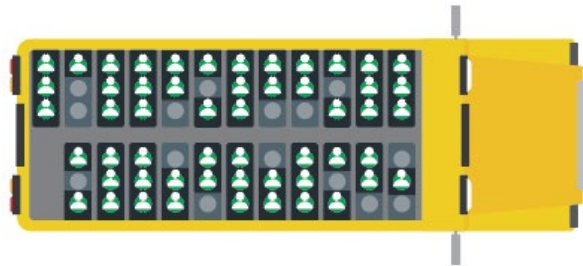
Once analysis identified the number of routes that could be eliminated on both Tiers while maintaining enough capacity for the Tier with the highest ridership, which is Tier II. Ultimately,

we determined that the District could eliminate one bus route and the corresponding bus from its fleet. The graphic below shows the impact on this reduction on utilization for both Tiers.

Tier I – 46.6% Utilization
22 Riders / 46 Possible Seats



Tier II – 78.0% Utilization
54 Riders / 69 Possible Seats



Using the ridership for each tier in FY 2023, the District could reduce one route on both Tier I and Tier II. Reducing one route in Tier I would result in approximately 46.6 percent utilization and reducing one route in Tier II would result in approximately 78 percent utilization.

The District should strategically identify the buses chosen for fleet reduction purposes. In addition to the age of the vehicle, District officials should consider maintenance costs and other factors related to the cost of ownership of a bus.

Conclusion

The District's bus fleet is not operating as efficiently as possible by operating more routes than necessary. Eliminating one bus route on each Tier could save an average of approximately \$37,000 in salaries and benefits in each year of implementation over the forecasted period.

Food Service

Providing meals to students is a critical component of any school district’s operations. The way districts choose to provide and fund food services can have a significant impact on the annual budget and the overall fiscal health of the district.

Recommendation 10: Monitor Food Service Operations

MLSD should monitor food service operations in order to prevent future operational deficits and the need for General Fund subsidies. Continuous monitoring and evaluation of operations can also assist the District in implementing actions for increasing overall efficiency and effectiveness of food service operations.

Impact

The District’s food service program operates using a separate fund that should be self-sustaining. If the fund has a deficit balance, it may require a transfer from the General Fund, which could impact the District’s overall fiscal condition. Careful monitoring and evaluation of food service operations can help to ensure that expenditures are appropriate. There are no cost savings associated with this recommendation.

Background

At the end of FY 2022, the District’s Food Service Fund had a balance of approximately \$62,000. The Food Service Fund required a General Fund transfer in FY 2020 in the amount of \$40,000. In FY 2023, the District advanced-in \$80,000 to the Food Service Fund to avoid a negative ending fund balance of approximately \$32,600. The Food Service Fund is used to pay for the salaries and benefits of food service staff as well as purchasing food and supplies needed to prepare and serve meals. In FY 2023, the District prepared meals that were served at its two buildings.

Methodology

We conducted interviews with food service staff to understand how the District provides meals to students. Using data from ODE, we identified the number of meals served for the entire 2022-23 school year in order to calculate a meals per labor hour (MPLH) metric to identify the efficiency of food service staffing and operations at the District for FY 2023. We then compared then compared the District’s food service labor efficiency to industry benchmarks.

Using District revenue and expenditure data, we assessed Food Service Fund trends and cash balances from FY 2020 to FY 2022. We also assessed food service meal pricing, student participation, and commodity entitlement usage.

Analysis

School Food and Nutrition Service Management for the 21st Century (Pannell-Martin and Boettger, 2014) establishes a MPLH benchmark based on the number of meals served and the type of system used for food service. Using this criteria, we found that the District is efficiently staffed.

MLSD’s food service program experienced an operating deficit in FY 2020 and FY 2021. As seen in the following table, FY 2020 had a deficit of \$50,665, and FY 2021 had a deficit of \$51,762. The Food Service Fund also had a low fund balance in FY 2020 and FY 2021. In FY 2022, when universal federal free meal reimbursements were offered by the USDA, food service revenue increased significantly.

Food Service Net Gain/(Loss) History

	FY 2019-20	FY 2020-21	FY 2021-22
Revenue	\$194,939.32	\$237,086.87	\$546,972.14
Expenditures	\$245,604.97	\$288,848.93	\$434,911.63
Net Gain/(Loss)	(\$50,665.65)	(\$51,762.06)	\$112,060.51

Source: MLSD

Note: Transfers/advances were removed to display net gain/loss of food service operations

The District can take steps to reduce operational costs or increase revenues related to food service operations. The Florida Office of Program Policy Analysis & Government Accountability (OPPAGA) outlines many steps that can be taken including:

- Establish expectations and measures for program performance and cost;
- Develop effective annual budgets and long-term program plans;
- Identify and reduce participation barriers;
- Promote the food service program;
- Maximize the use of USDA commodities;
- Join purchasing cooperatives to receive quantity discounts; and/or,
- Revise meal prices, but only after ensuring the food service program is efficient and effective.²⁹

While the District should not maintain excessive fund balances for food services, it should be mindful in its spending and maximize available assistance. The USDA provides funds to the District to offset the cost of food purchases, known as commodity dollars. The District can use these dollars to purchase foods such as meat, fish, poultry, fruits, cheese, and grains. Based on our analysis, MLSD used an average of approximately 80 percent of its available USDA funding

²⁹ *Best Practices Could Help School Districts Reduce Their Food Service Program Costs*, Florida Office of Program Policy Analysis & Government Accountability, 2009.

from FY 2019 to FY 2023. The District had an average of about \$5,400 annually in unused commodity dollars from FY 2019 to FY 2023. In FY 2023, the District used approximately 50 percent of its commodity dollars. As food prices rise, it will be important for the District to continue to take advantage of this available funding.

