

OHIO AUDITOR OF STATE  
KEITH FABER



**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY  
JUNE 30, 2024**

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**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY  
JUNE 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

Maritime Academy of Toledo  
Lucas County  
803 Water Street  
Toledo, Ohio 43604

To the Board of Directors:

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

#### ***Opinion***

We have audited the financial statements of the Maritime Academy of Toledo, Lucas County, Ohio (the Academy), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Maritime Academy of Toledo, Lucas County, Ohio as of June 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

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

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

***Required Supplementary Information***

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

***Supplementary information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2025, on our consideration of the Academy's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Academy's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Academy's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 13, 2025

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**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

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

### **Financial Highlights**

Key financial highlights for fiscal year 2024 are as follows:

- In total, net position was a deficit of \$2,217,825 at June 30, 2024.
- The Academy had operating revenues of \$2,962,690, operating expenses of \$4,169,719, non-operating revenues of \$760,948 and non-operating expenses of \$60,079 for fiscal year 2024. Total change in net position for the fiscal year was a decrease of \$506,160.

### **Using these Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Academy's financial activities. The *statement of net position* and *statement of revenues, expenses and changes in net position* provide information about the activities of the Academy, including all short-term and long-term financial resources and obligations.

### **Reporting the Academy's Financial Activities**

#### ***Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position and the Statement of Cash Flows***

These documents look at all financial transactions and ask the question, "How did we do financially during fiscal year 2024?" The statement of net position and the statement of revenues, expenses and changes in net position answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Academy's *net position* and changes in that position. This change in net position is important because it tells the reader that, for the Academy as a whole, the *financial position* of the Academy has improved or diminished. The causes of this change may be the result of many factors, some financial, some not.

The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its operations.

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

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

### ***Required Supplementary Information***

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

The table below provides a summary of the Academy's net position at June 30, 2024 and 2023:

	<b>Net Position</b>	
	<u>2024</u>	<u>2023</u>
<b><u>Assets</u></b>		
Current assets	\$ 805,574	\$ 1,137,781
Net OPEB asset	209,702	278,551
Capital assets, net	<u>1,965,770</u>	<u>1,756,615</u>
Total assets	<u>2,981,046</u>	<u>3,172,947</u>
<b><u>Deferred outflows of resources</u></b>	<u>1,216,178</u>	<u>1,255,869</u>
<b><u>Liabilities</u></b>		
Current liabilities	361,557	268,245
Non-current liabilities:		
Due within one year	81,778	179,648
Net pension liability	3,486,186	3,387,208
Net OPEB liability	320,274	240,215
Other amounts due in more than one year	<u>1,437,611</u>	<u>1,118,272</u>
Total liabilities	<u>5,687,406</u>	<u>5,193,588</u>
<b><u>Deferred inflows of resources</u></b>	<u>727,643</u>	<u>963,691</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	446,381	458,694
Restricted	243,456	183,030
Unrestricted (deficit)	<u>(2,907,662)</u>	<u>(2,353,389)</u>
Total net position (deficit)	<u>\$ (2,217,825)</u>	<u>\$ (1,711,665)</u>

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

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the Academy's net position totaled a deficit of \$2,217,825.

Current assets decreased primarily in the area of cash and cash equivalents. Capital assets, net decreased slightly as depreciation expense and disposals exceeded current year additions.

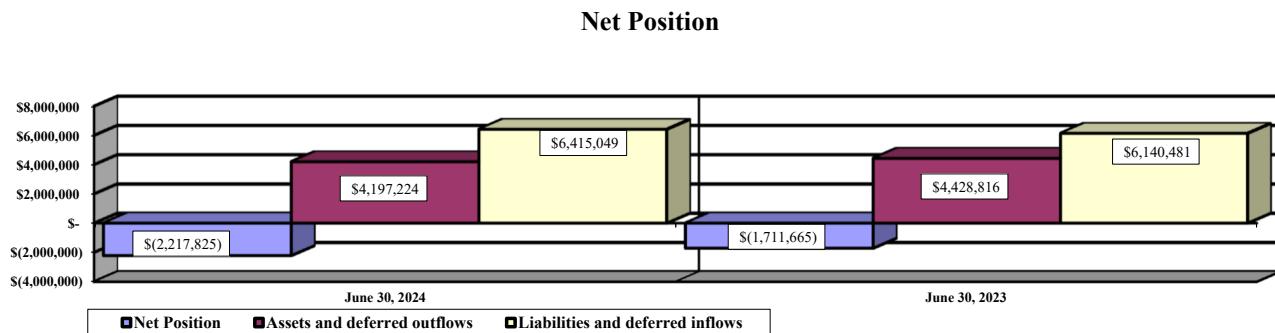
At year-end, capital assets represented 65.94% of total assets. Capital assets consisted of land, land improvements, building and improvements, furniture, fixtures and equipment, vehicles and intangible right-to-use assets. Net investment in capital assets at June 30, 2024, was \$446,381. These capital assets are used to provide services to the students and are not available for future spending. Although the Academy's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

**MARITIME ACADEMY OF TOLEDO**  
**LUCAS COUNTY, OHIO**

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

A portion of the Academy's net position, \$243,456 represents resources that are subject to external restrictions on how they may be used.

The graph below shows the assets plus deferred outflows of resources, liabilities plus deferred inflows of resources and net position of the Academy at June 30, 2024 and 2023.



The table below shows the changes in net position for fiscal year 2024 and 2023.

**Change in Net Position**

	<u>2024</u>	<u>2023</u>
<b><u>Operating Revenues:</u></b>		
Foundation payments	\$ 2,524,761	\$ 1,956,107
Special education payments	421,084	441,249
Extracurricular	3,263	5,175
Classroom fees	7,806	7,981
Food services	444	1,578
Other	5,332	6,355
Total operating revenue	<u>2,962,690</u>	<u>2,418,445</u>
<b><u>Operating Expenses:</u></b>		
Salaries and wages	2,214,086	2,294,245
Fringe benefits	743,232	726,281
Purchased services	617,894	509,885
Materials and supplies	305,135	389,884
Other	103,539	77,803
Depreciation/amortization	185,833	208,899
Total operating expenses	<u>4,169,719</u>	<u>4,206,997</u>
<b><u>Non-operating Revenues (Expenses):</u></b>		
Grants and subsidies	760,948	1,938,474
Interest and fiscal charges	<u>(60,079)</u>	<u>(70,017)</u>
Total non-operating revenues (expenses)	<u>700,869</u>	<u>1,868,457</u>
Change in net position	(506,160)	79,905
Net position (deficit) at beginning of year	<u>(1,711,665)</u>	<u>(1,791,570)</u>
Net position (deficit) at end of year	<u>\$ (2,217,825)</u>	<u>\$ (1,711,665)</u>

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

The revenues generated by community schools are heavily dependent upon per-pupil allotment given by the State foundation basic aid. State foundation basic aid and special education attributed to 79.11% of total operating and non-operating revenues during fiscal year 2024. Foundation revenue from the State of Ohio increased due to an increase in disadvantaged pupil and facilities funding as well as receiving new funding for equity supplement. Grants and subsidies decreased primarily due to approximately \$1 million less received in Elementary and Secondary Emergency Relief (ESSER) funding.

