



OHIO AUDITOR OF STATE
KEITH FABER



**MAYSVILLE LOCAL SCHOOL DISTRICT
MUSKINGUM COUNTY
JUNE 30, 2024**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Prepared by Management:	
Management's Discussion and Analysis	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	13
Statement of Activities.....	14
Fund Financial Statements:	
Balance Sheet	
Governmental Funds	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds.....	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis) General Fund.....	19
Statement of Fund Net Position	
Internal Service Fund	20
Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Fund	21
Statement of Cash Flows	
Internal Service Fund	22
Notes to the Basic Financial Statements.....	23
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension Liability School Employees Retirement System of Ohio – Last Ten Fiscal Years.....	64
Schedule of the School District's Proportionate Share of the Net OPEB Liability School Employees Retirement System of Ohio – Last Eight Fiscal Years.....	66

**MAYSVILLE LOCAL SCHOOL DISTRICT
MUSKINGUM COUNTY
JUNE 30, 2024**

**TABLE OF CONTENTS
(Continued)**

TITLE	PAGE
Prepared by Management (Continued):	
Required Supplementary Information (Continued):	
Schedule of the School District's Proportionate Share of the Net Pension Liability State Teachers Retirement System of Ohio – Last Ten Fiscal Years	68
Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability State Teachers Retirement System of Ohio – Last Eight Fiscal Years	70
Schedule of the School District Contributions: School Employees Retirement System of Ohio – Last Ten Fiscal Years	72
State Teachers Retirement System of Ohio – Last Ten Fiscal Years	74
Notes to Required Supplementary Information	76
Schedule of Receipts and Expenditures of Federal Awards	81
Notes to the Schedule of Receipts and Expenditures of Federal Awards	82
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	83
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	85
Schedule of Findings	89

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Maysville Local School District
Muskingum County
3715 Panther Drive
Zanesville, Ohio 43701

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Maysville Local School District, Muskingum County, Ohio (School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Maysville Local School District, Muskingum County, Ohio as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 School District's basic financial statements. The Schedule of Receipts and 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 are presented for purposes of additional analysis and are 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 Receipts and 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 17, 2025, on our consideration of the School District'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 School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

March 17, 2025

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Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

Financial Highlights

Key financial highlights for the fiscal year 2024 are as follows:

- Net position of governmental activities increased during fiscal year 2024.
- On June 14, 2024, the School District experienced a hailstorm which damaged various property items. A receivable was recognized for insurance recoveries during fiscal year 2024; however, the repairs will not be completed by the School District until fiscal year 2025. No property was impaired during this hailstorm.
- The School District has made steps to improve their extracurricular activities property, which include: a new football field scoreboard, replacing the football field turf, adding two new elementary school playgrounds, ordering new bleachers for the high school and middle school, and ordering new gymnasium scoreboards.

Using this Annual Financial Report

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column.

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

In the Statement of Net Position and the Statement of Activities, all of the School District's activities are reported as governmental including instruction, support services, operation of non-instructional services, debt service, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental fund is the General Fund.

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

Proprietary Funds Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows.

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Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2024 compared to fiscal year 2023.

Table 1 - Net Position

	Governmental Activities		
	2024	2023	Change
Assets			
Current and Other Assets	\$20,088,595	\$21,213,046	(\$1,124,451)
Net OPEB Asset	1,428,110	1,893,950	(465,840)
Capital Assets	25,168,987	23,866,018	1,302,969
Total Assets	46,685,692	46,973,014	(287,322)
Deferred Outflows of Resources			
Pension	3,964,959	4,780,241	(815,282)
OPEB	714,527	400,773	313,754
Total Deferred Outflows of Resources	4,679,486	5,181,014	(501,528)
Liabilities			
Current and Other Liabilities	3,692,495	4,259,966	(567,471)
Long-Term Liabilities:			
Due Within One Year	91,370	319,863	(228,493)
Due In More Than One Year:			
Net Pension Liability	19,986,963	20,616,070	(629,107)
Net OPEB Liability	1,275,887	1,152,903	122,984
Other Amounts	1,879,998	1,789,318	90,680
Total Liabilities	26,926,713	28,138,120	(1,211,407)
Deferred Inflows of Resources			
Property Taxes	2,862,934	2,795,478	67,456
Pension	1,736,304	2,495,835	(759,531)
OPEB	2,476,200	3,076,448	(600,248)
Total Deferred Inflows of Resources	7,075,438	8,367,761	(1,292,323)
Net Position			
Net Investment in Capital Assets	25,105,005	23,015,632	2,089,373
Restricted	1,883,466	1,649,053	234,413
Unrestricted (Deficits)	(9,625,444)	(9,016,538)	(608,906)
Total Net Position	<u>\$17,363,027</u>	<u>\$15,648,147</u>	<u>\$1,714,880</u>

The net pension liability is the largest liability reported by the School District at June 30, 2024. 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 School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer.

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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.

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.

Total assets decreased in fiscal year 2024. Current and other assets decreased primarily due to a decrease in cash and cash equivalents. In fiscal year 2024, the School District replaced the football field's turf and purchased new football field scoreboards using existing cash balances from the Permanent Improvement Capital Projects Fund. The Lunchroom Special Revenue Fund cash balances decreased due to decreases in enrollment and decreases in operating grants in addition to expenses exceeding revenues, which is due to soaring food prices in this present economy. The School District reflects a net OPEB asset decrease from fiscal year 2023, see Note 12 for more information on OPEB. Capital Assets reflected an increase due to current year capital asset additions exceeding deletions and depreciation/amortization expenses, see Note 9 for more information

Total deferred outflows of resources decreased in fiscal year 2024. This decrease was primarily due to the decrease in the changes of assumptions related to the School District's proportionate share of the net pension liability and the decrease in projected versus actual earnings on pension plan investments. Proportionate shares are calculated by the pension and OPEB plans.

Total liabilities decreased in fiscal year 2024. Current and other liabilities decreased due to decreases in contract and retainage payables related to the new football field turf at the end of fiscal year 2023, which did not reoccur for fiscal year 2024. Long-term liabilities decreased mainly due to the decrease in the net pension liability being offset by the increase in net OPEB liability. The net pension/OPEB liability represents the School District's proportionate share of the STRS and SERS unfunded benefits. Changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension/OPEB liability. Long-term liabilities also decreased due to the School District paying off the financed purchase in fiscal year 2024 for six school buses along with principal payments on the outstanding lease payable for copier equipment.

Total deferred inflows of resources decreased as the result of a decrease in deferred inflows of resources related to pension/OPEB due to changes in pension/OPEB plan investments. This decrease was offset by a slight increase in deferred inflows of resources from property taxes.

In an effort to promote comparability with other governments, the School District updated its calculation of net position restricted for pension and OPEB plans for fiscal year 2024. This change impacted the amounts presented as net position restricted for an OPEB plan and unrestricted net position. GASB 100

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

does not require amounts prior to those presented in the basic financial statements to be updated for a change in accounting principle.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2024, and comparisons to fiscal year ended June 30, 2023.

Table 2 - Changes in Net Position

Revenues	Governmental Activities		
	2024	2023	Change
Program Revenues:			
Charges for Services	\$1,004,407	\$1,047,447	(\$43,040)
Operating Grants, Contributions, and Interest	5,614,879	6,196,379	(581,500)
Capital Grants	1,247,102	716,836	530,266
Total Program Revenues	7,866,388	7,960,662	(94,274)
General Revenues:			
Property Taxes	4,744,667	4,633,870	110,797
Grants and Entitlements	15,241,096	15,121,295	119,801
Investment Earnings/Interest	560,613	217,347	343,266
Gain on Sale of Capital Assets	2,000	0	2,000
Insurance Recoveries	346,685	0	346,685
Miscellaneous	84,218	98,559	(14,341)
Total General Revenues	20,979,279	20,071,071	908,208
Total Revenues	28,845,667	28,031,733	813,934
Program Expenses			
Instruction:			
Regular	10,833,907	11,175,517	(341,610)
Special	3,625,828	3,281,892	343,936
Vocational	758,126	567,916	190,210
Intervention	677,615	0	677,615
Support Services:			
Pupils	1,337,024	1,222,639	114,385
Instructional Staff	337,347	1,030,848	(693,501)
Board of Education	125,527	143,219	(17,692)
Administration	2,276,503	2,045,075	231,428
Fiscal	439,002	477,976	(38,974)
Operation and Maintenance of Plant	2,418,523	1,863,627	554,896
Pupil Transportation	1,458,474	1,438,372	20,102
Central	82,292	76,428	5,864
Operation of Non-Instructional Services:			
Food Service Operations	1,678,208	1,684,416	(6,208)
Other	3,808	6,100	(2,292)
Extracurricular Activities	1,072,999	938,584	134,415
Interest	5,604	9,420	(3,816)
Total Expenses	27,130,787	25,962,029	1,168,758
Change in Net Position	1,714,880	2,069,704	(354,824)
Net Position Beginning of Year	15,648,147	13,578,443	2,069,704
Net Position End of Year	\$17,363,027	\$15,648,147	\$1,714,880

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Net position increased in fiscal year 2024 as overall revenues and expenses both reflected increases from the prior year. Program revenues decreased due to a decrease in charges for services and operating grants, contributions, and interest. Charges for services decreased for preschool fees and tuition and fees, both were due to a decrease in enrollment. The decrease in operating grants, contributions, and interest is related to a decrease in COVID-19 grant funding, which has begun phase-out in fiscal year 2024. During fiscal year 2024, COVID-19 grant funding was used for capital projects rather than operating expenses compared to the prior year; therefore, there was an increase in capital grants and contributions mainly due to the two new elementary playgrounds. The increase in program expenses is mostly due to the increase in inflation and the increase in salaries and fringe benefits.