From FY 2018 to FY 2022, the District had an average daily participation rate of 39 percent. This is a lower average participation level than that of ODE similar districts and the statewide average, but equal to other districts in Summit County. The District has not raised meal prices recently, but meal prices are generally in line with the local peer and statewide averages. Increasing meal prices and participation are methods of increasing revenues, however, these options may be difficult to implement in they may not be economically viable options for students and their families. As a result, the District may need to address expenditure levels in order to ensure the Food Service Fund remains self-sustaining.

Conclusion

The District's food service program is operating efficiently in relation to the MPLH staffing benchmark but has experienced operational deficits in recent years and a low participation rate compared to ODE similar districts and the statewide average. The District also required a General Fund transfer in FY 2020 and an advance in FY 2023 and has had low Food Service Fund balances in recent fiscal years. The District should carefully monitor operations and adjust as necessary to ensure the food service program operates efficiently. In doing so, it should seek to maximize available resources such as commodity funding, continue to monitor and adjust meal prices, and monitor employee salaries and benefits that are paid from the Food Service Fund.

Additional Recommendations

As discussed in detail throughout the preceding sections of this report, MLSD could gain efficiencies by aligning its operations with the peer averages and industry standards and implementing the previously identified baseline recommendations. The recommendations identified previously in this report would resolve the projected deficit in the most recent five-year forecast. Because the District's financial condition has changed significantly over the past fiscal year, the following recommendations are additional actions that District leadership may consider when making future decisions regarding its fiscal situation.

Implementing these recommendations could have a significant impact on the District's operations and instructional activities. However, without additional revenue, the District may need to consider the following recommendations in order to remain fiscally solvent.

Eliminate the General Fund Subsidy for Extracurricular Activities

In FY 2023, MLSD spent nearly \$500,000 on student extracurricular activities, which included the salaries and benefits of directors and coaches, supplies and materials, transportation services, and other miscellaneous expenditures. A portion of these expenditures was offset by generating revenue of approximately \$210,000 for admissions and other extracurricular activity sources. The remaining expenditures relating to student activities were subsidized by the General Fund.

In FY 2022, the percentage of extracurricular activities expenditures subsidized by the District was 1.1 percent higher than the local peer average. Because of this, the savings associated with bringing the subsidy in line with the local peer average would be minimal. However, if the District chose to, it could eliminate the General Fund subsidy for extracurricular activities. Using FY 2023 data, the District could save approximately \$284,000 if it fully eliminated the General Fund subsidy. In order to accomplish this, the District would need to consider the implementation of one or more of the following options:

- Implement pay-to-participate fees;
- Increase admissions and sales;
- Increase booster club funding;
- Reduce the supplemental salary schedule; and/or,
- Eliminate programs.

Prior to implementing this recommendation, the District should consider the potential impact it may have on participation in extracurricular activities.

Implement a Base and Step Salary Freeze

The District could consider implementing additional salary-related measures in order to achieve additional savings. While **Recommendation 6** addresses the potential to reduce future liabilities

by bringing certificated and classified salaries in line with the peer average, significant annual savings could be realized by implementing a freeze on all employee salaries.

The District's five-year forecast assumes a 1.9 percent increase in salaries from FY 2024 through FY 2028. If the District froze salaries at the FY 2023 forecast levels for FY 2025 through FY 2028 instead of implementing the increases shown in its forecast, it could realize average annual savings of approximately \$224,000. These estimated savings reflect the average annual savings that can be achieved in FY 2026 through the remainder of the forecast period.³⁰

Eliminate 1.0 FTE Librarian Position

MLSD employs 1.0 FTE librarian and 1.0 FTE library aide. The District exceeds the primary peer average for library staff by 0.69 FTEs. Eliminating 1.0 FTE librarian could save the District approximately \$139,000 annually.

Eliminate up to 13.0 FTE Classroom Teachers

Though previous recommendations (See **Recommendation 3** and **Recommendation 4**) addressed the District's staffing levels relative to the primary peer average, the District could make additional staffing reductions in order to regain fiscal solvency.

State law requires that for every 25 students, districts employ at least one classroom teacher, for a student to teacher ratio of 25 to 1.³¹ In FY 2023, the District had a student to teacher ratio of 14.93 to 1.

MLSD could eliminate up to an additional 13.0 FTE classroom teachers and remain in compliance with state minimum staffing requirements. If this level of reduction becomes necessary, the District should work with ODE to ensure compliance with the state minimum requirement in OAC 3301-35-05 before reducing classroom teaching levels.

In addition to the previous staffing recommendations cited above, this reduction would represent the elimination of 32 percent of the District's classroom teachers and would save the District an average of approximately \$1,665,000 annually. While this option would provide additional savings each year, it would drastically change service levels within the District.

³⁰ The savings identified in this recommendation do not take into account recommended staffing reductions. If the District were to reduce staffing, actual savings would be reduced.