Overall, expenses of the governmental activities decreased \$47,216 or 1.12. This decrease is primarily the result of a decrease in materials and supplies expense. Materials and supplies expense decreased \$84,749. This decrease is the result of conservative spending by the Academy.

**Capital Assets**

At June 30, 2024, the Academy had \$1,965,770 invested in land, land improvements, buildings and improvements, furniture, fixtures and equipment, vehicles, and intangible right-to-use assets. See Note 6 to the basic financial statements for more detail on capital assets.

**Debt Administration**

At June 30, 2024, the Academy had \$1,507,456 in notes payable and \$11,933 in leases payable outstanding. Of this total, \$81,778 is due within one year and \$1,437,611 is due in more than one year. See Note 7 to the basic financial statements for more detail on long-term obligations.

**Current Financial Related Activities**

The Academy is reliant upon State Foundation monies and federal grants to provide a maritime based curriculum to students.

In order to continually provide learning opportunities to the Academy's students, the Academy will apply all financial resources to best meet the needs of its students. It is the intent of the Academy to apply for other State and Federal funds that are made available to finance its operations.

**Contacting the Academy's Financial Management**

This financial report is designed to provide our clients and creditors with a general overview of the Academy's finances and to show the Academy's accountability for the money it receives. If you have questions about this report or need additional financial information contact Anthony T. Swartz, Treasurer, Maritime Academy, 803 Water Street, Toledo, Ohio 43604.

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

**Assets:**

Current assets:	
Cash	\$ 516,030
Receivables:	
Accounts	23,749
Intergovernmental	248,452
Prepayments	17,186
Materials and supplies inventory	157
	<hr/>
Total current assets	805,574

Non-current assets:

Net OPEB asset	209,702
Capital assets:	
Nondepreciable capital assets	451,200
Depreciable capital assets, net	<hr/> 1,514,570
Capital assets, net	<hr/> 1,965,770
Total non-current assets	<hr/> 2,175,472
Total assets	<hr/> 2,981,046

**Deferred outflows of resources:**

Pension	996,702
OPEB	<hr/> 219,476
Total deferred outflows of resources	<hr/> 1,216,178

**Liabilities:**

Current liabilities:	
Accounts payable	74,222
Accrued wages and benefits	178,741
Pension and postemployment benefits payable	25,000
Intergovernmental payable	22,524
Accrued interest payable	20
Unearned revenue	<hr/> 61,050
Total current liabilities	<hr/> 361,557

Non-current liabilities:

Due within one year	81,778
Net pension liability	3,486,186
Net OPEB liability	320,274
Other amounts due in more than one year	<hr/> 1,437,611

Total non-current liabilities

5,325,849

Total liabilities

5,687,406

**Deferred inflows of resources:**

Pension	282,647
OPEB	<hr/> 444,996
Total deferred inflows of resources	<hr/> 727,643

**Net position:**

Net investment in capital assets	446,381
Restricted for:	
Student activities	6,944
Locally funded programs	7,922
State programs	2,500
Federal programs	1,142
Other purposes	15,246
OPEB	209,702
Unrestricted (deficit)	<hr/> (2,907,662)
Total net position (deficit)	<hr/> \$ (2,217,825)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MARITIME ACADEMY OF TOLEDO**  
**LUCAS COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Operating revenues:**

Foundation revenue	\$ 2,524,761
Special education payments	421,084
Extracurricular	3,263
Classroom fees	7,806
Food service	444
Other	5,332
Total operating revenues	<u>2,962,690</u>

**Operating expenses:**

Salaries and wages	2,214,086
Fringe benefits	743,232
Purchased services	617,894
Materials and supplies	305,135
Other	103,539
Depreciation/amortization	185,833
Total operating expenses	<u>4,169,719</u>
Operating loss	<u>(1,207,029)</u>

**Non-operating revenues (expenses):**

Grants and subsidies	760,948
Interest and fiscal charges	(60,079)
Total nonoperating revenues (expenses)	<u>700,869</u>
Change in net position	(506,160)
<b>Net position (deficit) at beginning of year</b>	<u>(1,711,665)</u>
<b>Net position (deficit) at end of year</b>	<u><u>\$ (2,217,825)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Cash flows from operating activities:**

Cash received from state foundation	\$ 2,666,460
Cash received from special education payments	421,084
Cash received from extracurricular activities	3,263
Cash received from food services	444
Cash received from tuition and fees	7,466
Cash received from other operations	5,332
Cash payments for salaries and wages	(2,246,020)
Cash payments for fringe benefits	(692,468)
Cash payments for contractual services	(746,770)
Cash payments for materials and supplies	(115,130)
Cash payments for other expenses	(91,268)
 Net cash used in operating activities	 <u>(787,607)</u>

**Cash flows from noncapital financing activities:**

Cash received from grants and subsidies	<u>776,767</u>
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**Cash flows from capital and related financing activities:**

Acquisition of capital assets	(152,004)
Principal retirement on notes and leases payable	(182,058)
Issuance of note payable	160,543
Interest and fiscal charges	(60,059)
 Net cash used in capital and related financing activities	 <u>(233,578)</u>

Net change in cash

(244,418)

**Cash at beginning of year**

760,448

**Cash at end of year**

\$ 516,030

**Reconciliation of operating loss to net cash used in operating activities:**

Operating loss	\$ (1,207,029)
Adjustments:	
Depreciation/amortization	185,833
 Changes in assets, deferred inflows, liabilities, and deferred outflows:	
Intergovernmental receivable	65,572
Prepayments	6,398
Net OPEB asset	68,849
Deferred outflows - pension	139,151
Deferred outflows - OPEB	(99,460)
Accounts payable	67,242
Accrued wages and benefits	(34,769)
Intergovernmental payable	5,994
Unearned revenue	60,710
Pension and postemployment benefits payable	(5,885)
Net pension liability	98,978
Net OPEB liability	80,059
Deferred inflows - pension	(149,642)
Deferred inflows - OPEB	(69,608)
 Net cash used in operating activities	 <u>\$ (787,607)</u>

**Non-Cash Capital Transaction:**

Loan proceeds in the amount of \$230,636 were issued on behalf of the Academy by the Toledo Port Authority

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 1 - DESCRIPTION OF THE ACADEMY**

Martime Academy of Toledo (the Academy) is a nonprofit corporation established pursuant to Ohio Revised Code Chapters 3314 and 1702. The Academy's mission is to "build better citizens for America." To accomplish this mission, the Academy commits to one-hundred percent student passage of the Ohio Graduation Test and to achieving a one-hundred percent diploma and graduation rate, by providing students a rigorous, high quality middle/junior/high school education (grades 6 through 12). The Academy offers students a challenging Ohio standards-based education that promotes teamwork and moral leadership through maritime/nautical focused themes that are interwoven throughout and integrated across the curriculum. The Academy, which is part of the State's education program, is independent of any school district and is non-sectarian in its programs, admission policies, employment practices and all other operations. The Academy may sue and be sued, acquire facilities as needed and contract for any services necessary for operation of the Academy.