The Statement of Activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services. In other words, it identifies the cost of those services supported by tax revenue and unrestricted entitlements.

Table 3 - Governmental Activities

	2024 Total Cost of Services	2024 Net Cost of Services	2023 Total Cost of Services	2023 Net Cost of Services
Program Expenses				
Instruction:				
Regular	\$10,833,907	\$9,995,010	\$11,175,517	\$10,196,821
Special	3,625,828	383,774	3,281,892	784,912
Vocational	758,126	559,613	567,916	474,680
Intervention	677,615	677,615	0	0
Support Services:				
Pupils	1,337,024	1,165,064	1,222,639	1,066,672
Instructional Staff	337,347	221,064	1,030,848	(36,121)
Board of Education	125,527	125,527	143,219	143,219
Administration	2,276,503	2,143,259	2,045,075	1,778,522
Fiscal	439,002	439,002	477,976	477,295
Operation and Maintenance of Plant	2,418,523	963,964	1,863,627	1,182,455
Pupil Transportation	1,458,474	1,452,992	1,438,372	1,045,982
Central	82,292	57,608	76,428	54,848
Operation of Non-Instructional Services:				
Food Service Operations	1,678,208	355,942	1,684,416	239,689
Other	3,808	3,398	6,100	(10,215)
Extracurricular Activities	1,072,999	714,963	938,584	593,188
Interest	5,604	5,604	9,420	9,420
Totals	<u>\$27,130,787</u>	<u>\$19,264,399</u>	<u>\$25,962,029</u>	<u>\$18,001,367</u>

The dependence upon tax revenues and State subsidies for governmental activities is apparent. For 2024, only 29 percent of the governmental activities performed by the School District are supported through program revenues such as charges for services, operating and capital grants, contributions, and interest. The remaining 71 percent is provided through taxes and entitlements.

Instructional programs comprise the largest portion of total governmental program expenses and support services are the second largest portion, since the School District's purpose is to instruct and support its

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

students in order to prepare them for a positive future. The larger remaining amounts are for food services and extracurricular activities which relate to a student's growth and well-being.

The School District Funds

The School District's funds are accounted for using the modified accrual basis of accounting. Governmental funds had an overall decrease in fund balance for fiscal year 2024 due decreases in food service balances, decreases in State and federal grant balances, extracurricular purchases and upgrades, and the spending of expired levy dollars from classroom facilities. The decreases in governmental funds fund balance were offset by an increase in the General Fund. The General Fund's balance increased during fiscal year 2024 primarily due to a receivable for insurance recoveries from a hailstorm on June 14, 2024. No assets were impaired during this hailstorm. The insurance recoveries revenue will be used for repairs to various property items to be completed during fiscal year 2025. The fund balance increase is also the result of an increase in State foundation revenues for fiscal year 2024.

General Fund Budgetary Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal 2024, the School District's General Fund appropriations increased due to increases in expenses due to inflation rates and the cost of doing business along with an increase in extracurricular activities expense. The School District ordered a new scoreboard for the high school gymnasium and new bleachers for the high school and middle school, in which the School District had to pay fifty percent down during fiscal year 2024. The fiscal year ended with final appropriations exceeding actual expenditures. Budget basis actual revenue plus other financing sources exceeded the original and final revenue estimates. The difference between final revenue estimates and actual revenue was mainly due to State foundation intergovernmental revenues being higher than anticipated. The School District's ending General Fund budgetary balance was \$10,619,525.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2024, the School District had invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use equipment. See Note 9 for more detailed information of the School District's capital assets. Table 4 shows fiscal year 2024 balances compared to fiscal year 2023.

Table 4 - Capital Assets at June 30, 2024
(Net of Depreciation)

	Government Activities	
	2024	2023
Land	\$729,742	\$729,742
Construction in Progress	0	944,015
Land Improvements	4,336,898	2,266,936
Buildings and Improvements	16,820,291	17,739,192
Furniture and Equipment	2,431,645	1,167,296
Vehicles	786,429	931,953
Intangible Right to Use - Equipment	63,982	86,884
Totals	\$25,168,987	\$23,866,018

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Long-Term Obligations

At June 30, 2024, the School District had \$63,982 in leases payable outstanding. The financed purchase for six buses was paid in full during fiscal year 2024.

Table 5 - Outstanding Long-Term Obligations, at Fiscal Year End

	Government Activities	
	2024	2023
Financed Purchases	\$0	\$133,002
Leases Payable	63,982	86,884
Totals	<u>\$63,982</u>	<u>\$219,886</u>

See Note 15 for more detailed information of the School District's long-term obligations. The net pension/OPEB liabilities under GASB 68 and GASB 75 are also reported as long-term obligations that have been previously disclosed within the management's discussion and analysis.

Economic Factors

The School District has experienced increases in net position during fiscal years 2018 through 2024. The School District's net position increased during fiscal year 2024 due mainly to revenues exceeding expenses and increases in investment earnings/interest and capital assets. The increase is also due to the hailstorm insurance recovery monies in fiscal year 2024, of which repairs will not be expensed until fiscal year 2025.

Based on the most recent Board-adopted five-year forecast, Maysville Local School District is projecting revenues to exceed expenditures for fiscal years 2026 and 2027; however, deficit spending is projected for fiscal years 2025 and 2028. The deficit spending in fiscal year 2025 is due to projected capital outlay expenditures. The Board does not anticipate any layoffs to occur in the upcoming years. As staff retire in the next few years, the Board may not replace those vacated positions unless deemed necessary. The Board of Education and Administration of the School District must maintain careful financial planning and prudent fiscal management in order to maintain the financial stability of the School District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Lewis Sidwell, Treasurer at Maysville Local School District, 3715 Panther Drive, Zanesville, Ohio 43701. You may also e-mail the treasurer at lsidwell@laca.org.

Maysville Local School District, Ohio

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$13,129,408
Cash and Cash Equivalents in Segregated Accounts	5,955
Accounts Receivable	406,809
Accrued Interest Receivable	44,726
Intergovernmental Receivable	585,389
Prepaid Items	384,257
Inventory Held for Resale	5,474
Materials and Supplies Inventory	8,383
Property Taxes Receivable	5,518,194
Net OPEB Asset	1,428,110
Nondepreciable Capital Assets	729,742
Depreciable Capital Assets, Net	24,439,245
<i>Total Assets</i>	<u>46,685,692</u>
Deferred Outflows of Resources	
Pension	3,964,959
OPEB	714,527
<i>Total Deferred Outflows or Resources</i>	<u>4,679,486</u>
Liabilities	
Accounts Payable	86,010
Accrued Wages and Benefits Payable	3,015,538
Intergovernmental Payable	573,506
Employee Withholding Payable	1,015
Claims Payable	16,426
Long-Term Liabilities:	
Due Within One Year	91,370
Due In More Than One Year:	
Net Pension Liability	19,986,963
Net OPEB Liability	1,275,887
Other Amounts	1,879,998
<i>Total Liabilities</i>	<u>26,926,713</u>
Deferred Inflows of Resources	
Property Taxes	2,862,934
Pension	1,736,304
OPEB	2,476,200
<i>Total Deferred Inflows of Resources</i>	<u>7,075,438</u>
Net Position	
Net Investment in Capital Assets	25,105,005
Restricted for:	
Food Service Operations	36,381
Student Managed Activities	61,369
District Managed Student Activities	144,368
Preschool Activities	117,053
Local, State, and Federal Grants	96,185
OPEB Plan	1,428,110
Unrestricted (Deficit)	(9,625,444)
<i>Total Net Position</i>	<u>\$17,363,027</u>

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio
Statement of Activities
For the fiscal year ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants	Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$10,833,907	\$340,886	\$488,620	\$9,391	(\$9,995,010)
Special	3,625,828	49,538	3,192,516	0	(383,774)
Vocational	758,126	0	198,513	0	(559,613)
Intervention	677,615	0	0	0	(677,615)
Support Services:					
Pupils	1,337,024	0	171,960	0	(1,165,064)
Instructional Staff	337,347	0	116,283	0	(221,064)
Board of Education	125,527	0	0	0	(125,527)
Administration	2,276,503	43,074	90,170	0	(2,143,259)
Fiscal	439,002	0	0	0	(439,002)
Operation and Maintenance of Plant	2,418,523	180,351	36,497	1,237,711	(963,964)
Pupil Transportation	1,458,474	0	5,482	0	(1,452,992)
Central	82,292	0	24,684	0	(57,608)
Operation of Non-Instructional Services:					
Food Service Operations	1,678,208	32,522	1,289,744	0	(355,942)
Other	3,808	0	410	0	(3,398)
Extracurricular Activities	1,072,999	358,036	0	0	(714,963)
Interest	5,604	0	0	0	(5,604)
<i>Total Primary Government</i>	<u>\$27,130,787</u>	<u>\$1,004,407</u>	<u>\$5,614,879</u>	<u>\$1,247,102</u>	<u>(19,264,399)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					4,637,662
Permanent Improvement					107,005
Grants and Entitlements not Restricted					
to Specific Programs					15,241,096
Investment Earnings/Interest					560,613
Gain on Sale of Capital Asset					2,000
Insurance Recoveries					346,685
Miscellaneous					84,218
<i>Total General Revenues</i>					<u>20,979,279</u>
<i>Change in Net Position</i>					1,714,880
<i>Net Position Beginning of Year</i>					<u>15,648,147</u>
<i>Net Position End of Year</i>					<u>\$17,363,027</u>