³¹ The student number used in this ratio represents a regular student population – a formula driven number that reflects students enrolled and educated within the District, excluding categories two through six of special education students. Classroom teachers include K-12 general education teachers as well as art, music, physical education, English language instructional program, and gifted and talented teachers. Preschool teachers, special education teachers, and career-technical teachers are excluded from the ratio (*Source, ODE*).

Client Response

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter that follows is the Mogadore Local School District's official statement in regards to the performance audit. Below is a statement from the AOS regarding the District's response:

- MLSD leadership was informed of audit progress throughout the project. The exit conference, which included all recommendations and analysis, was held on September 20th, 2023. When written copies of the report were distributed to MLSD for review, no comments or issues about the quality of the report or the contents therein were received by the AOS.
- This analysis uncovered a situation where MLSD's operating expenses exceed their available revenues, which has led to a fund balance deterioration to the extent that necessitates the issuance of recommendations that exceed peer benchmarks or best practices. The AOS understands that there are additional management considerations that may need to be addressed when attempting to implement recommendations contained within this report. However, all recommendations provided in this report are designed to maintain adherence with applicable laws and standards for providing education consistent with the District's available resources.

The Auditor of State provided this performance audit at no cost to the District in order to provide data-driven analysis for management to consider when making operational decisions while offering transparency, credibility, and communication to all of the District's stakeholders. The analysis provided is intended to provide MLSD leadership with options to consider as they decide how to sustainably meet their mission in the most efficient, effective, and transparent way possible.

Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter on the following page is the District's official statement in regards to this performance audit. Throughout the audit process, staff met with District officials to ensure substantial agreement on the factual information presented in the report. When the District disagreed with information contained in the report, and provided supporting documentation, revisions were made to the audit report.

Mogadore Local School District

1 S. Cleveland Avenue, Mogadore, OH 44260-1514
TELEPHONE: (330) 628-9946 · FAX: (330) 628-6661

JOHN A. KNAPP, SUPERINTENDENT

SANDRA J. ISABELLA, TREASURER

October 2, 2023

Dear Auditor of State Mr. Keith Faber,

On behalf of the Mogadore Local School District we would like to thank your team for reviewing aspects of the district to look for efficiencies. The district is committed to improving outcomes for students while being fiscally responsible to the community. Overall, the recommendations as presented are acknowledged and will need stakeholder engagement and collaboration with the unions to be achieved.


Regarding the additional recommendations, specifically eliminating up to 13.0 FTE classroom teachers in addition to the 5.0 FTE in the recommendations section is concerning. While acknowledged in the report the Ohio Performance Team did not consider class schedules, credit requirements for graduation, and the logistics of scheduling students (p. 21) and when referencing the recommendation to eliminate 13.0 FTE more teachers the report advises the District to work with ODE to ensure compliance with state minimum levels (p. 44). Further, the report acknowledges that the elimination of 32% of the teaching staff would drastically change service levels within the District. There seems to be a total disregard for fidelity to provide a Free Appropriate Public Education.

Overall, the Mogadore Local School District reflects the values and depends greatly on the residents of the Village of Mogadore. The District's staff works to be the right choice for families and their children. Due to our size we rely on our State partners like the Auditor of State's Office Ohio Performance Team to help us see ways to be efficient, though the report falls short. The Performance Audit Team tells the quantitative numbers and dollars, however there is no reporting of the qualitative stories of the lived experiences of our students, staff, families, and community members who are truly dedicated to the Mogadore Wildcat experience.

Thank you for your time and while we reflect on the report and our next steps it is our hope that you would include in future reports a few words on the experiences in the voice of those who live them.

Respectfully submitted,


John A. Knapp, Superintendent


Sandra J. Isabella, Treasurer

Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit

Performance Audit Purpose and Overview

Performance audits provide objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Generally accepted government auditing standards (GAGAS) require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Scope and Objectives

In order to provide the District with appropriate, data driven, recommendations, the following questions were assessed within each of the agreed upon scope areas:

Summary of Objectives and Conclusions

Objective	Recommendation
Financial Management	
Are the District’s planning practices consistent with leading practices?	R.1
Is the District’s General Fund subsidy of extracurricular activities appropriate in comparison to local peers and the District’s financial condition?	Additional Recommendation
How do the District’s open enrollment practices impact its operations and financial condition?	R.2
Human Resources	

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Are the District’s staffing levels appropriate in comparison to primary peers, state minimum standards, demand for services, and the District’s financial condition?	R.3, R.4, Additional Recommendations
Are the District’s collective bargaining agreement provisions appropriate in comparison to local peers, minimum requirements, and the District’s financial condition?	R.5
Are the District’s salaries and wages appropriate in comparison to local peers and the District’s financial condition?	R.6, Additional Recommendation
Are the District’s insurance costs appropriate in comparison to other governmental entities within the local market and the District’s financial condition?	R.7
Facilities	
Are the District’s facilities staffing levels appropriate in comparison to leading practices, industry standards, and the District’s financial condition?	No Recommendation: The District’s facilities staffing is lower than the industry standard.
Are the District’s facilities non-regular labor expenditures appropriate in comparison to primary peers, leading practices, industry standards, and the District’s financial condition?	R.8
Transportation	
Is the District’s fleet sized appropriately and routed efficiently in comparison to leading practices, industry standards, and the District’s financial condition?	R.9
Food Service	
Is the District’s food service program operated in a manner that is consistent with leading practices and industry standards and appropriate based on the District’s financial condition?	R.10

Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives. The following internal control components and underlying principles were relevant to our audit objectives:³²

- Control environment

³² We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G.