The Academy operates under a Sponsorship Agreement with the Educational Service Center of Central Ohio (previously known as Franklin County Educational Service Center) (the "Sponsor"). The current Sponsorship Agreement is for the period July 1, 2019 through June 30, 2023, renewed through June 30, 2027. The Sponsor is responsible for evaluating the performance of the Academy and has the authority to deny renewal of the contract at its expiration or terminate the contract prior to its expiration. See Note 14 for more information on the Academy's agreement with its Sponsor.

The Academy operates under the direction of a Governing Board (the "Board"). The Board is responsible for carrying out the provisions of the contract, which include, but are not limited to, State-mandated provisions regarding student population, curriculum, academic goals, performance standards, admission standards and qualifications of teachers. The Governing Board controls the Academy's instructional/support facility staffed by 21 non-certified and 25 certified teaching personnel who provide services to 221 students.

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

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

The more significant of the Academy's policies are described below.

**A. Basis of Presentation**

The Academy's basic financial statements consist of a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows. The Academy uses enterprise accounting to track and report its financial activities. Enterprise reporting focuses on the determination of the change in net position, financial position and cash flows.

**B. Measurement Focus**

Enterprise accounting uses a flow of economic resources measurement focus. With this measurement focus, all assets plus deferred outflows and all liabilities plus deferred inflows are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the Academy finances and meets the cash flow needs of its enterprise activities.

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

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

**C. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the basic financial statements. The Academy's basic financial statements are prepared using the accrual basis of accounting.

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

Revenues resulting from nonexchange transactions, in which the Academy receives value without directly giving equal value in return, include grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Academy must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Academy on a reimbursement basis.

Expenses are recognized at the time they are incurred.

**D. Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 9 and 10 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. See Notes 9 and 10 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. The deferred inflow of resources for leases is related to the lease receivable and is being amortized to lease revenue in a systematic and rational manner over the term of the lease.

**E. Budgetary Process**

Community schools are statutorily required to adopt a budget by Ohio Revised Code (ORC) 3314.032(C). However, unlike traditional public schools located in the State of Ohio, community schools are not required to follow the specific budgetary process and limits set forth in the ORC Chapter 5705, unless specifically provided in the contract between the Academy and its Sponsor. The contract between the Academy and its Sponsor does not require the Academy to follow the provisions ORC Chapter 5705; therefore, no budgetary information is presented in the basic financial statements. The contract between the Academy and its Sponsor does prescribe an annual budget requirement in addition to preparing a five-year forecast which is updated on an annual basis. Chapter 3314.03(A)(11)(d) of the ORC requires the Academy to prepare a five-year forecast, update it annually, and submit it to the Superintendent of Public Instruction at the Ohio Department of Education.

**F. Cash**

Cash held by the Academy is reflected as "cash" on the statement of net position. All monies received by the Academy are deposited in a demand deposit accounts. During fiscal year 2024, the Academy had no investments.

**MARITIME ACADEMY OF TOLEDO  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**G. Intergovernmental Revenues**

The Academy currently participates in the State Foundation Basic Aid and Special Education Programs. The foundation funding is recognized as operating revenues in the accounting period in which they are earned, essentially the same as the fiscal year. Federal and State grants and entitlements are recognized as non-operating revenues in the accounting period in which all eligibility requirements of the grants have been met.

Intergovernmental revenues associated with the Foundation Program Basic Aid totaled \$2,524,761 and those associated with Special Education grants from the State of Ohio totaled \$421,084 during fiscal year 2024.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense is reported in the year in which services are consumed.

**I. Capital Assets and Depreciation/Amortization**

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

All reported capital assets except land are depreciated/amortized. Depreciation/amortization is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	20 years
Buildings and improvements	40 years
Furniture, Fixtures and Equipment	5 - 15 years
Vehicles	6 - 15 years
Intangible right-to-use assets	5 years

The Academy is reporting intangible right-to-use assets related to equipment and buildings. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

**J. Accrued Liabilities Payable**

The Academy has recognized certain liabilities on the statement of net position relating to expenses, which are due, but unpaid as of June 30, 2024 including:

*Accounts payable* - payments goods or services rendered or received prior to June 30 that were paid in the subsequent fiscal year.

*Accrued wages and benefits payable* - salary payments made after year-end to instructional and support staff for services rendered prior to the end of June, but whose payroll continues into the summer months based on the fiscal year 2024 contract.

**MARITIME ACADEMY OF TOLEDO  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*Pension and postemployment benefits payable* - payments for the employer's share of the retirement contributions and SERS surcharge.

*Intergovernmental payable* - payments for Medicare and amounts due to other governments associated with services rendered during fiscal year 2024 that were paid in the subsequent fiscal year.

**K. Compensated Absences**

Full-time administrative employees earn two to four weeks vacation leave each year and may carry-over any unused vacation leave to subsequent school years. Unused vacation leave will not be paid to any other employees upon separation of employment.

Full time professional employees earn five sick days per year and full-time administrative staff earn five to fifteen sick days per year. Sick leave may not be accumulated. Unused sick leave is not paid out to employees upon separation of employment.

Professional employees earn one personal day per year and full-time administrative personnel earn two personal days per year. Personal leave may not be accumulated. Unused personal days are not paid out to employees upon separation of employment.

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

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

**M. Net Position**

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

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

**N. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly by the Academy's primary mission. For the Academy, these revenues are primarily State of Ohio foundation payments. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the Academy. Operating expenses include, salaries and wages, fringe benefits, purchased services, material and supplies, depreciation and other miscellaneous expenses. Revenues and expenses not meeting these definitions are reported as non-operating.

**MARITIME ACADEMY OF TOLEDO  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**O. Estimates**

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

**P. Federal Tax Exemption Status**

The Academy is a non-profit organization that has been determined by the Internal Revenue Service to be exempt from federal income taxes as a tax-exempt organization under Section 501(C)(3) of the Internal Revenue Code. Management is not aware of any course of action or series of events that have occurred that might adversely affect the Academy's tax-exempt status.

**Q. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2024, the Academy had neither type of transaction.

**R. Materials and Supplies Inventory**

Purchased inventories are presented at lower of cost or market and are recorded on a first-in, first-out basis and are expensed/expended when used. Inventories are accounted for using the consumption method.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**Change in Accounting Principles**

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

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

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

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

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

**MARITIME ACADEMY OF TOLEDO  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 4 - DEPOSITS AND INVESTMENTS**

**A. Deposits**

At June 30, 2024, the carrying amount of Academy deposits was \$516,030 and the bank balance of Academy deposits was \$539,987. Of the bank balance, \$250,000 was covered by the FDIC and \$289,987 was uninsured and collateralized by securities held by the financial institution's trust department or agent but not in the name of the Academy. There are no significant statutory restrictions regarding the deposit and investment of funds by the non-profit corporation.

**B. Investments**

The Academy had no investments at June 30, 2024.