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio

Balance Sheet

Governmental Funds

June 30, 2024

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$11,229,122	\$1,311,077	\$12,540,199
Cash and Cash Equivalents in Segregated Accounts	0	5,955	5,955
Accounts Receivable	403,401	954	404,355
Interfund Receivable	79,730	0	79,730
Intergovernmental Receivable	205,437	379,952	585,389
Accrued Interest Receivable	0	44,726	44,726
Prepaid Items	315,864	67,541	383,405
Inventory Held for Resale	0	5,474	5,474
Materials and Supplies Inventory	5,192	3,191	8,383
Property Taxes Receivable	5,392,343	125,851	5,518,194
<i>Total Assets</i>	<u>\$17,631,089</u>	<u>\$1,944,721</u>	<u>\$19,575,810</u>
Liabilities			
Accounts Payable	\$81,595	\$4,415	\$86,010
Accrued Wages and Benefits	2,644,300	371,238	3,015,538
Interfund Payable	0	79,730	79,730
Intergovernmental Payable	510,556	62,950	573,506
Employee Withholding Payable	1,015	0	1,015
<i>Total Liabilities</i>	<u>3,237,466</u>	<u>518,333</u>	<u>3,755,799</u>
Deferred Inflows of Resources			
Property Taxes	2,797,301	65,633	2,862,934
Unavailable Revenue	765,453	101,255	866,708
<i>Total Deferred Inflows of Resources</i>	<u>3,562,754</u>	<u>166,888</u>	<u>3,729,642</u>
Fund Balances			
Nonspendable	321,056	70,732	391,788
Restricted	0	425,643	425,643
Committed	276,041	14,532	290,573
Assigned	395,110	795,575	1,190,685
Unassigned (Deficit)	9,838,662	(46,982)	9,791,680
<i>Total Fund Balances</i>	<u>10,830,869</u>	<u>1,259,500</u>	<u>12,090,369</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$17,631,089</u>	<u>\$1,944,721</u>	<u>\$19,575,810</u>

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio
*Reconciliation of the Governmental Funds Balance Sheet to
the Statement of Net Position
June 30, 2024*

Total Governmental Fund Balances	\$12,090,369
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*Amounts reported for governmental activities in the statement of net position
are different because of the following:*

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	25,168,987
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Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources - unavailable revenue in the funds:

Delinquent Property Taxes	664,372	
Intergovernmental	114,759	
Investment Earnings/Interest	34,594	
Tuition and Fees	52,983	866,708

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	576,089
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Some liabilities are not due and payable in the current period and, therefore, not reported in the funds:	
Leases Payable	(63,982)
Compensated Absences Payable	(1,907,386)
	(1,971,368)

The net pension and net OPEB asset/liability is not due and payable in the current period; therefore, the asset, liability and related deferred inflows/ outflows are not reported in the governmental funds:

Net OPEB Asset	1,428,110	
Deferred Outflows - Pension	3,964,959	
Deferred Outflows - OPEB	714,527	
Net Pension Liability	(19,986,963)	
Net OPEB Liability	(1,275,887)	
Deferred Inflows - Pension	(1,736,304)	
Deferred Inflows - OPEB	(2,476,200)	(19,367,758)

Net Position of Governmental Activities	\$17,363,027
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See accompanying notes to the basic financial statements

Maysville Local School District, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$4,601,512	\$106,540	\$4,708,052
Intergovernmental	17,572,749	4,406,663	21,979,412
Investment Earnings/Interest	0	564,902	564,902
Tuition and Fees	259,650	222,973	482,623
Extracurricular Activities	64,349	293,687	358,036
Rent	1,215	0	1,215
Charges for Services	163,430	48,228	211,658
Contributions and Donations	0	11,740	11,740
Miscellaneous	67,860	0	67,860
<i>Total Revenues</i>	<u>22,730,765</u>	<u>5,654,733</u>	<u>28,385,498</u>
Expenditures			
Current:			
Instruction:			
Regular	10,159,261	823,352	10,982,613
Special	2,511,721	1,031,257	3,542,978
Vocational	955,582	0	955,582
Intervention	676,862	0	676,862
Support Services:			
Pupils	1,147,617	172,544	1,320,161
Instructional Staff	261,971	115,519	377,490
Board of Education	125,527	0	125,527
Administration	2,127,669	162,611	2,290,280
Fiscal	454,700	9,123	463,823
Operation and Maintenance of Plant	2,178,760	1,680,551	3,859,311
Pupil Transportation	1,342,978	41,061	1,384,039
Central	57,252	25,040	82,292
Operation of Non-Instructional Services:			
Food Service Operations	0	1,671,177	1,671,177
Other Non-Instructional Services	0	3,808	3,808
Extracurricular Activities	550,461	247,439	797,900
Capital Outlay	0	759,707	759,707
Debt Service:			
Principal Retirement	22,902	133,002	155,904
Interest	5,516	2,880	8,396
<i>Total Expenditures</i>	<u>22,578,779</u>	<u>6,879,071</u>	<u>29,457,850</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>151,986</u>	<u>(1,224,338)</u>	<u>(1,072,352)</u>
Other Financing Sources			
Proceeds from Sale of Capital Assets	2,000	0	2,000
Insurance Recoveries	346,685	0	346,685
<i>Total Other Financing Sources</i>	<u>348,685</u>	<u>0</u>	<u>348,685</u>
<i>Net Change in Fund Balances</i>	<u>500,671</u>	<u>(1,224,338)</u>	<u>(723,667)</u>
<i>Fund Balances Beginning of Year</i>	<u>10,330,198</u>	<u>2,483,838</u>	<u>12,814,036</u>
<i>Fund Balances End of Year</i>	<u>\$10,830,869</u>	<u>\$1,259,500</u>	<u>\$12,090,369</u>

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio
*Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024*

Net Change in Fund Balances - Total Governmental Funds (\$723,667)

*Amounts reported for governmental activities in the statement of activities
are different because*

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlay exceeded depreciation/amortization in the current period.

Capital Asset Additions	3,173,573	
Current Year Depreciation/Amortization	<u>(1,870,604)</u>	1,302,969

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount of the gain on sale of capital assets: capital assets.

Gain on Sale of Capital Assets	2,000	
Proceeds from Sale of Capital Assets	<u>(2,000)</u>	0

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Delinquent Property Taxes	36,615	
Intergovernmental	104,152	
Investment Earnings/Interest	3,484	
Tuition and Fees	<u>(49,125)</u>	95,126

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Financed Purchase	133,002	
Leases	<u>22,902</u>	155,904

In the Statement of Activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due.

2,792

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences Payable		(18,091)
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The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

1,313

Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

Pension	1,873,116	
OPEB	<u>51,066</u>	1,924,182

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension expense in the Statement of Activities.

Pension	(1,299,760)	
OPEB	<u>274,112</u>	<u>(1,025,648)</u>

<i>Change in Net Position of Governmental Activities</i>		<u><u>\$1,714,880</u></u>
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See accompanying notes to the basic financial statements

Maysville Local School District, Ohio
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$4,557,615	\$4,557,615	\$4,577,378	\$19,763
Intergovernmental	17,173,067	17,173,067	17,590,939	417,872
Tuition and Fees	220,000	220,000	233,844	13,844
Rent	1,000	1,000	1,215	215
Charges for Services	145,000	165,000	163,430	(1,570)
Miscellaneous	99,700	99,700	107,507	7,807
<i>Total Revenues</i>	<u>22,196,382</u>	<u>22,216,382</u>	<u>22,674,313</u>	<u>457,931</u>
Expenditures				
Current:				
Instruction:				
Regular	9,851,143	9,924,783	9,485,080	439,703
Special	3,047,846	3,047,846	2,504,702	543,144
Vocational	755,815	882,525	936,964	(54,439)
Student Intervention Services	375,000	505,000	677,232	(172,232)
Other	582,764	647,764	604,778	42,986
Support Services:				
Pupils	1,630,800	1,630,800	1,141,478	489,322
Instructional Staff	(1,107,561)	(1,106,761)	235,274	(1,342,035)
Board of Education	135,357	135,357	121,959	13,398
Administration	2,172,516	2,202,856	2,114,076	88,780
Fiscal	378,991	491,310	457,319	33,991
Operation and Maintenance of Plant	2,027,358	2,310,857	2,183,255	127,602
Pupil Transportation	1,359,233	1,636,364	1,582,338	54,026
Central	57,387	66,683	57,252	9,431
Extracurricular Activities	383,537	1,011,802	1,104,676	(92,874)
<i>Total Expenditures</i>	<u>21,650,186</u>	<u>23,387,186</u>	<u>23,206,383</u>	<u>180,803</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>546,196</u>	<u>(1,170,804)</u>	<u>(532,070)</u>	<u>638,734</u>
Other Financing Source				
Advances In	<u>0</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	<u>546,196</u>	<u>(970,804)</u>	<u>(332,070)</u>	<u>638,734</u>
<i>Fund Balance Beginning of Year</i>	<u>10,854,641</u>	<u>10,854,641</u>	<u>10,854,641</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>96,954</u>	<u>96,954</u>	<u>96,954</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$11,497,791</u></u>	<u><u>\$9,980,791</u></u>	<u><u>\$10,619,525</u></u>	<u><u>\$638,734</u></u>