- We considered the District’s control of its EMIS and payroll systems.
- Risk Assessment
 - We considered the District’s activities to assess fraud risks.
- Information and Communication
 - We considered the District’s use of quality information in relation to transportation data.
- Control Activities
 - We considered the District’s compliance with applicable laws and contracts.

Internal control deficiencies were not identified during the course of this audit.

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of District’s operations included in the audit scope, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources, including:

- Peer Districts;
- Industry Standards;
- Leading Practices;
- Statutes; and,
- Policies and Procedures.

In consultation with the District, two sets of peer groups were selected for comparisons contained in this report. A “Primary Peers” set was selected for general, District-wide comparisons. This peer set was selected from a pool of demographically similar districts with relatively lower per-pupil spending and similar academic performance. A “Local Peers” set was selected for a comparison of the general fund subsidy of extracurricular activities, compensation, benefits, and collective bargaining agreements, where applicable. This peer set was selected specifically to provide context for local labor market conditions. The table below shows the Ohio school districts included in these peer groups.

Peer Group Districts

Primary Peers

- Ayersville Local School District (Defiance County)
- Columbus Grove Local School District (Putnam County)
- Dalton Local School District (Wayne County)
- Hopewell-Loudon Local School District (Seneca County)
- Northeastern Local School District (Defiance County)
- Parkway Local School District (Mercer County)

- Woodmore Local School District (Sandusky County)

Local Peers

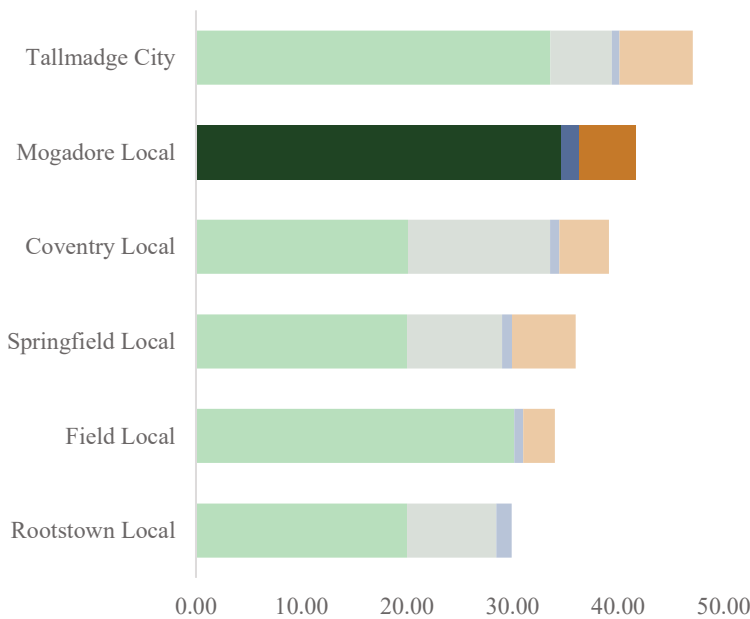
- Coventry Local School District (Summit County)
- Field Local School District (Portage County)
- Rootstown Local School District (Portage County)
- Springfield Local School District (Summit County)
- Tallmadge City School District (Summit County)

Where reasonable and appropriate, peer districts were used for comparison. However, industry standards or leading practices were used in some operational areas for primary comparison. District policies and procedures as well as pertinent laws and regulations contained in the Ohio Administrative Code (OAC) and the Ohio Revised Code (ORC) were also assessed. Each recommendation in this report describes the specific methodology and criteria used to reach our conclusions.

Appendix B: Financial Systems

The following chart shows the General Fund millage for local peers. The green portion of the bar represents the current expense millage rate, where three of the local peers are at the 20-mill floor. Overall, the District’s effective millage rate is higher than the local peers. Because the District is not at the 20-mill floor, it will not see continued growth from current expense mills as property value increases.

2022 Millage and Millage Equivalentents | Local Peers



The composition of levies impacts district revenues. **Current Expense mills**, used for general operations are subject to reduction factors up to the 20-mill threshold. **Emergency and substitute mills** raise a defined amount of general operating revenue and are not reduced. **Income tax mill equivalentents** are provided by the Department of Taxation for comparison purposes. **Permanent improvement mills** are used for maintenance of long-term assets and may be reduced over time. **Bond mills** raise a defined amount used for the purchase or construction of new buildings.

Source: Ohio Department of Taxation

The following tables show the income tax revenue for primary peer districts and local peer districts. All but two primary peers collect revenue from an income tax. None of the local peers collect revenue from an income tax.

2022 Income Tax Revenue and Millage Equivalents | Primary Peers

District	Tax Rate	Income Tax Revenue	Estimated Millage Equivalents
Hopewell-Loudon Local	0.50%	\$529,325.36	2.00
Dalton Local	0.75%	\$2,285,481.67	11.11
Ayersville Local	1.00%	\$1,100,304.27	10.78
Columbus Grove Local	1.00%	\$1,566,296.26	11.16
Parkway Local	1.00%	\$1,447,712.02	9.14
Mogadore Local	0.00%	-	0.00
Northeastern Local	0.00%	-	0.00
Woodmore Local	0.00%	-	0.00

Source: Ohio Department of Taxation

The following tables show the local tax effort (LTE) comparison between MLSD and the primary peer districts and the local peer districts. The District's LTE is above the statewide average and is amongst the highest of the local peers. The District's LTE falls in the middle of the primary peers.