**NOTE 5 - RECEIVABLES**

**Other Receivables**

Receivables at June 30, 2024, consisted of intergovernmental receivables arising from grants and entitlements. All receivables are considered collectable in full. A summary of the principal items of intergovernmental receivables follows:

<b>Intergovernmental Receivables:</b>	<b>Amount</b>
State foundation	\$ 67,076
SERS	9,693
Food service	5,384
Title I-A	55,285
IDEA B	65,670
Title I Scheduled Improvement	11,895
Title I	25,221
Title IV-A	1,148
Title II-A	7,080
Total	<u>\$ 248,452</u>

**MARITIME ACADEMY OF TOLEDO  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 6 - CAPITAL ASSETS**

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

	<u>Balance</u>		<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
	<u>06/30/23</u>				<u>06/30/24</u>
<b>Governmental activities:</b>					
<i>Capital assets, not being depreciated/amortized:</i>					
Land	\$ 68,560	\$ -	\$ -	\$ -	\$ 68,560
Construction in progress	-	382,640	\$ -	\$ -	382,640
Total capital assets, not being depreciated/amortized	<u>68,560</u>	<u>382,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>451,200</u>
<i>Capital assets, being depreciated/amortized:</i>					
Land improvements	90,182	-	-	-	90,182
Buildings and improvements	2,172,810	-	-	-	2,172,810
Furniture, fixtures and equipment	409,653	-	-	-	409,653
Vehicles	45,000	-	-	-	45,000
<i>Intangible right-to-use assets:</i>					
Equipment	6,770	12,348	(3,464)	15,654	
Buildings	<u>361,215</u>	<u>-</u>	<u>(361,215)</u>	<u>-</u>	<u>-</u>
Total capital assets, being depreciated/amortized	<u>3,085,630</u>	<u>12,348</u>	<u>(364,679)</u>	<u>-</u>	<u>2,733,299</u>
<i>Less: accumulated depreciation/amortization:</i>					
Land improvements	(59,087)	(4,275)	-	-	(63,362)
Buildings and improvements	(679,757)	(54,499)	-	-	(734,256)
Furniture, fixtures and equipment	(367,338)	(14,544)	-	-	(381,882)
Vehicles	(32,166)	(3,000)	-	-	(35,166)
<i>Intangible right-to-use assets:</i>					
Equipment	(4,251)	(3,276)	3,464	(4,063)	
Buildings	<u>(254,976)</u>	<u>(106,239)</u>	<u>361,215</u>	<u>-</u>	<u>-</u>
Total accumulated depreciation/amortization	<u>(1,397,575)</u>	<u>(185,833)</u>	<u>364,679</u>	<u>-</u>	<u>(1,218,729)</u>
Governmental activities capital assets, net	<u>\$ 1,756,615</u>	<u>\$ 209,155</u>	<u>\$ -</u>	<u>\$ 1,965,770</u>	

**NOTE 7 - LONG-TERM OBLIGATIONS**

The changes in the Academy's long-term obligations during the year consist of the following.

	<u>Balance at</u>		<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u>	<u>Due Within</u>
	<u>06/30/23</u>		<u>06/30/24</u>		<u>06/30/24</u>	<u>One Year</u>
Note payable from direct borrowing with F&M Bank	\$ 1,191,107	\$ -	\$ (74,830)	\$ 1,116,277	\$ 78,619	
FY24 PACE note payable	-	391,179	-	391,179		
Leases payable	106,813	12,348	(107,228)	11,933		3,159
Net pension liability	3,387,208	168,440	(69,462)	3,486,186		
Net OPEB liability	<u>240,215</u>	<u>80,059</u>	<u>-</u>	<u>320,274</u>		
Total long-term obligations	<u>\$ 4,925,343</u>	<u>\$ 652,026</u>	<u>\$ (251,520)</u>	<u>\$ 5,325,849</u>	<u>\$ 81,778</u>	

See Note 9 for detail on the net pension liability.

**MARITIME ACADEMY OF TOLEDO  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 7 - LONG-TERM OBLIGATIONS - (Continued)**

See Note 10 for detail on the net OPEB liability/asset.

**Notes Payable:** On August 24, 2015, the Academy borrowed a \$1,664,345 mortgage note payable from Farmers & Merchants State Bank to refinance its mortgage note payable from Genoa Bank to take advantage of better interest rates. This note is a 10 year note, bears an interest rate of 4.95 percent, and matures August 24, 2025. The note is being amortized over 240 monthly payments and will require a balloon payment of unpaid principal and interest on August 24, 2025. Principal and interest payments are made by the Academy monthly. The Academy made \$74,830 and \$57,231 in principal and interest payments, respectively, in fiscal year 2024.

The note payable is considered a direct borrowing. Direct borrowings have terms negotiated directly between the Academy and the lender and are not offered for public sale. The property for which monies were borrowed serves as collateral for the debt.

The following is a summary of the future annual debt service requirements to maturity for the mortgage note with Farmers & Merchants State Bank:

Fiscal Year				
<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$ 78,619	\$ 53,442	\$ 132,061	
2026	1,037,658	8,525	1,046,183	
Total	<u>\$ 1,116,277</u>	<u>\$ 61,967</u>	<u>\$ 1,178,244</u>	

**FY24 PACE Loan:** During fiscal year 2024, the Academy entered into an agreement for energy upgrades to its building. The loan carries an interest rate of 6.65%. During fiscal year 2024, \$391,179 in proceeds have been disbursed and recorded as a liability on the financial statements. A future debt repayment schedule will be disclosed once all proceeds have been disbursed to the Academy.

**Leases Payable:** The Academy has entered into lease agreements for the intangible right-to-use equipment and buildings. Due to the implementation of GASB Statement No. 87, the Academy will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases.

The Academy has entered into lease agreements for copier equipment, postage meters, and building spaces at varying years and terms as follows:

<u>Leases</u>	Lease		Lease	
	Commencement	Date	End	Payment
		Years	Date	Method
Additional Office Space	2020	3	2023	Monthly
Office Space	2019	5	2024	Monthly
Postage Meter Machine	2022	5.25	2027	Monthly
Copiers	2023	5	2028	Monthly

**MARITIME ACADEMY OF TOLEDO  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 7 - LONG-TERM OBLIGATIONS - (Continued)**

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,159	\$ 546	\$ 3,705
2026	3,327	378	3,705
2027	3,504	200	3,704
2028	1,943	37	1,980
Total	<u>\$ 11,933</u>	<u>\$ 1,161</u>	<u>\$ 13,094</u>

**NOTE 8 - RISK MANAGEMENT**

**A. Insurance Coverage**

The Academy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the fiscal year ended June 30, 2024, the Academy contracted with the Hanover Insurance Company for insurance coverage as follows:

Blanket Building & BPP	\$ 9,700,000
Commercial General Liability per occurrence	1,000,000
Commercial General Liability aggregate	2,000,000
Commercial General Liability Personal and Advertising Injury	1,000,000
Products/Completed Operations aggregate	2,000,000
Excess/Umbrella per occurrence and aggregate	5,000,000
Sexual/Physical Abuse or Molestation per occurrence and aggregate	1,000,000
Employee Benefits Liability per occurrence and aggregate	1,000,000
Stop Gap Liability per occurrence and aggregate	1,000,000
Fire Damage Limit	500,000
Medical Expenses (any one person)	15,000

Settlements have not exceeded insurance coverage in any of the past three years and there have been no significant reductions in insurance coverage from the prior fiscal year.