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio

Statement of Fund Net Position

Internal Service Fund

June 30, 2024

	Self- Insurance
Current Assets	
Equity in Pooled Cash and Cash Equivalents	\$589,209
Accounts Receivable	2,454
Prepaid Items	852
	<hr/>
<i>Total Assets</i>	592,515
 Current Liabilities	
Claims Payable	16,426
	<hr/>
Net Position	
Unrestricted	\$576,089
	<hr/> <hr/>

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2024

	Self- Insurance
Operating Revenues	
Charges for Services	\$253,891
Other Revenues	16,358
	<hr/>
<i>Total Revenues</i>	270,249
	<hr/>
Operating Expenses	
Purchased Services	13,805
Claims	255,131
	<hr/>
Total Operating Expenses	268,936
	<hr/>
Operating Income	1,313
Net Position Beginning of Year	574,776
	<hr/>
Net Position End of Year	\$576,089
	<hr/> <hr/>

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio

Statement of Cash Flows

Internal Service Fund

For the Fiscal Year Ended June 30, 2024

	Self- Insurance
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Transactions with Other Funds	\$254,017
Cash Payments for Services	(14,657)
Cash Payments for Claims	(259,737)
Other Operating Revenues	16,358
<i>Net Cash Used for Operating Activities</i>	(4,019)
Cash Flows from Noncapital Financing Activities	
Advance Out	(200,000)
<i>Net Decrease in Cash and Cash Equivalents</i>	(204,019)
<i>Cash and Cash Equivalents Beginning of Year</i>	793,228
<i>Cash and Cash Equivalents End of Year</i>	\$589,209
Reconciliation of Operating Income to Net Cash Used for Operating Activities	
Operating Income	\$1,313
Changes in Assets and Liabilities	
Decrease in Accounts Receivable	14,030
Increase in Prepaid Items	(852)
Decrease in Claims Payable	(18,510)
<i>Net Cash Used for Operating Activities</i>	(\$4,019)
See accompanying notes to the basic financial statements	

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 – Description of the School District and Reporting Entity

Maysville Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by State statute and federal guidelines.

Maysville Local School District was established in 1956 through the consolidation of the Springfield-Bell Local School District and the South Zanesville Local School District. The School District serves an area of approximately 66 square miles. It is located in Muskingum County and includes a portion of the City of Zanesville, the Village of East Fultonham, and the Townships of Newton and Springfield. It is staffed by 107 classified employees, 129 certificated full-time teaching personnel, and 15 administrative employees who provide services to 1,702 students (includes preschool and open enrollment students) and other community members. The School District currently operates two instructional buildings, one administrative/preschool building, and one garage.

Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to insure the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Maysville Local School District, this includes general operations, food service, preschool, and student related activities of the School District.

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

The School District participates in four jointly governed organizations and three purchasing pools. These organizations are the Licking Area Computer Association, Mid-East Career and Technology Centers, Coalition of Rural and Appalachian Schools, the Ohio Coalition of Equity and Adequacy of School Funding, the Better Business Bureau of Central Ohio Incorporated - Workers' Compensation Program, the Ohio School Benefits Cooperative, and META Solutions. These organizations are presented in Notes 20 and 21 to the general purpose financial statements.

Note 2 – Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described in Note 2.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid doubling up revenues and expenses. The statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department, and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and proprietary.

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

General Fund The General Fund accounts for and reports all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose, provided it is expended and transferred according to the general laws of Ohio.

The other governmental funds of the School District account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Proprietary Fund Types Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

Internal Service Fund The Internal Service Fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. For fiscal year 2024, the School District's only internal service fund accounts for the operation of the School District's self-insurance program for vision and dental claims.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the School District are included on the statement of net position. The statement of activities presents increases (revenues) and decreases (expenses) in total net position.

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

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position.

For proprietary funds, the statement of revenues, expenses, and changes in fund 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 School District finances and meets the cash flow needs of its proprietary activities.

Basis of Accounting

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, investment income/interest, tuition and fees, grants, extracurricular, rent, and charges for services.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents 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. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The details of these unavailable revenues are identified on the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position found on page 16. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 11 and 12.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension and OPEB plans, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental, investment earnings/interest, and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as equity in pooled cash and cash equivalents on the financial statements.

During fiscal year 2024, the School District's investments were limited to negotiable certificates of deposit, treasury bills, money market mutual funds, and federal agency securities.

Except for nonparticipating investment contracts, the School District reports investments at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as money market accounts, are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of Investment Earnings/Interest. Investment Earnings/Interest credited to the Permanent Improvement Capital Projects Fund during fiscal year 2024 amounted to \$564,902, which includes \$482,922 assigned from other School District funds.

The School District has a segregated bank account for the District Managed Activities that is held separate from the School District's central bank account. This depository account is presented as "Cash in Segregated Accounts" since it is not deposited into the School District treasury.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

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 expenditure/expense is reported in the fiscal year in which services are consumed.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expended when used. Inventory consists of expendable supplies held for consumption and purchased and donated food held for resale.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Capital Assets

The School District's only capital assets are general capital assets. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets (except for intangible right to use lease assets which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of capital assets by back trending (i.e., estimating the current replacement cost of the assets to be capitalized and using an appropriate price-index to deflate the costs to the acquisition year or estimated acquisition year). Donated assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15-20 years
Buildings and Improvements	20-40 years
Furniture and Equipment	5-20 years
Vehicles	8 years

The School District is reporting intangible right to use assets related to lease assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Internal Activity

Transfers within governmental activities are eliminated on the government-wide statements.

Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for vacation eligible employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified and certified employees after ten years of current service with the School District.

Leases Payable

The School District serves as lessee in a noncancellable lease which is accounted for as follows:

Lessee At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net pension is not sufficient for payment of those benefits. Financed purchases and leases are recognized as liabilities on the governmental fund financial statements when due. The School District's financed purchase was paid in full during fiscal year 2024.

Pensions/Other Postemployment Benefits (OPEB)

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Fund Balance

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

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes the long-term amount of loans and notes receivable, prepaids, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

Restricted: The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation (School District Board of Education resolutions).

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

Assigned: Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the School District Board of Education. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education or by State statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned: The unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report deficit balances.

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Net Position

Net position represents the difference between all other elements in a statement of financial position. 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. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted Net Position for an OPEB plan represents the corresponding restricted asset amounts held in trust by the OPEB plan for future benefits.

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, no extraordinary or special items occurred.

Estimates

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

Budgetary Data

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education (Board) may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts in the final amended certificate of estimated resources in effect at the time the final appropriations were passed by the Board.

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 3 – Changes in Accounting Principles

For fiscal year 2024, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and the related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The School District also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The School District reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and the Implementation Guides did not have an effect on beginning balances.

In an effort to promote comparability with other governments, the School District updated its calculation of net position restricted for an OPEB plan for fiscal year 2024. This change had no impact on beginning net position, but rather impacted the amounts presented as net position restricted for OPEB plan and unrestricted net position.

Note 4 – Fund Deficits

The following funds had deficit fund balances as of June 30, 2024:

<u>Special Revenue Funds</u>	<u>Deficits</u>
21st Century	\$9,150
Title VI-B	17,862
Title School Improvement	1,805
Title I	11,459
Title VI-R	1,677

The deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Actual (Budget Basis) for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
4. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a commitment or assignment of fund balance for governmental fund types (GAAP basis).
5. Budgetary revenues and expenditures of the public school support fund are reclassified to the General Fund for GAAP Reporting.
6. Unreported cash and negative cash advances to other funds are reported on the GAAP Basis, but not on budgetary basis.
7. Advances are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statement for the General Fund:

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$500,671
Net Adjustment for Revenue Accruals	(466,689)
Net Adjustment for Expenditure Accruals	390,505
Beginning:	
Unrecorded Cash	601
Prepaid Items	32,835
Negative Cash Advances	(77,037)
Ending:	
Unrecorded Cash	(1,015)
Prepaid Items	(315,864)
Negative Cash Advances	74,654
Advances In	200,000
To reclassify excess of revenues and other sources of financial resources over expenditures and other uses of financial resources into financial statement fund types	(19,717)
Adjustment for Encumbrances	(651,014)
Budget Basis	<u><u>(\$332,070)</u></u>

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 6 – Deposits and Investments

Monies held by the School District are classified by State statute into three categories.