2022 Local Tax Effort Comparison | Primary Peers

District	LTE	Rank	Percentile
Parkway Local SD	1.7685	20	96.7%
Ayersville Local SD	1.2435	145	76.1%
Columbus Grove Local SD	1.2374	149	75.4%
Dalton Local SD	1.0788	238	60.7%
Mogadore Local SD	1.0745	242	60.1%
Hopewell-Loudon Local SD	1.0259	273	55.0%
Northeastern Local SD	0.8270	419	30.9%
Woodmore Local SD	0.8198	425	29.9%
Primary Peer Average	1.1430	195	67.8%

Source: ODE

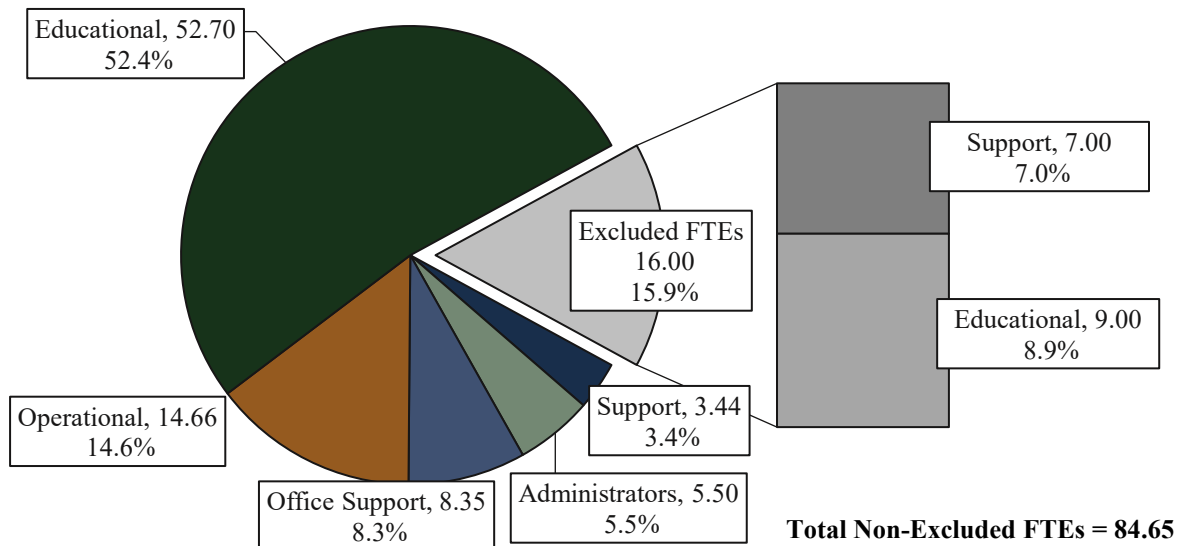
2022 Local Tax Effort Comparison | Local Peers

District	LTE	Rank	Percentile
Coventry Local SD	1.2460	143	76.4%
Mogadore Local SD	1.0745	242	60.1%
Tallmadge City SD	1.0725	244	59.7%
Field Local SD	1.0394	266	56.1%
Springfield Local SD	1.0021	289	52.3%
Rootstown Local SD	0.9121	350	42.2%
Local Peer Average	1.0544	259	57.3%

Source: ODE

Appendix C: Human Resources

Personnel costs represent over 69 percent of the District’s spending. Due to this, we conduct several analyses relating to the expense associated with maintaining existing staffing levels. During the course of our analysis, we routinely exclude staff that are designated as Title 1 or Special Education as a result of specific rules relating to the funding of these employees.



In the chart above, there are approximately 16.0 excluded staff FTEs, which includes individuals that are associated with Special Education or Title 1 programming. These programs have certain legal and contractual requirements that would make reductions difficult.

Staffing Comparison Tables

The following tables illustrate the District’s employee FTEs compared to the primary peer average. In order to allow for more precise comparison, employees were compared on an FTE per 1,000 student basis. These variances are then converted to FTEs for the client district. This calculation (shown below) allows for a more accurate comparison between districts when student counts differ.

$$\left[\frac{\text{Client FTE}}{\left(\frac{\text{Client Enrollment}}{1,000} \right)} \right] - \left[\frac{\text{Peer Avg FTE}}{\left(\frac{\text{Peer Avg Enrollment}}{1,000} \right)} \right] * \left(\frac{\text{Client Enrollment}}{1,000} \right)$$

Central Office Administrator Staff Comparison

		Mogadore Local SD	Primary Peer Avg.	Difference	
Students					
Students Educated		772	851	(79)	
Students Educated (Thousands)		0.772	0.851	(0.079)	
		FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Position	FTEs				
Assistant, Associate Superintendent	0.00	0.00	0.00	0.00	0.00
Supervisor/Manager	1.00	1.30	2.16	(0.86)	(0.66)
Coordinator	0.00	0.00	0.42	(0.42)	(0.32)
Education Administrative Specialist	0.00	0.00	0.00	0.00	0.00
Director	0.50	0.65	0.61	0.04	0.03
Community School Administrator	0.00	0.00	0.00	0.00	0.00
Building Manager	0.00	0.00	0.17	(0.17)	(0.13)
Other Official/Administrative	0.00	0.00	0.17	(0.17)	(0.13)
Total	1.50	1.95	3.53	(1.58)	(1.22)