**B. Workers' Compensation**

The Academy pays the State Workers' Compensation System a premium for employee injury coverage. The premium is calculated by multiplying the monthly total gross payroll by a factor that is calculated by the State.

**C. Employee Medical, Dental and Vision Benefits**

The Academy has contracted through an independent agent to provide employee medical, dental and vision insurance to its full time employees who work 25 or more hours per week. The Academy pays 70 percent and the employee pays 30 percent of the monthly premiums for all selected coverage (medical, dental and vision insurance).

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

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

**MARITIME ACADEMY OF TOLEDO  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 10 for the required OPEB disclosures.

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

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

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

**MARITIME ACADEMY OF TOLEDO  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

Age and service requirements for retirement are as follows:

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

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

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

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

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

The Academy's contractually required contribution to SERS was \$106,961 for fiscal year 2024. Of this amount, \$6,123 is reported as pension and postemployment benefits payable.

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

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

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

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**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

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

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

The Academy's contractually required contribution to STRS was \$215,845 for fiscal year 2024. Of this amount, \$13,671 is reported as pension and postemployment benefits payable.

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

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.018410300%	0.010757630%	
Proportion of the net pension liability current measurement date	<u>0.021069800%</u>	<u>0.010782360%</u>	
Change in proportionate share	<u>0.002659500%</u>	<u>0.000024730%</u>	
Proportionate share of the net pension liability	\$ 1,164,212	\$ 2,321,974	\$ 3,486,186
Pension expense	\$ 178,205	\$ 233,088	\$ 411,293

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

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 50,041	\$ 84,653	\$ 134,694
Changes of assumptions	8,246	191,226	199,472
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	137,072	202,658	339,730
Contributions subsequent to the measurement date	<u>106,961</u>	<u>215,845</u>	<u>322,806</u>
Total deferred outflows of resources	<u>\$ 302,320</u>	<u>\$ 694,382</u>	<u>\$ 996,702</u>

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

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 5,154	\$ 5,154
Net difference between projected and actual earnings on pension plan investments	16,363	6,958	23,321
Changes of assumptions	-	143,938	143,938
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	110,234	110,234
<b>Total deferred inflows of resources</b>	<b><u>\$ 16,363</u></b>	<b><u>\$ 266,284</u></b>	<b><u>\$ 282,647</u></b>

\$322,806 reported as deferred outflows of resources related to pension resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Fiscal Year Ending June 30:</b>			
2025	\$ 85,627	\$ 18,711	\$ 104,338
2026	(8,008)	(18,187)	(26,195)
2027	100,510	227,407	327,917
2028	<u>867</u>	<u>(15,678)</u>	<u>(14,811)</u>
<b>Total</b>	<b><u>\$ 178,996</u></b>	<b><u>\$ 212,253</u></b>	<b><u>\$ 391,249</u></b>

***Actuarial Assumptions - SERS***

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

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

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

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**NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

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

COLA or ad hoc COLA:

Current measurement date	2.00%
Prior measurement date	2.00%

Investment rate of return:

Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses

Discount rate:

Current measurement date	7.00%
Prior measurement date	7.00%

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

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

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

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

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

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
Academy's proportionate share of the net pension liability	\$ 1,718,322	\$ 1,164,212	\$ 697,485

**MARITIME ACADEMY OF TOLEDO  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - STRS***

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

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

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

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

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

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

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

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

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

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
Academy's proportionate share of the net pension liability	\$ 3,570,683	\$ 2,321,974	\$ 1,265,909

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

See Note 9 for a description of the net OPEB liability (asset).

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

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

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**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the Academy's surcharge obligation was \$5,206.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Academy's contractually required contribution to SERS was \$5,206 for fiscal year 2024. Of this amount, \$5,206 is reported as pension and postemployment benefits payable.

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

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

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

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

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**NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.017109200%	0.010757630%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.019440700%</u>	<u>0.010782360%</u>	
Change in proportionate share	<u>0.002331500%</u>	<u>0.000024730%</u>	
Proportionate share of the net OPEB liability	\$ 320,274	\$ -	\$ 320,274
Proportionate share of the net OPEB asset	\$ -	\$ (209,702)	\$ (209,702)
OPEB expense	\$ (14,703)	\$ (251)	\$ (14,954)

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

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 669	\$ 330	\$ 999
Net difference between projected and actual earnings on OPEB plan investments	2,480	376	2,856
Changes of assumptions	108,293	30,890	139,183
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	69,314	1,918	71,232
Contributions subsequent to the measurement date	<u>5,206</u>	<u>-</u>	<u>5,206</u>
Total deferred outflows of resources	<u>\$ 185,962</u>	<u>\$ 33,514</u>	<u>\$ 219,476</u>
 <b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 165,174	\$ 31,987	\$ 197,161
Changes of assumptions	90,960	138,362	229,322
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>16,257</u>	<u>2,256</u>	<u>18,513</u>
Total deferred inflows of resources	<u>\$ 272,391</u>	<u>\$ 172,605</u>	<u>\$ 444,996</u>

\$5,206 reported as deferred outflows of resources related to OPEB resulting from Academy contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2025.

**MARITIME ACADEMY OF TOLEDO  
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**NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$ (35,104)	\$ (60,055)	\$ (95,159)
2026	(34,981)	(28,656)	(63,637)
2027	(21,965)	(11,220)	(33,185)
2028	(12,963)	(14,963)	(27,926)
2029	(6,221)	(13,663)	(19,884)
Thereafter	<u>19,599</u>	<u>(10,534)</u>	<u>9,065</u>
Total	<u><u>\$ (91,635)</u></u>	<u><u>\$ (139,091)</u></u>	<u><u>\$ (230,726)</u></u>

***Actuarial Assumptions - SERS***

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

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

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

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

Investment rate of return:

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

Municipal bond index rate:

Current measurement date	3.86%
Prior measurement date	3.69%

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

Current measurement date	4.27%
Prior measurement date	4.08%

Medical trend assumption:

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

In 2023, the following mortality assumptions were used:

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

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

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

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

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

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

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	Current		
	1% Decrease	Discount Rate	1% Increase
Academy's proportionate share of the net OPEB liability	\$ 409,403	\$ 320,274	\$ 249,994
	Current		
	1% Decrease	Trend Rate	1% Increase
Academy's proportionate share of the net OPEB liability	\$ 235,295	\$ 320,274	\$ 432,885

***Actuarial Assumptions - STRS***

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

	June 30, 2023		June 30, 2022	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		Varies by service from 2.50% to 8.50%	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
Medical	Initial	Ultimate	Initial	Ultimate
Pre-Medicare	7.50%	4.14%	7.50%	3.94%
Medicare	-10.94%	4.14%	-68.78%	3.94%
Prescription Drug				
Pre-Medicare	-11.95%	4.14%	9.00%	3.94%
Medicare	1.33%	4.14%	-5.47%	3.94%

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

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

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

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

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

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

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	Current		
	1% Decrease	Discount Rate	1% Increase
Academy's proportionate share of the net OPEB asset	\$ 177,485	\$ 209,702	\$ 237,759
<hr/>			
Academy's proportionate share of the net OPEB asset	Current		
	1% Decrease	Trend Rate	1% Increase
	\$ 239,061	\$ 209,702	\$ 174,339

**NOTE 11 - OTHER EMPLOYEE BENEFITS**

**Compensated Absences**

Full-time administrative staff earn from two to four weeks vacation leave each year. Unused vacation does not carryover to subsequent fiscal years unless specified in the employees' contract and is not paid out to employees upon separation of employment. No liability is recorded at June 30, 2024.