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

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

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

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

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. At fiscal year-end, the School District had no undeposited cash on hand.

Investments Investments are reported at fair value. As of June 30, 2024, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Ratings	Percentage of Total Investment
Fair Value - Level One Input:				
Money Market Mutual Funds	\$267,108	Less than one year	Aaa-mf	3.64%
Fair Value - Level Two Inputs:				
Federal National Mortgage Association Notes	249,972	Less than one year	Aaa	3.41%
Federal Home Loan Bank Notes	759,147	Less than one year	Aaa	10.35%
Federal Farm Credit Bank Notes	2,923,040	Less than four years	Aaa	39.86%
Negotiable Certificates of Deposit	2,390,712	Less than two years	n/a	32.60%
US Treasury Bills	743,860	Less than one year	Aaa	10.14%
Total Fair Value - Level Two Inputs	7,066,731			
Total	\$7,333,839			

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

chart identifies the School District's recurring fair value measurements as of June 30, 2024. The money market mutual funds are measured at fair value and is valued using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years. The Treasurer cannot make investments which he/she does not reasonably believe can be held until the maturity date. The stated intent of the policy is to avoid the need to sell securities prior to maturity. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk The credit ratings are by Moody's for all of the School District's securities listed above. The School District has no investment policy dealing with credit risk beyond the requirements of State statutes. Ohio law requires that the money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer.

Note 7 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property (used in business) located in the School District. Real property tax revenue received in calendar 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2024 represents collections of calendar year 2023 taxes. Public utility real property taxes received in calendar year 2024 became a lien December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Muskingum County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2024, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflow of resources for property taxes.

The amount available as an advance at June 30, 2024, was \$1,990,888. \$1,946,229 was available to the General Fund and \$44,659 was available to the Permanent Improvement Fund. The amount available as an advance at June 30, 2023, was \$1,966,020. \$1,922,095 was available to the General Fund and \$43,925 was available to the Permanent Improvement Fund.

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

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

	2023 Second-Half Collections		2024 First-Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$211,382,680	91.54%	\$213,838,060	91.12%
Public Utility Personal	19,548,040	8.46%	20,826,600	8.88%
Total Assessed Value	<u>\$230,930,720</u>	<u>100.00%</u>	<u>\$234,664,660</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$37.45		\$37.45	

Note 8 – Receivables

Receivables at June 30, 2024, consisted of property taxes, interfund, accounts (tuition and fees, intergovernmental, and miscellaneous), accrued interest, and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The delinquent property taxes amounted to \$664,372 as of June 30, 2024.

A summary of intergovernmental receivables are as follows:

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	<u>Amounts</u>
<u>Governmental Activities</u>	
21st Century	\$174,321
Title I	77,452
ESSER Funding	578
Preschool	29,758
School Employees Retirement System Refund	48,959
Catastrophic Cost Reimbursement	15,889
State Foundation Adjustments	131,509
Title VI-B	79,864
Title II-A	13,283
Medicaid Reimbursements	4,653
Miscellaneous Intergovernmental	4,427
Title IV-A	4,696
Total	<u><u>\$585,389</u></u>

Note 9 – Capital Assets

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

	<u>Balance</u> <u>06/30/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/2024</u>
Nondepreciable Capital Assets				
Land	\$729,742	\$0	\$0	\$729,742
Construction in Progress	944,015	1,318,276	(2,262,291)	0
Total Nondepreciable Capital Assets	<u>1,673,757</u>	<u>1,318,276</u>	<u>(2,262,291)</u>	<u>729,742</u>
Depreciable Capital Assets				
Land Improvements	4,067,506	2,479,825	(299,970)	6,247,361
Buildings and Improvements	37,454,285	48,151	0	37,502,436
Furniture and Equipment	4,906,058	1,568,227	(1,676,167)	4,798,118
Vehicles	2,447,861	21,385	(7,050)	2,462,196
Intangible Right to Use Lease - Equipment	119,003	0	0	119,003
Total Depreciable Capital Assets	<u>48,994,713</u>	<u>4,117,588</u>	<u>(1,983,187)</u>	<u>51,129,114</u>
Less Accumulated Depreciation/ Amortization				
Land Improvements	(1,800,570)	(409,863)	299,970	(1,910,463)
Buildings and Improvements	(19,715,093)	(967,052)	0	(20,682,145)
Furniture and Equipment	(3,738,762)	(303,878)	1,676,167	(2,366,473)
Vehicles	(1,515,908)	(166,909)	7,050	(1,675,767)
Intangible Right to Use Lease - Equipment	(32,119)	(22,902)	0	(55,021)
Total Accumulated Depreciation/ Amortization	<u>(26,802,452)</u>	<u>(1,870,604) *</u>	<u>1,983,187</u>	<u>(26,689,869)</u>
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>22,192,261</u>	<u>2,246,984</u>	<u>0</u>	<u>24,439,245</u>
Governmental Activities Capital Assets, Net	<u><u>\$23,866,018</u></u>	<u><u>\$3,565,260</u></u>	<u><u>(\$2,262,291)</u></u>	<u><u>\$25,168,987</u></u>

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Included in the additions and deletions in the above table is a reclass of construction in progress in the amount of \$2,262,291 as a result of completion of various projects. Of this amount, \$1,837,918 was reclassified to land improvements and \$424,373 was reclassified to furniture and equipment.

*Depreciation/amortization expense was charged to governmental functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction:			
Regular	\$543,466	\$22,902	\$566,368
Special	174,412	0	174,412
Vocational	83,616	0	83,616
Intervention	4,199	0	4,199
Support Services:			
Pupils	32,363	0	32,363
Instructional Staff	30,239	0	30,239
Administration	99,144	0	99,144
Fiscal	7,966	0	7,966
Operation and Maintenance of Plant	87,686	0	87,686
Pupil Transportation	177,791	0	177,791
Food Service Operations	224,774	0	224,774
Extracurricular Activities	382,046	0	382,046
Total	<u>\$1,847,702</u>	<u>\$22,902</u>	<u>\$1,870,604</u>

Note 10 – Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the School District contracted with Liberty Mutual Insurance through the Young Insurance Agency, for property, electronic equipment, commercial articles, valuable papers, crime insurance, general liability insurance, fleet insurance, and builder's risk insurance. Coverage provided is as follows:

Building and Contents-replacement cost	\$88,203,647
General Liability:	
Per occurrence	1,000,000
General Aggregate	2,000,000
Personal and Advertising Injury Limit	1,000,000
Fleet Insurance	1,000,000
Uninsured/Underinsured Motorists	1,000,000
Commercial Umbrella Liability each occurrence	5,000,000
Commercial Umbrella Liability General Aggregate	5,000,000
Products/Completed Operations Aggregate Limit	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

During fiscal year 2024, the School District participated in the Better Business Bureau of Central Ohio Incorporated - Workers' Compensation Program (GRP), an insurance purchasing pool (Note 21) in the Group Retrospective Rating Program. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating members is calculated as one experience and a common premium rate is applied to all members in the GRP. Each participant pays its workers'

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to members that can meet the GRP's selection criteria. The firm of Sheakley provides administrative, cost control, and actuarial services to the GRP.

Medical, dental, and vision insurance was offered to employees through a Self-Insurance Internal Service Fund until January 1, 2023. Beginning on January 1, 2023, the School District opted for a fully insured program for their medical insurance. Dental and vision insurance was still considered to be self-insured for all of fiscal year 2023 and 2024. Monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of \$16,426 reported in the Internal Service Fund at June 30, 2024, is based on an estimate provided by the third party administrator. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. The School District purchased an aggregate stop-loss coverage policy that covers individual claims in excess of \$100,000 annually.

Changes in claims activity for the past two fiscal years are as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2023	\$340,466	\$1,885,705	\$2,191,235	\$34,936
2024	34,936	241,227 (1)	259,737	16,426
(1) Claims Expense		\$255,131		
+ Receivable from current year		2,454		
- Stop Loss Receivable from prior year		(16,358)		
		<u>\$241,227</u>		

Note 11 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit 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 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent 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 percent for plan members and 14 percent 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 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$439,260 for fiscal year 2024. Of this amount, \$52,851 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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 their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent 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 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

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

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

The School District's contractually required contribution to STRS was \$1,433,856 for fiscal year 2024. Of this amount, \$303,401 is reported as an intergovernmental payable.