Source: MLSD and ODE

Building Administrator Staff Comparison

		Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated		772	851	(79)	
Students Educated (Thousands)		0.772	0.851	(0.079)	
Buildings		3.0	2.7	0.3	
		FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Position	FTEs				
Principal	2.00	2.59	2.52	0.07	0.05
Dean of Students	0.00	0.00	0.25	(0.25)	(0.19)
Total	2.00	2.59	2.77	(0.18)	(0.14)
		FTEs per Building	FTEs per Building	Difference in FTE per Building	Adjusted Difference in FTEs
Position	FTEs				
Assistant Principal	0.00	0.00	0.00	0.00	0.00
Principal	2.00	0.67	0.79	(0.12)	(0.36)
Dean of Students	0.00	0.00	0.08	(0.08)	(0.24)
Total	2.00	0.67	0.87	(0.20)	(0.60)

Source: MLSD and ODE

Teaching Staff Comparison

Students		Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated		772	851	(79)	
Students Educated (thousands)		0.772	0.851	(0.079)	
		FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Position	FTEs				
General Education	41.95	54.34	47.81	6.53	5.04
Gifted and Talented	0.00	0.00	0.81	(0.81)	(0.63)
Career-Technical Programs	1.00	1.30	0.48	0.82	0.63
Total	42.95	55.64	49.10	6.54	5.05

Source: MLSD and ODE

K-8 Teaching Staff Comparison

Students		Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated		562	589	(27)	
Students Educated (thousands)		0.562	0.589	(0.027)	
		FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Position	FTEs				
Art Education K-8	1.00	1.78	2.34	(0.56)	(0.32)
Music Education K-8	1.00	1.78	2.56	(0.78)	(0.44)
Physical Education K-8	1.25	2.22	1.83	0.39	0.22

Source: MLSD and ODE

Non-Teaching Educational Staff Comparison

Students		Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated		772	851	(79)	
Students Educated (thousands)		0.772	0.851	(0.079)	
		FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Position	FTEs				
Counseling	2.00	2.59	3.30	(0.71)	(0.55)
Remedial Specialist	0.00	0.00	0.17	(0.17)	(0.13)
Tutor/Small Group Instructor	2.50	3.24	0.50	2.74	2.12
Other Educational	0.00	0.00	0.78	(0.78)	(0.60)

Source: MLSD and ODE

Professional Staff Comparison

Students	Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated	772	851	(79)	
Students Educated (thousands)	0.772	0.851	(0.079)	
Position	FTEs	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Psychologist	0.00	0.00	(0.30)	(0.23)

Source: MLSD and ODE

Technical Staff Comparison

Students	Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated	772	851	(79)	
Students Educated (thousands)	0.772	0.851	(0.079)	
Position	FTEs	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Computer Operating	0.00	0.00	(0.34)	(0.26)
Other Technical	0.00	0.00	(0.17)	(0.13)

Source: MLSD and ODE

Central Office Support Staff Comparison

Students and Buildings	Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated	772	851	(79)	
Students Educated (thousands)	0.772	0.851	(0.079)	
Position	FTEs	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Accounting	0.00	0.00	(0.46)	(0.36)
Bookkeeping	1.00	1.30	0.21	0.16
Central Office Clerical	2.00	2.59	1.01	0.78
Records Managing	0.00	0.00	(0.42)	(0.32)
Other Office/Clerical	1.00	1.30	1.30	1.00
Total	4.00	5.19	1.64	1.27

Source: MLSD and ODE

Building Office Support Staff Comparison

Students and Buildings		Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated		772	851	(79)	
Students Educated (thousands)		0.772	0.851	(0.079)	
Buildings		3.000	2.714	0.286	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
School Building Clerical	3.69	4.78	3.28	1.50	1.16
Other Office/Clerical	0.66	0.85	0.00	0.85	0.66
Total	4.35	5.63	3.28	2.35	1.81
Position	FTEs	FTEs per Building	FTEs per Building	Difference in FTE per Building	Adjusted Difference in FTEs
School Building Clerical	3.69	1.23	1.03	0.20	0.60
Other Office/Clerical	0.66	0.22	0.00	0.22	0.66
Total	4.35	1.45	1.03	0.42	1.26

Source: MLSD and ODE

Library Staff Comparison

Students		Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated		772	851	(79)	
Students Educated (thousands)		0.772	0.851	(0.079)	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Librarian/Media	1.00	1.30	0.37	0.93	0.72
Library Aide	1.00	1.30	1.34	(0.04)	(0.03)
Total	2.00	2.60	1.71	0.89	0.69

Source: MLSD and ODE

Nursing Staff Comparison

Students	Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated	772	851	(79)	
Students Educated (thousands)	0.772	0.851	(0.079)	
Position	FTEs	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Registered Nursing	0.00	0.00	(0.71)	(0.55)
Practical Nursing	0.00	0.00	0.00	0.00
Total	0.00	0.00	(0.71)	(0.55)