Full time professional employees earn five sick days per year and full-time administrative staff earn five sick days per year. All employees may carryover two sick days to subsequent fiscal years. Unused sick leave is not paid out to employees upon separation of employment. No liability for sick leave is recorded at June 30, 2024.

Professional employees earn two personal days per year and full-time administrative personnel earn two personal days per year. Personal leave may not be accumulated. Unused personal days are not paid out to employees upon separation of employment. No liability for unused personal leave is recorded at June 30, 2024.

**NOTE 12 - PURCHASED SERVICES**

For the year ended June 30, 2024, purchased service expenses were payments for services rendered by various vendors, as follows:

	Amount
Professional and technical services	\$ 265,934
Property services	102,659
Travel mileage/meeting expense	20,811
Communications	103,134
Utilities	97,817
Tuition	125
Other	27,414
<b>Total</b>	<b><u>\$ 617,894</u></b>

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 13 - SPONSOR CONTRACT**

The Academy entered into a three-year contract with the Sponsor for the period July 1, 2024 through June 30, 2027. Under the contract, the following terms were agreed upon:

- The Academy shall comply with the policies and provisions described in the “Educational Program”, which contains the Academy’s mission, educational philosophy, the ages and grades of students, the characteristics of the students the Academy is expected to attract, and the focus of the curriculum.
- The Academy shall comply with a “Financial Plan”, which details an estimated school budget for each year of the period of the contract and shall specify the total estimated per pupil expenditure amount for each such year.
- The Academy shall comply with the procedures by which the members of the Academy will be selected in the future as set forth in the “Governance and Administrative Plan”.
- The Academy shall agree to assess student achievement of academic goals using the methods of measurement identified in the “Assessment and Accountability Plan”.
- The Sponsor shall evaluate the performance of the Academy and agrees to comply with the standards by which the success of the Academy will be evaluated.

The Academy paid \$81,895 in sponsorship fees to the Sponsor during fiscal year 2024.

**NOTE 14 - CONTINGENCIES**

**A. Grants**

The Academy received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability. This also encompasses the Auditor of State’s ongoing review of student attendance data. However, the effect of any such disallowed claims on the overall financial position of the Academy at June 30, 2024, if applicable, cannot be determined at this time.

**B. Litigation**

The Academy is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements.

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. However, there is an important nexus between attendance and enrollment for Foundation funding purposes. Community schools must provide documentation that clearly demonstrates students have participated in learning opportunities. The Ohio Department of Education and Workforce (ODEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end.

Under Ohio Rev. Code Section 3314.08, ODEW may also perform a FTE review for the fiscal year that may result in an additional adjustment to the enrollment information as well as claw backs of Foundation funding due to a lack of evidence to support student participation and other matters of noncompliance.

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 14 - CONTINGENCIES - (Continued)**

The Academy's September 13, 2024 and November 14, 2024 foundation settlement receipts included the FTE adjustments for fiscal year 2024. The September 13, 2024 adjustment was an increase of \$67,076. This amount has been reported as intergovernmental receivable on the statement of net position. The November 14, 2024 adjustment was an increase of \$203. This amount is not material to the Academy's financial statements at fiscal year-end and has not been recorded.

In addition, the Academy's contracts with the Sponsor require payments based on revenues received from the State. As discussed above, additional FTE adjustments for fiscal year 2024 were required and have been finalized. The impact on the fiscal year 2024 financial statements, related to additional reconciliation necessary with this contract, resulted in an increase of \$2,018 owed to the Academy's sponsor. This amount is not material to the Academy's financial statements at fiscal year-end and has not been recorded.

**NOTE 15 – SUBSEQUENT EVENTS**

The Academy refinanced its mortgage note payable on March 4, 2025, in the amount of \$1,360,000.