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 School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.0755380%	0.07342996%	
Prior Measurement Date	<u>0.0805357%</u>	<u>0.07314431%</u>	
Change in Proportionate Share	<u>-0.0049977%</u>	<u>0.00028565%</u>	
			<u>Total</u>
Proportionate Share of the Net			
Pension Liability	\$4,173,866	\$15,813,097	\$19,986,963
Pension Expense	\$325,013	\$974,747	\$1,299,760

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$179,402	\$576,513	\$755,915
Changes of assumptions	29,566	1,302,294	1,331,860
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	0	4,068	4,068
School District contributions subsequent to the measurement date	<u>439,260</u>	<u>1,433,856</u>	<u>1,873,116</u>
Total Deferred Outflows of Resources	<u>\$648,228</u>	<u>\$3,316,731</u>	<u>\$3,964,959</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$35,090	\$35,090
Changes of assumptions	0	980,253	980,253
Net difference between projected and actual earnings on pension plan investments	58,667	47,392	106,059
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>205,511</u>	<u>409,391</u>	<u>614,902</u>
Total Deferred Inflows of Resources	<u>\$264,178</u>	<u>\$1,472,126</u>	<u>\$1,736,304</u>

\$1,873,116 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of 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:

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$51,504)	(\$392,705)	(\$444,209)
2026	(227,791)	(684,455)	(912,246)
2027	220,976	1,571,692	1,792,668
2028	3,109	(83,783)	(80,674)
Total	(\$55,210)	\$410,749	\$355,539

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 termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

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

Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent 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*. 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 an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

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 total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate 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 for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). 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 percent.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, 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 percent), or one percentage point higher (8.00 percent) than the current rate.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$6,160,409	\$4,173,866	\$2,500,577

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation are presented as follows:

Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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:

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
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	<u>1.00</u>	1.00
Total	<u>100.00%</u>	

* Final target weights reflected at October 1, 2022.

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, 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 percent 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 rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' 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 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$24,317,042	\$15,813,097	\$8,621,085

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2024, no members of the Board of Education elected Social Security. The Board's liability would be 6.2 percent of wages paid.

Note 12 – Defined Benefit OPEB Plans

See Note 11 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$51,066.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$51,066 for fiscal year 2024. Of this amount, \$51,066 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.0774464%	0.07342996%	
Prior Measurement Date	<u>0.0821152%</u>	<u>0.07314431%</u>	
Change in Proportionate Share	<u>-0.0046688%</u>	<u>0.00028565%</u>	
Proportionate Share of the:			<u>Total</u>
Net OPEB Liability	\$1,275,887	\$0	\$1,275,887
Net OPEB (Asset)	\$0	(\$1,428,110)	(\$1,428,110)
OPEB Expense	(\$154,889)	(\$119,223)	(\$274,112)

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$2,658	\$2,227	\$4,885
Changes of assumptions	431,415	210,382	641,797
Net difference between projected and actual earnings on OPEB plan investments	9,888	2,550	12,438
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	3,888	453	4,341
School District contributions subsequent to the measurement date	<u>51,066</u>	<u>0</u>	<u>51,066</u>
Total Deferred Outflows of Resources	<u>\$498,915</u>	<u>\$215,612</u>	<u>\$714,527</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$658,022	\$217,822	\$875,844
Changes of assumptions	362,364	942,246	1,304,610
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>277,504</u>	<u>18,242</u>	<u>295,746</u>
Total Deferred Inflows of Resources	<u>\$1,297,890</u>	<u>\$1,178,310</u>	<u>\$2,476,200</u>

\$51,066 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	(\$261,244)	(\$431,839)	(\$693,083)
2026	(220,732)	(195,447)	(416,179)
2027	(135,004)	(74,150)	(209,154)
2028	(88,428)	(99,846)	(188,274)
2029	(69,542)	(91,292)	(160,834)
Thereafter	<u>(75,091)</u>	<u>(70,124)</u>	<u>(145,215)</u>
Total	<u>(\$850,041)</u>	<u>(\$962,698)</u>	<u>(\$1,812,739)</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.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

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

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

	<u>June 30, 2023</u>
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate,	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

Mortality rates among healthy retirees 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 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers 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 percent, 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 SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2023 was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. 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 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was 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 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' 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 SERS' 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.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$1,630,949	\$1,275,887	\$995,906
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$937,350	\$1,275,887	\$1,724,494

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to the prior year are presented below:

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

Healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent 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 these 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 plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, 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 percent) or one percentage point higher (8.00 percent) 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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$1,208,709)	(\$1,428,110)	(\$1,619,187)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$1,628,054)	(\$1,428,110)	(\$1,187,284)

Note 13 – Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees who qualify earn 12 to 24 days of vacation per fiscal year, depending upon length of service. All employees who qualify for vacation time can accrue up to a maximum of the immediately preceding two years, plus the prorated portion of earned but unused vacation time of the current year. The School District pays accumulated, unused vacation hours to employees who qualify for vacation time upon termination of employment at the employee's current rate of pay. Teachers, administrators, and staff who work less than 260 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 249 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 62 days.

Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Sun Life Financial in the amount of \$25,000 for all employees enrolled.

Note 14 – Interfund Balances

Interfund balances at June 30, 2024, consist of the following individual fund receivables and payables:

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	Interfund Receivable	Interfund Payable
Major Fund:		
General Fund	\$79,730	\$0
Other Nonmajor Governmental Funds:		
ESSER	0	578
21st Century	0	74,188
Title I	0	268
Title II-A	0	4,696
Total Other Nonmajor Governmental Funds	0	79,730
Total All Funds	\$79,730	\$79,730

Interfund balances are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed. The loans made to the ESSER, 21st Century, Title I, and Title II-A Special Revenue Funds were made to cover actual cash deficits until federal and other monies are received.

Note 15 – Long-Term Obligations

The changes in the School District’s long-term obligations during fiscal year 2024 were as follows:

	Principal Outstanding 06/30/2023	Additions	Deductions	Principal Outstanding 06/30/2024	Due in One Year
Net Pension Liability:					
SERS	\$4,355,998	\$0	\$182,132	\$4,173,866	\$0
STRS	16,260,072	0	446,975	15,813,097	0
Total Net Pension Liability	20,616,070	0	629,107	19,986,963	0
Net OPEB Liability -					
SERS	1,152,903	122,984	0	1,275,887	0
Financed Purchase - from					
Direct Borrowing					
School Buses - 2.15%	133,002	0	133,002	0	0
Leases Payable	86,884	0	22,902	63,982	24,608
Compensated Absences Payable	1,889,295	160,439	142,348	1,907,386	66,762
Total Long-Term Obligations	\$23,878,154	\$283,423	\$927,359	\$23,234,218	\$91,370

The School District's overall legal debt margin was \$21,119,819, with an unvoted debt margin of \$234,665 at June 30, 2024.

Compensated Absences and Net Pension/OPEB Liability - Compensated absences are paid from the fund from which the employees’ salaries are paid, which includes the General Fund and the Food Service Special Revenue Fund. The School District pays obligations related to employee compensation from the fund benefitting from their service. There are no repayment schedules for the net pension/OPEB liabilities. However, employer pension contributions are made from the following funds: General Fund and the Food

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Service, Latchkey, Preschool, 21st Century, Title VI-B, Supplement School Support, Title I, and Title II-A Special Revenue Funds. For additional information related to the net pension/OPEB liabilities, see Notes 11 and 12.

Financed Purchase – The School District entered into a financed purchase for six school buses, where ownership of the underlying assets transfers to the School District by the end of the contract. On July 1, 2023, the School District made principal payments of \$133,002 from the Permanent Improvement Capital Projects Fund, which fully retired the financed purchase.

Leases Payable – The School District has outstanding agreements to lease copiers. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District's incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. These leases will be paid from the General Fund. A summary of the remaining principal and interest amounts for the lease are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$24,608	\$3,810	\$28,418
2026	26,441	1,976	28,417
2027	12,933	258	13,191
Total	<u>\$63,982</u>	<u>\$6,044</u>	<u>\$70,026</u>

Note 16 – Related Party Transactions

During fiscal year 2024, the Foxfire Intermediate School paid the Sponsor \$61,362 for the sponsorship fee. As of June 30, 2024, there were no amounts owed by the Intermediate School to the Sponsor.

During fiscal year 2024, the Foxfire High School paid the Sponsor \$102,067 for the sponsorship fee, supplies, utilities, and transportation. As of June 30, 2024, there were no amounts owed by the High School to the Sponsor.

Note 17 – Set-Asides

The School District is required by State statute to annually set-aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	Capital Improvements Reserve
Set-aside Reserve Balance as of June 30, 2023	\$0
Current Year Set-aside Requirement	386,926
Current Year Offsets	(524,490)
Qualifying Disbursements	(368,273)
Total	(505,837)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0

The School District had qualifying disbursements and offsets during the fiscal year that reduced the set-aside amount below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future fiscal years.

Note 18 – Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

Governmental Funds:	
General Fund	\$651,014
Nonmajor Governmental Funds	81,898
Total	\$732,912

Contractual Commitments

As of June 30, 2024, the School District did not have contractual purchase commitments.