Source: MLSD and ODE

Classroom Support Staff Comparison

Students	Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated	772	851	(79)	
Students Educated (thousands)	0.772	0.851	(0.079)	
Position	FTEs	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Instructional Paraprofessional	0.00	0.00	(0.17)	(0.13)
Teaching Aide	1.00	1.30	(4.81)	(3.71)
Total	1.00	1.30	(4.98)	(3.84)

Source: MLSD and ODE

Other Support Staff Comparison

Students	Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated	772	851	(79)	
Students Educated (thousands)	0.772	0.851	(0.079)	
Position	FTEs	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Monitoring	2.44	3.16	1.61	1.24

Source: MLSD and ODE

Extra-Curricular/Intra-Curricular Staff Comparison

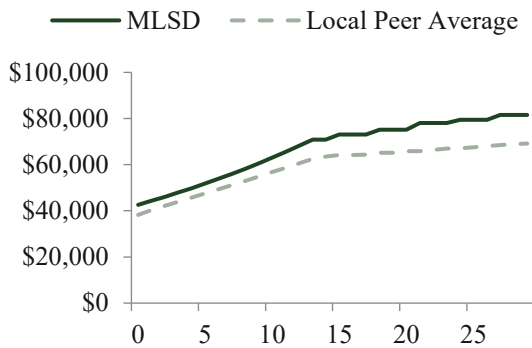
Students	Mogadore Local SD	Primary Peer Avg.	Difference	
Students Educated	772	851	(79)	
Students Educated (thousands)	0.772	0.851	(0.079)	
Position	FTEs	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Advisor	0.00	0.00	(0.25)	(0.19)

Source: MLSD and ODE

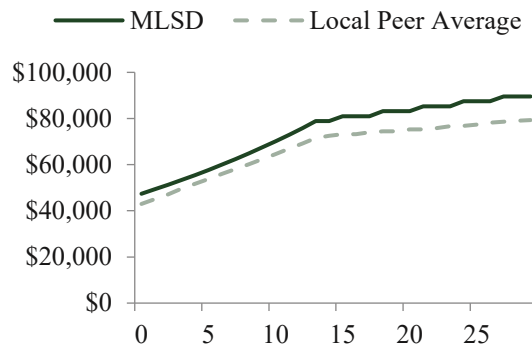
We also looked at annual salaries for all certificated employees and the hourly wage rates for various classified employee positions over the course of a career, as seen in the following charts.

Certificated Career Compensation

BA

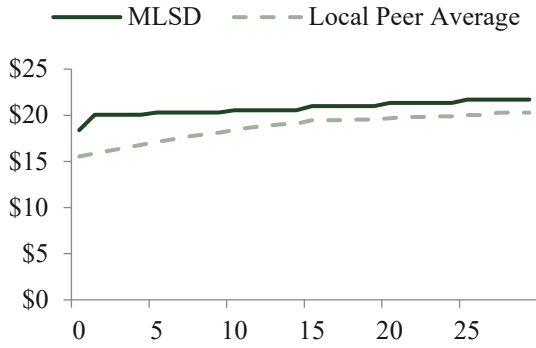


MA

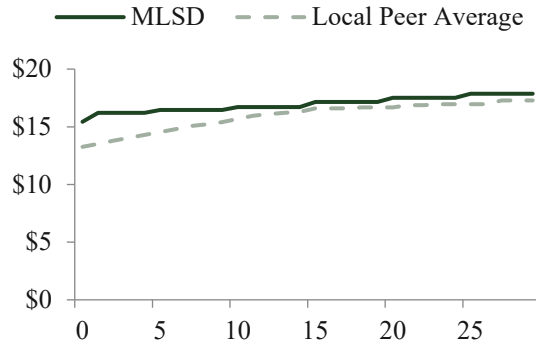


Classified Career Compensation

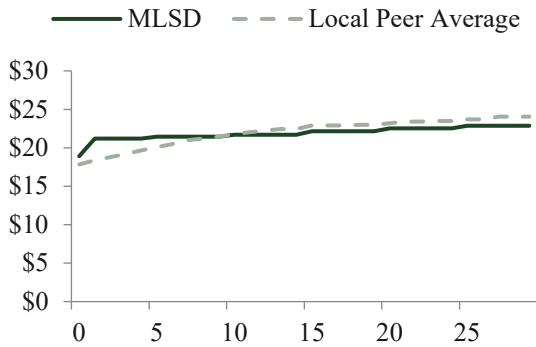
Secretary



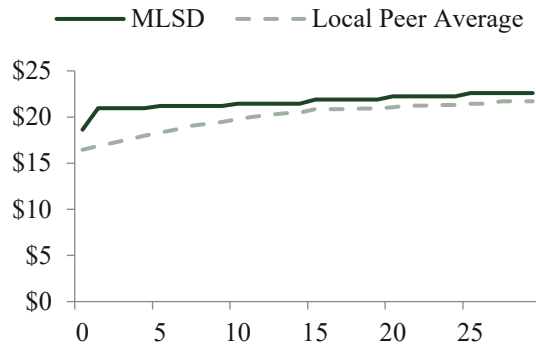
Cook Helper/2nd Cook



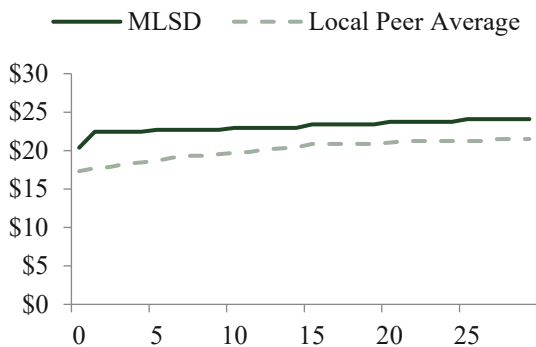
Maintenance



Custodian



Bus Driver



Appendix D: Facilities

The following table shows the District’s facilities non-regular salaries and wages compared the primary peer average.