**MARITIME ACADEMY OF TOLEDO**  
**LUCAS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>Academy's Proportion of the Net Pension Liability</b>	<b>Academy's Proportionate Share of the Net Pension Liability</b>	<b>Academy's Covered Payroll</b>	<b>Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.021069800%	\$ 1,164,212	\$ 763,071	152.57%	76.06%
2023	0.018410300%	995,772	766,029	129.99%	75.82%
2022	0.016380700%	604,400	536,829	112.59%	82.86%
2021	0.016991500%	1,123,854	645,693	174.05%	68.55%
2020	0.016040700%	959,743	558,126	171.96%	70.85%
2019	0.015706200%	899,523	472,763	190.27%	71.36%
2018	0.012586100%	751,992	459,257	163.74%	69.50%
2017	0.012125200%	887,453	414,286	214.21%	62.98%
2016	0.012207700%	696,583	367,504	189.54%	69.16%
2015	0.010079000%	510,092	292,872	174.17%	71.70%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Academy's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 106,961	\$ (106,961)	\$ -	\$ 764,007	14.00%
2023	106,830	(106,830)	-	763,071	14.00%
2022	107,244	(107,244)	-	766,029	14.00%
2021	75,156	(75,156)	-	536,829	14.00%
2020	90,397	(90,397)	-	645,693	14.00%
2019	75,347	(75,347)	-	558,126	13.50%
2018	63,823	(63,823)	-	472,763	13.50%
2017	64,296	(64,296)	-	459,257	14.00%
2016	58,000	(58,000)	-	414,286	14.00%
2015	48,437	(48,437)	-	367,504	13.18%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MARITIME ACADEMY OF TOLEDO**  
**LUCAS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>Academy's Proportion of the Net Pension Liability</b>	<b>Academy's Proportionate Share of the Net Pension Liability</b>	<b>Academy's Covered Payroll</b>	<b>Academy's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.010782360%	\$ 2,321,974	\$ 1,373,371	169.07%	80.02%
2023	0.010757630%	2,391,436	1,038,986	230.17%	78.88%
2022	0.008412270%	1,075,584	1,033,164	104.11%	87.78%
2021	0.009257590%	2,240,007	1,081,486	207.12%	75.48%
2020	0.009712690%	2,147,903	1,085,121	197.94%	77.40%
2019	0.009657140%	2,123,388	1,142,893	185.79%	77.31%
2018	0.009352250%	2,221,647	1,106,550	200.77%	75.30%
2017	0.008142050%	2,725,390	857,521	317.82%	66.80%
2016	0.007802310%	2,156,330	822,136	262.28%	72.10%
2015	0.007044780%	1,713,534	719,777	238.06%	74.70%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Academy's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 215,845	\$ (215,845)	\$ -	\$ 1,541,750	14.00%
2023	192,272	(192,272)	-	1,373,371	14.00%
2022	145,458	(145,458)	-	1,038,986	14.00%
2021	144,643	(144,643)	-	1,033,164	14.00%
2020	151,408	(151,408)	-	1,081,486	14.00%
2019	151,917	(151,917)	-	1,085,121	14.00%
2018	160,005	(160,005)	-	1,142,893	14.00%
2017	154,917	(154,917)	-	1,106,550	14.00%
2016	120,053	(120,053)	-	857,521	14.00%
2015	115,099	(115,099)	-	822,136	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MARITIME ACADEMY OF TOLEDO**  
**LUCAS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>Academy's Proportion of the Net OPEB Liability</b>	<b>Academy's Proportionate Share of the Net OPEB Liability</b>	<b>Academy's Covered Payroll</b>	<b>Academy's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
2024	0.019440700%	\$ 320,274	\$ 763,071	41.97%	30.02%
2023	0.017109200%	240,215	766,029	31.36%	30.34%
2022	0.016852500%	318,947	536,829	59.41%	24.08%
2021	0.017563000%	381,701	645,693	59.11%	18.17%
2020	0.016262300%	408,963	558,126	73.27%	15.57%
2019	0.015715300%	435,985	472,763	92.22%	13.57%
2018	0.012773200%	342,799	459,257	74.64%	12.46%
2017	0.012174250%	347,011	414,286	83.76%	11.49%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Academy's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 5,206	\$ (5,206)	\$ -	\$ 764,007	1.00%
2023	2,126	(2,126)	-	763,071	0.28%
2022	2,399	(2,399)	-	766,029	0.31%
2021	10,650	(10,650)	-	536,829	1.98%
2020	10,956	(10,956)	-	645,693	1.70%
2019	11,891	(11,891)	-	558,126	2.13%
2018	9,883	(9,883)	-	472,763	2.09%
2017	6,967	(6,967)	-	459,257	1.52%
2016	5,674	(5,674)	-	414,286	1.37%
2015	7,093	(7,093)	-	367,504	1.93%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MARITIME ACADEMY OF TOLEDO**  
**LUCAS COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	Academy's Proportion of the Net OPEB Liability/(Asset)	Academy's Proportionate Share of the Net OPEB Liability/(Asset)	Academy's Covered Payroll	Academy's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.010782360%	\$ (209,702)	\$ 1,373,371	15.27%	168.52%
2023	0.010757630%	(278,551)	1,038,986	26.81%	230.73%
2022	0.008412270%	(177,366)	1,033,164	17.17%	174.73%
2021	0.009257590%	(162,702)	1,081,486	15.04%	182.10%
2020	0.009712690%	(160,865)	1,085,121	14.82%	174.74%
2019	0.009657140%	(155,180)	1,142,893	13.58%	176.00%
2018	0.009352250%	364,890	1,106,550	32.98%	47.10%
2017	0.008142050%	435,439	857,521	50.78%	37.30%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Academy's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ -	\$ -	\$ -	\$ 1,541,750	0.00%
2023	-	-	-	1,373,371	0.00%
2022	-	-	-	1,038,986	0.00%
2021	-	-	-	1,033,164	0.00%
2020	-	-	-	1,081,486	0.00%
2019	-	-	-	1,085,121	0.00%
2018	-	-	-	1,142,893	0.00%
2017	-	-	-	1,106,550	0.00%
2016	-	-	-	857,521	0.00%
2015	-	-	-	822,136	0.00%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 1 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**PENSION**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

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

*Change in assumptions:*

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 1 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

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

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Change in benefit terms:*

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

*Changes in assumptions:*

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 1 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

***SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO***

*Change in benefit terms:*

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

*Change in assumptions:*

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 1 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

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

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

*Change in benefit terms:*

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY, OHIO**

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

**NOTE 1 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

*Change in assumptions:*

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FEDERAL GRANTOR	Assistance Listing Number	Total Federal Expenditures
<b>Pass Through Grantor</b>		
Program / Cluster Title		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
<b>Passed Through Ohio Department of Education and Workforce</b>		
<u>Child Nutrition Cluster:</u>		
School Breakfast Program	10.553	\$ 28,225
National School Lunch Program	10.555	102,025
COVID-19 National School Lunch Program	10.555	10,877
Total National School Lunch Program		<u>112,902</u>
Total Child Nutrition Cluster		<u>141,127</u>
<b>Total U.S. Department of Agriculture</b>		<b><u>141,127</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>		
<b>Passed Through Ohio Department of Education and Workforce</b>		
<u>Special Education Cluster:</u>		
Special Education_Grants to States (IDEA, Part B)	84.027	84,157
Special Education_Grants to States (IDEA, Part B): ARP	84.027X	6,258
Total Special Education Cluster		<u>90,415</u>
Title I Grants to Local Educational Agencies	84.010	295,373
Supporting Effective Instruction State Grants (Formerly Improving Teacher Quality State Grants)	84.367	9,739
Student Support and Academic Enrichment Program	84.424	8,619
<u>COVID-19 Education Stabilization Fund:</u>		
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	<u>332,252</u>
<b>Total U.S. Department of Education</b>		<b><u>736,398</u></b>
<b>U.S. DEPARTMENT OF TREASURY</b>		
<b>Passed Through Ohio Facilities Construction Commission</b>		
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>18,950</u>
<b>Total U.S. Department of Treasury</b>		<b><u>18,950</u></b>
<b>Total Expenditures of Federal Awards</b>		<b><u>\$ 896,475</u></b>

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

**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Maritime Academy of Toledo, Lucas County, Ohio (the Academy) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Academy, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Academy.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

The Academy has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D – CHILD NUTRITION CLUSTER**

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

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

Maritime Academy of Toledo  
Lucas County  
803 Water Street  
Toledo, Ohio 43604

To the Board of Directors:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the Maritime Academy of Toledo, Lucas County, Ohio (the Academy) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Academy's basic financial statements and have issued our report thereon dated March 13, 2025.

***Report on Internal Control Over Financial Reporting***

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Academy's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as item 2024-002 to be a significant deficiency.

Maritime Academy of Toledo  
Lucas County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

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

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

***Academy's Response to Findings***

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 13, 2025



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

Maritime Academy of Toledo  
Lucas County  
803 Water Street  
Toledo, Ohio 43604

To the Board of Directors:

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

***Opinion on the Major Federal Program***

We have audited Maritime Academy of Toledo, Lucas County, Ohio's (the Academy) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Maritime Academy of Toledo's major federal program for the year ended June 30, 2024. Maritime Academy of Toledo's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Maritime Academy of Toledo complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

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

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

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

### ***Responsibilities of Management for Compliance***

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

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

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 13, 2025

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**MARITIME ACADEMY OF TOLEDO  
LUCAS COUNTY**

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

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Education Stabilization Fund AL #84.425
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

**FINDING NUMBER 2024-001**

**Financial Reporting – Material Weakness**

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

Construction in Progress and Long-Term Liabilities – Due in More Than One Year were understated in the amount of \$230,636 due to a loan that was not included in the financial statements or notes to the financial statements.

This error was not identified and corrected prior to the Academy preparing its financial statements and notes to the financial statements due to deficiencies in the Academy's internal controls over financial statement monitoring. Failing to prepare accurate financial statements could lead the Board of Directors to make misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct this error. In addition to the adjustment noted above, we also identified additional misstatements ranging from \$12,893 to \$30,744 that we have brought to the Academy's attention.