Note 19 – Fund Balances

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Fund Balances	General	Other Governmental Funds	Total
<u>Nonspendable:</u>			
Prepaid Items	\$315,864	\$67,541	\$383,405
Materials and Supplies			
Inventory	5,192	3,191	8,383
<i>Total Nonspendable</i>	<u>321,056</u>	<u>70,732</u>	<u>391,788</u>
<u>Restricted for:</u>			
Food Service Operations	0	81,406	81,406
Student Managed Activities	0	61,369	61,369
District Managed Student Activities	0	144,368	144,368
Preschool Activities	0	108,553	108,553
Local, State, and Federal Grants	0	29,947	29,947
<i>Total Restricted</i>	<u>0</u>	<u>425,643</u>	<u>425,643</u>
<u>Committed to:</u>			
Scholarships	0	11,590	11,590
Latchkey Program	0	2,942	2,942
Purchases on Order	276,041	0	276,041
<i>Total Committed</i>	<u>276,041</u>	<u>14,532</u>	<u>290,573</u>
<u>Assigned to:</u>			
Public School Support	32,002	0	32,002
Purchases on Order	363,108	0	363,108
Capital Improvements	0	795,575	795,575
<i>Total Assigned</i>	<u>395,110</u>	<u>795,575</u>	<u>1,190,685</u>
Unassigned (Deficit):	<u>9,838,662</u>	<u>(46,982)</u>	<u>9,791,680</u>
<i>Total Fund Balances</i>	<u><u>\$10,830,869</u></u>	<u><u>\$1,259,500</u></u>	<u><u>\$12,090,369</u></u>

Note 20 – Jointly Governed Organizations

Licking Area Computer Association

The School District is a participant in the Licking Area Computer Association (LACA) which is a computer consortium. LACA is an association which services 25 school districts, educational service centers, community schools, and non-public schools within the boundaries of Licking, Muskingum, Fairfield, Perry, Knox, and Medina Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of the superintendents from all participating districts. The continued existence of LACA is not dependent on the School District's continued participation and no equity interest exists. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. The School District's total payments to LACA for computer services for fiscal year 2024 were \$112,571. Financial information may be obtained from LACA at 150 South Quentin Road, Newark, Ohio 43055.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Mid-East Career and Technology Centers

The Mid-East Career and Technology Center is a jointly governed organization providing vocational education services to its fourteen member school districts. The Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one member from each of the participating school district's boards. The board possesses its own budgeting and taxing authority. The continued existence of the Center is not dependent on the School District's continued participation and no equity interest exists. During fiscal year 2024, the School District made no contributions to the Center. To obtain financial information write to the Mid-East Career and Technology Center, Nanette Nolder, Treasurer, at 400 Richards Road, Zanesville, Ohio 43701.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (CORAS) is a jointly governed organization composed of 120 school districts and other educational institutions in the 32-county region of Ohio designated as Appalachia. The CORAS is operated by a nineteen-member board composed of one elected and one appointed (one appointed seat is empty) from each of the eight regions into which the 32 Appalachian counties are divided, one dean appointment from the Ohio University College of Education, and three ex-officio members. The board exercises total control over the operations of the CORAS including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The CORAS provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The CORAS is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the CORAS. During fiscal year 2024, the School District paid \$400 to the CORAS. Financial information may be obtained from the Coalition of Rural and Appalachian Schools at 322 Patton Hall, Ohio University, Athens, Ohio 45701.

Ohio Coalition of Equity and Adequacy of School Funding

The Ohio Coalition of Equity and Adequacy of School Funding is organized as a council of governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition was organized to challenge the constitutionality of the Ohio school funding system. The purpose of the Coalition is to bring about greater equity and adequacy of public school funding in Ohio. The Coalition is governed by a Steering Committee of school district representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The Committee exercised total control over the operations of the Coalition including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The membership of the coalition includes over 500 school districts throughout the State of Ohio. Member school districts, joint vocational schools, and educational service centers pay annual dues and supplemental dues based on their pupil enrollment. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest or financial responsibility for the Coalition. During fiscal year 2024, the School District paid \$3,662 to the Coalition. The fiscal agent for the Coalition is the Muskingum Valley Educational Service Center. Financial information may be obtained from the Ohio Coalition of Equity and Adequacy of School Funding at 50 South Young Street, Suite M-102, Columbus, Ohio 43215.

Note 21 – Purchasing Pools

Better Business Bureau of Central Ohio Incorporated - Workers' Compensation Program

The School District participated in a group retrospective rating program in calendar year 2019 and calendar year 2020 as established under Section 4123.29 of the Ohio Revised Code. The Better Business Bureau of Central Ohio Incorporated - Workers' Compensation Program, an insurance purchasing pool established through the Better Business Bureau of Ohio, Incorporated. The Program's business and affairs are conducted by the President and CEO of the Better Business Bureau. During fiscal year 2024, the School District paid an enrollment fee of \$896 to the Program to cover the costs of administering the program.

Ohio School Benefits Cooperative

The School District participates in the Ohio School Benefits Cooperative, a claims servicing and group purchasing pool comprised of thirty nine members. The Ohio School Benefits Cooperative (OSBC) is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. OSBC is governed by a nine member Board of Directors, all of whom must be school district and/or educational service center administrators. The Muskingum Valley Educational Service Center serves as the fiscal agent for OSBC. OSBC is an unincorporated, non-profit association of its members which was created for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, life and/or other group insurance coverage for their employees, and the eligible dependents and designated beneficiaries of such employees.

Participants pay an initial \$500 membership fee to OSBC. OSBC offers two options to participants. Participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision dental and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OSBC's third party administrator. Medical Mutual/Antares is the Administrator of the OSBC. On November 1, 2005, the School District elected to participate in the self-insured purchasing program for medical, prescription drug, dental, and vision coverage.

META Solutions

The School District participates in META Solutions, a purchasing pool. META Solutions was created pursuant to Chapter 167 of the Ohio Revised Code. META Solutions is a purchasing pool created to aid school districts with purchasing services and products at discounted rates. META Solutions operates under a Board of Directors consisting of twelve members. The Board of Directors is made up of representatives from member school districts. The Board of Directors exercises total control over the operation of META Solutions including budgeting, appropriating, contracting, and designating management. The School District paid \$640 during fiscal year 2024 for utility billing monitoring services. META memberships became free effective July 1, 2017. Financial information can be obtained from META Solutions at 100 Executive Drive, Marion, Ohio 43302.

Note 22 – Contingencies

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2024.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, DEW adjustments for fiscal year 2024 have been finalized. The impact of the FTE adjustments are not significant to the School District.

Litigation

The School District is currently not a party to any material legal proceedings.

Note 23 – COVID-19

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

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Maysville Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Ten Fiscal Years **

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.0755380%	0.0805357%	0.0810005%	0.0801847%
School District's Proportionate Share of the Net Pension Liability	\$4,173,866	\$4,355,998	\$2,988,685	\$5,303,585
School District's Covered Payroll	\$3,038,757	\$2,904,821	\$2,920,700	\$2,809,964
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	137.35%	149.96%	102.33%	188.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%

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

See accompanying notes to required supplementary information

2020	2019	2018	2017	2016	2015
0.0838181%	0.0902630%	0.0895916%	0.0970485%	0.0965744%	0.0939690%
\$5,014,984	\$5,169,529	\$5,352,900	\$7,103,055	\$5,510,629	\$4,755,718
\$2,874,237	\$2,905,800	\$2,995,957	\$3,005,071	\$2,901,886	\$2,764,502
174.48%	177.90%	178.67%	236.37%	189.90%	172.03%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

Maysville Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
*Last Eight Fiscal Years (1) **

	2024	2023	2022
School District's Proportion of the Net OPEB Liability	0.0774464%	0.0821152%	0.0839295%
School District's Proportionate Share of the Net OPEB Liability	\$1,275,887	\$1,152,903	\$1,588,435
School District's Covered Payroll	\$3,038,757	\$2,904,821	\$2,920,700
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.99%	39.69%	54.39%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to required supplementary information

2021	2020	2019	2018	2017
0.0834776%	0.0859411%	0.0912432%	0.0911711%	0.0980030%
\$1,814,241	\$2,161,238	\$2,531,333	\$2,446,793	\$2,793,448
\$2,809,964	\$2,874,237	\$2,905,800	\$2,995,957	\$3,005,071
64.56%	75.19%	87.11%	81.67%	92.96%
18.17%	15.57%	13.57%	12.46%	11.49%

Maysville Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Ten Fiscal Years **

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.073429960%	0.073144310%	0.073818436%	0.075930080%
School District's Proportionate Share of the Net Pension Liability	\$15,813,097	\$16,260,072	\$9,438,351	\$18,372,378
School District's Covered Payroll	\$10,001,779	\$9,545,421	\$9,173,693	\$9,154,943
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	158.10%	170.34%	102.88%	200.68%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

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

See accompanying notes to required supplementary information

2020	2019	2018	2017	2016	2015
0.078166990%	0.080468900%	0.082180010%	0.086374070%	0.085569810%	0.090065160%
\$17,286,160	\$17,693,304	\$19,522,038	\$28,912,005	\$23,648,993	\$21,906,964
\$9,197,400	\$9,185,293	\$9,053,314	\$9,093,564	\$8,847,457	\$9,093,300
187.95%	192.63%	215.63%	317.94%	267.30%	240.91%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

Maysville Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability
State Teachers Retirement System of Ohio
*Last Eight Fiscal Years (1) **

	<u>2024</u>	<u>2023</u>	<u>2022</u>
School District's Proportion of the Net OPEB (Asset) Liability	0.07342996%	0.07314431%	0.073818436%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$1,428,110)	(\$1,893,950)	(\$1,556,402)
School District's Covered Payroll	\$10,001,779	\$9,545,421	\$9,173,693
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-14.28%	-19.84%	-16.97%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	168.50%	230.70%	174.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to required supplementary information