Facilities Non-Regular Salaries & Wages Comparison

	Mogadore Local	Peer Average	Difference	Average % Change
141 - Regular	\$276,296	\$296,121	(\$19,825)	(6.7%)
142 - Temporary	\$17,321	\$17,326	(\$5)	(0.0%)
143 - Supplemental	\$31,579	\$393	\$31,186	7,938.3%
144 - Overtime	\$10,448	\$9,112	\$1,336	14.7%
149 - Other Certificated and Non-Certificated Salaries	\$0	\$304	(\$304)	(100.0%)
Total Regular Salaries & Wages	\$276,296	\$296,121	(\$19,825)	(6.7%)
Total Non-Regular Salaries & wages	\$59,348	\$27,134	\$32,213	118.7%
Total Certificated & Non-Certificated Salaries & Wages	\$335,643	\$323,255	\$12,388	3.8%
Non-Regular As % Of Total Salaries & Wages	17.7%	8.4%	9.3%	110.6%
Overtime As % Of Regular Salaries & Wages	3.8%	3.1%	0.7%	22.9%

Note: Numbers in this table are rounded to the nearest dollar to provide conservative estimates and for readability purposes.

We also analyzed and reviewed the District’s overall facilities staffing and compared it to industry benchmarks. Our analysis, as seen below, shows that the District does not exceed industry benchmark staffing levels.

Buildings & Grounds Staffing Comparison

Grounds Staffing	
Grounds FTEs	0.6
Acreage Maintained	20.7
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need	0.5
Grounds FTEs Above/(Below) Benchmark	0.1
Custodial Staffing	
Custodial FTEs	4.6
Square Footage Cleaned	197,962
NCES Level 3 Cleaning Benchmark ¹ - Median Square Footage per FTE	29,500
Benchmarked Staffing Need	6.7
Custodial FTEs Above/(Below) Benchmark	(2.1)
Maintenance Staffing	
Maintenance FTEs	1.0
Square Footage Maintained	197,962
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	2.1
Maintenance FTEs Above/(Below) Benchmark	(1.1)
Total Buildings & Grounds Staffing	
Total FTEs Employed	6.3
Total Benchmarked Staffing Need	9.3
Total FTEs Above/(Below) Benchmark	(3.1)

Source: MLSD, AS&U, and NCES

¹ According to NCES, Level 3 cleaning is the norm for most school facilities. It is acceptable to most stakeholders and does not pose any health issues.

Appendix E: Transportation

In **Recommendation 9**, we determined that the District could eliminate bus routes and remain in-line with capacity benchmarks. The recommendation was based on the analysis below.

The following table shows a baseline overview of utilization for the regular education routes in Tier I and Tier II. For purposes of this analysis, we examined the routes used by the District and the number of riders reported in FY 2023. Based on the analysis, as seen in the table below, the baseline utilization for existing regular bus routes is below the 90 percent benchmark, indicating that there is opportunity to reduce routes within the District.

Baseline Utilization by Tier

Tier	Total Routes	Average Capacity	Total Capacity	Peak Riders	Baseline Utilization
Tier I	3	44.0	132	41	31.1%
Tier II	4	66.8	267	156	58.4%

Source: MLSD and ODE

Once baseline utilization indicated there were opportunities for bus route reductions, we reviewed the utilization within each tier to identify the maximum number of routes that may be reduced without exceeding 90 percent capacity. The following tables show a detailed review of Tier I and Tier II after accounting for and excluding those routes that were meeting or exceeding the 90 percent utilization goal. This review uses the average capacity on remaining routes to determine the total number of routes that could be eliminated on each Tier.

Tier I Detailed Review

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	3	44.0	132	41

Tier I Route Elimination Sensitivity Analysis and Impact on Utilization

Routes Eliminated	0	1	2	3
Capacity Eliminated	0.0	44.0	88.0	132.0
Adjusted Total Capacity	132	88	44	0
Adjusted Total Utilization	31.1%	46.6%	93.2%	N/A

Source: MLSD and ODE

Tier II Detailed Review

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier II	4	66.8	267	156

Tier II Route Elimination Sensitivity Analysis and Impact on Utilization

Routes Eliminated	0	1	2	3
Capacity Eliminated	0.0	66.8	133.6	200.4
Adjusted Total Capacity	267	200	134	67
Adjusted Total Utilization	58.4%	78.0%	116.4%	232.8%

Source: MLSD and ODE

OHIO AUDITOR OF STATE KEITH FABER



MOGADORE LOCAL SCHOOL DISTRICT

SUMMIT 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 10/5/2023

88 East Broad Street, Columbus, Ohio 43215
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