The Academy should adopt policies and procedures over financial reporting, including a final review of the financial statements and notes to the financial statements by the Business Manager, Treasurer and Board of Directors to help identify and correct errors and omissions.

**Officials' Response:**

See corrective action plan.

**FINDING NUMBER 2024-002**

**Noncompliance and Significant Deficiency**

**Ohio Rev. Code § 3314.08 (H)** in part requires the Department of Education and Workforce (the department) shall adjust the amounts paid under section [3317.022](#) of the Revised Code to reflect any enrollment of students in community schools for less than the equivalent of a full school year. The department shall adopt in accordance with Chapter 119. of the Revised Code rules governing the payments to community schools under section [3317.022](#) of the Revised Code including initial payments in a school year and adjustments and reductions made in subsequent periodic payments to community schools as provided under section [3317.022](#) of the Revised Code. For purposes of this division:

- (2) A student shall be considered to be enrolled in a community school for the period of time beginning on the later of the date on which the school both has received documentation of the student's enrollment from a parent and the student has commenced participation in learning opportunities as defined in the contract with the sponsor, or thirty days prior to the date on which the student is entered into the education management information system established under section 3301.0714 of the Ohio Rev. Code. For purposes of applying this division and divisions (H)(3) and (4) of this section to a community school student, "learning opportunities" shall be defined in the contract, which shall describe both classroom-based and non-classroom-based learning opportunities and shall be in compliance with criteria and documentation requirements for student participation which shall be established by the department.

**Ohio Rev. Code § 3314.08 (L)** states, the department shall not pay to a community school under section [3317.022](#) of the Revised Code any amount for any of the following:

- (1) Any student who has graduated from the twelfth grade of a public or nonpublic high school.

The Academy's procedures to track FTE (Full-Time Equivalent) during fiscal year 2024 was to assess FTE based on the period between a student's enrollment date, if applicable, or last day of school. If a student was enrolled the entire school year, the Academy reported an FTE of 1 for the student in EMIS; similarly, for example, if a student was enrolled for a period of half the school year, the School reported an FTE of 0.50 out of 1 for the student in EMIS.

Due to deficiencies in policies and procedures over reviewing EMIS data, three of ten students tested had graduated prior to FY24 but the Academy failed to remove them from the EMIS system and reported the FTEs to the Ohio Department of Education and Workforce (DEW). As a result, the Academy was reporting more FTEs than they would be allowed funding under Ohio law and DEW's FTE Handbook.

The Academy should produce a report quarterly to compare to EMIS data to ensure all graduated students are properly withdrawn from the EMIS system.

**Officials' Response:**

See corrective action plan.

**3. FINDINGS FOR FEDERAL AWARDS**

None



# The Maritime Academy of Toledo

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Phone: 419-244-9999 Fax: 419-244-9898  
Website: [www.maritimeacademy.us](http://www.maritimeacademy.us)  
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## CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) June 30, 2024

**Finding Number:** 2024-001  
**Planned Corrective Action:**

*The Maritime Academy of Toledo contracts with an outside firm to prepare its GAAP Basis Financial Statements. In doing so the district administration has put too much reliance on that firm to prepare the statements correctly. The district will make a better effort in reporting information to the outside firm to ensure inclusion of all relevant items. In addition, a more thorough review of draft statements prior to submission to the Auditor of State will be completed by administration. This will also include greater scrutiny of the Federal Schedule of revenues and expenses prior to financial statement submission. At times we focus too much on "cash basis" items and miss things like the Pace Loan which was not received and expensed on our books but transacted directly between the contractor and Pace administrators. The district will make a better effort in the future to ensure that all items are included in the financial statements as they are prepared. These review procedures will help identify and correct errors or omissions, ensuring compliance with accounting standards and regulatory requirements. By implementing this system of oversight, the Academy will enhance financial accountability, improve decision-making, and maintain the integrity of its financial operations.*

**Anticipated Completion Date:** Ongoing  
**Responsible Contact Person:** Kathy Simpson; Business Manager

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**Finding Number:** 2024-002  
**Planned Corrective Action:**

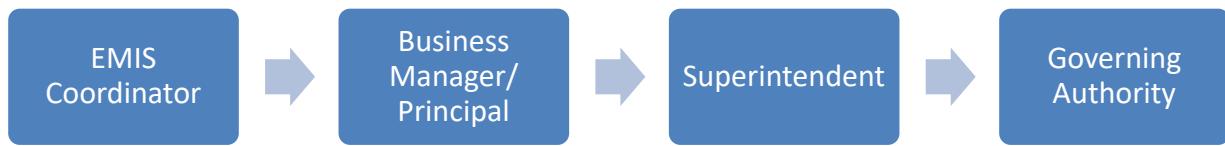
The Academy has adopted the following student withdrawal procedure to ensure compliance in the Future:

### Student Withdrawal Review Procedures

**Timeline & Frequency:**

- **Quarterly Reports Due:** September, December, March, June

Responsibility Flow



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### Step 1: Data Collection & Report Generation

#### 1). EMIS Data Pull

- The EMIS Coordinator will generate a Student Withdrawal Report from the EMIS system.
- The report will specifically include students coded as graduates (Withdrawal Code 99) and any students still enrolled beyond their expected graduation date.

#### 2). Internal Graduation List Compilation

- The Principal will create an internal list of graduates for the corresponding school year.
- This list will include student names, graduation dates, diploma verification, and transcript status.

#### 3). Cross-Check with School Records

- The internal list will be compared to finalized transcripts, diploma records, and commencement participation lists.
- Any discrepancies will be flagged for review.

---

### Step 2: Data Verification & Error Resolution

#### 1). Identify Mismatches

- If a student appears as “enrolled” but should be withdrawn as a graduate, the **EMIS Coordinator/School Secretary** will review the student file for documentation errors.
- If a student was incorrectly coded as a non-graduate, the **EMIS Coordinator** will verify any missing information (i.e., missing credits, testing requirements).

#### 2). Corrections & Updates in EMIS

- **EMIS Coordinator/ School Secretary:** Updates local records as needed.
- **EMIS Coordinator:** Processes any necessary corrections in the EMIS system.

#### 3). Submit Corrections to the Ohio Department of Education & Workforce

- If errors affect state reporting, an appeal will be submitted during the appropriate EMIS Data Appeals window to correct graduation coding errors.

### Step 3: Review & Compliance Check

#### **Quarterly Review Meeting**

- A meeting will be held with the **Superintendent, EMIS Coordinator, Business Manager, and the Principal** to review findings.
- Any systemic issues will be identified and corrective actions planned.

#### **Board Report & Documentation**

- A quarterly summary report will be submitted to the Superintendent detailing:
  - Number of students verified as graduated and properly withdrawn.
  - Number of errors found and corrected.
  - Any outstanding issues needing resolution.

#### **Final Annual Audit**

- In June, a final review will ensure all graduates from the school year are properly coded, and a compliance report will be prepared.

**Anticipated Completion Date:** Ongoing with reports every quarter  
**Responsible Contact Person:** Kathy Simpson: Business Manager

# OHIO AUDITOR OF STATE KEITH FABER



MARITIME ACADEMY OF TOLEDO

LUCAS 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 3/27/2025

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)