2021	2020	2019	2018	2017
0.075930080%	0.078166990%	0.080468900%	0.082180010%	0.086374070%
(\$1,334,470)	(\$1,294,632)	(\$1,293,052)	\$3,206,361	\$4,619,308
\$9,154,943	\$9,197,400	\$9,185,293	\$9,053,314	\$9,093,564
-14.58%	-14.08%	-14.08%	35.42%	50.80%
182.10%	174.70%	176.00%	47.10%	37.30%

Maysville Local School District, Ohio
Required Supplementary Information
Schedule of the School District Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2024	2023	2022	2021
Net Pension Liability				
Contractually Required Contribution	\$439,260	\$425,426	\$406,675	\$408,898
Contributions in Relation to the Contractually Required Contribution	<u>(439,260)</u>	<u>(425,426)</u>	<u>(406,675)</u>	<u>(408,898)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$3,137,571	\$3,038,757	\$2,904,821	\$2,920,700
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$51,066	\$55,091	\$52,433	\$55,798
Contributions in Relation to the Contractually Required Contribution	<u>(51,066)</u>	<u>(55,091)</u>	<u>(52,433)</u>	<u>(55,798)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Contributions as a Percentage of Covered Payroll	<u>1.63%</u>	<u>1.81%</u>	<u>1.81%</u>	<u>1.91%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.63%</u>	<u>15.81%</u>	<u>15.81%</u>	<u>15.91%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$393,395	\$388,022	\$392,283	\$419,434	\$420,710	\$382,469
<u>(393,395)</u>	<u>(388,022)</u>	<u>(392,283)</u>	<u>(419,434)</u>	<u>(420,710)</u>	<u>(382,469)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,809,964	\$2,874,237	\$2,905,800	\$2,995,957	\$3,005,071	\$2,901,886
<u>14.00%</u>	<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>
\$54,905	\$67,033	\$62,363	\$50,876	\$48,110	\$73,551
<u>(54,905)</u>	<u>(67,033)</u>	<u>(62,363)</u>	<u>(50,876)</u>	<u>(48,110)</u>	<u>(73,551)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.95%</u>	<u>2.33%</u>	<u>2.15%</u>	<u>1.70%</u>	<u>1.60%</u>	<u>2.53%</u>
<u>15.95%</u>	<u>15.83%</u>	<u>15.65%</u>	<u>15.70%</u>	<u>15.60%</u>	<u>15.71%</u>

Maysville Local School District, Ohio
Required Supplementary Information
Schedule of the School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2024	2023	2022	2021
Net Pension Liability				
Contractually Required Contribution	\$1,433,856	\$1,400,249	\$1,336,359	\$1,284,317
Contributions in Relation to the Contractually Required Contribution	<u>(1,433,856)</u>	<u>(1,400,249)</u>	<u>(1,336,359)</u>	<u>(1,284,317)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$10,241,829	\$10,001,779	\$9,545,421	\$9,173,693
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

See accompanying notes to required supplementary information

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$1,281,692	\$1,287,636	\$1,285,941	\$1,267,464	\$1,273,099	\$1,238,644
<u>(1,281,692)</u>	<u>(1,287,636)</u>	<u>(1,285,941)</u>	<u>(1,267,464)</u>	<u>(1,273,099)</u>	<u>(1,238,644)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,154,943	\$9,197,400	\$9,185,293	\$9,053,314	\$9,093,564	\$8,847,457
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Maysville Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Net Pension Liability

Changes in Benefit Terms/Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used. For 2021, the cost-of-living adjustment was reduced from 2.5 percent to 2 percent. For 2023 and 2024, the cost-of-living adjustment was increased from 2 percent to 2.5 percent.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Years 2016 and Prior
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning in 2022, amounts reported use mortality rates 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 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Amounts reported for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with a fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal years 2017 and prior are presented below:

Maysville Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Years 2017 and Prior</u>
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	See Below	See Below	See Below
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustment (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring after August 1, 2013, or later, COLA commences on fifth anniversary of retirement date.

Investment rate of return:

Fiscal Years 2022 through 2024	7.00 percent, net of investment expenses, including inflation
Fiscal Years 2018 through 2021	7.45 percent, net of investment expenses, including inflation
Fiscal Year 2017 and prior	7.75 percent, net of investment expenses, including inflation

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent 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.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal years 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set back two years through age 89 and no set-back for ages 90 and above. Females younger than age 80 are set back four years, one year set back from ages 80 through 89, and no set back from ages 90 and above.

Maysville Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Changes in Benefit Term – STRS Pension

For 2024, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

Net OPEB Liability

Changes in Assumptions – SERS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Maysville Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long-term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2023, the projected salary increases were changed from age-based to service-based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

Changes in Benefit Terms – STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent 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 2020.

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

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

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021, from 1.984 percent to 2.055 percent 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 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

Maysville Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. 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 CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience.

For fiscal year 2024, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

**MAYSVILLE LOCAL SCHOOL DISTRICT
MUSKINGUM COUNTY**

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

FEDERAL GRANTOR Pass-Through Grantor Program Title	Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal Receipts	Total Federal Disbursements
U.S. DEPARTMENT OF AGRICULTURE				
Passed through Ohio Department of Education and Workforce:				
Child Nutrition Cluster:				
Non-Cash Assistance:				
National School Lunch Program	10.555	2023/2024	\$ 92,126	\$ 92,126
Cash Assistance:				
School Breakfast Program	10.553	2023/2024	446,519	446,519
National School Lunch Program	10.555	2023/2024	674,285	707,296
COVID-19 CN Food Pro Manf.	10.555	2023/2024	50,764	50,764
Cash Assistance Subtotal			1,171,568	1,204,579
Total Child Nutrition Cluster			1,263,694	1,296,705
Total U.S. Department of Agriculture			1,263,694	1,296,705
U.S. DEPARTMENT OF TREASURY				
Passed Through Ohio Office of Budget and Management:				
COVID-19 Ohio K-12 School Safety Grants	21.027	2023	-	135,279
Total COVID-19 Ohio K-12 School Safety Grants			-	135,279
Total U.S. Department of Treasury			-	135,279
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education and Workforce:				
Title I Grants to Local Educational Agencies	84.010A	2024 2023	403,337 103,703	403,605 84,892
Total Title I Grants to Local Educational Agencies			507,040	488,497
Special Education Cluster:				
Special Education Grants to States	84.027A	2024 2023	411,190 76,454	411,190 76,454
COVID-19 Special Education Grants	84.027X	2023	14,743	14,743
Total Special Education Grants to States			502,387	502,387
Special Education Preschool Grants	84.173A	2024	16,988	16,988
Total Special Education Preschool Grants to States			16,988	16,988
Total Special Education Cluster			519,375	519,375
Twenty-First Century Community Learning Centers	84.287C	2024 2023	346,429 145,579	415,541 118,987
Total Twenty-First Century Community Learning Centers			492,008	534,528
Supporting Effective Instruction State Grants	84.367A	2024	51,147	51,147
Supporting Effective Instruction State Grants	84.367A	2023	12,998	10,632
Total Supporting Effective Instruction State Grants			64,145	61,779
Student Support & Academic Enrichment Program	84.424A	2024	31,802	36,498
Total Student Support & Academic Enrichment Program			31,802	36,498
Stronger Connections	84.424F	2024	21,595	21,595
Total Stronger Connections			21,595	21,595
Total Student Support and Stronger Connections			53,397	58,093
COVID-19 Elementary and Secondary School Relief Fund	84.425D	2023	60,924	60,924
COVID-19 ARP ESSER Fund	84.425U	2023	1,238,535	1,209,845
Total COVID-19 ESSER and ARP Funds			1,299,459	1,270,769
Total U.S. Department of Education			2,935,424	2,933,041
Total Federal Awards Receipts and Expenditures			\$ 4,199,118	\$ 4,365,025

The accompanying notes are an integral part of this Schedule.

**MAYSVILLE LOCAL SCHOOL DISTRICT
MUSKINGUM COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE 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 Maysville Local School District, Muskingum County, Ohio (the School District) 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 School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis 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 School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The School District did not provide funds to the sub-recipients during the audit period.

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER



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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

Maysville Local School District
Muskingum County
3715 Panther Drive
Zanesville, Ohio 43701

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Maysville Local School District, Muskingum County, Ohio (the School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 17, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

March 17, 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**

Maysville Local School District
Muskingum County
3715 Panther Drive
Zanesville, Ohio 43701

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Maysville Local School District's, Muskingum County, Ohio (School District) 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 Maysville Local School District's major federal program for the year ended June 30, 2024. Maysville Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

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

Responsibilities of Management for Compliance

The School District'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 School District'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 School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of 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 School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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 17, 2025

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**MAYSVILLE LOCAL SCHOOL DISTRICT
MUSKINGUM COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster - AL# 10.553 and 10.555
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



MAYSVILLE LOCAL SCHOOL DISTRICT

MUSKINGUM 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

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This report is a matter of public record and is available online at
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