

MEIGS LOCAL SCHOOL DISTRICT
MEIGS COUNTY
SINGLE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



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OHIO AUDITOR OF STATE
KEITH FABER



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Board of Education
Meigs Local School District
41765 Pomeroy Pike
Pomeroy, Ohio 45769

We have reviewed the *Independent Auditor's Report* of the Meigs Local School District, Meigs County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

March 26, 2024

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Meigs Local School District
Meigs County
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Independent Auditor's Report

Board of Education
Meigs Local School District
41765 Pomeroy Pike
Pomeroy, Ohio 41765

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Meigs Local School District, Meigs County, Ohio (the School District), as of and for the year ended June 30, 2023, 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, the major fund, and the aggregate remaining fund information of Meigs Local School District, Meigs County, Ohio, as of June 30, 2023, 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 accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the 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.

Emphasis of Matter

As discussed in Note 21 to the financial statements for the fiscal year ended June 30, 2023, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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, the schedules of the District's proportionate share of the net pension liability, the schedules of the District's proportionate share of the net OPEB liability (asset), and the schedules of District 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.

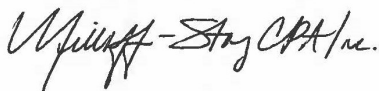
Supplementary Information

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 federal awards expenditures, 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* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards expenditures 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 February 13, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

February 13, 2024

Meigs Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

Unaudited

The discussion and analysis of the Meigs Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. 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 2023 are as follows:

- Total net position of the School District decreased \$368,712.
- General revenues accounted for \$22,655,544 in revenue or 76 percent of all revenues. Program specific revenues in the form of charges for services and sales, operating grants, contributions, and interest, and capital contributions accounted for \$6,996,851 or 24 percent of total revenues of \$29,652,395.
- The School District had \$30,021,107 in expenses related to governmental activities; only \$6,996,851 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues of \$22,655,544 were not adequate to provide for these programs.

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 understand the Meigs 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 2023?" 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.

These two statements report the School District's net position and changes in net 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

Meigs Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

Unaudited

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 programs and services are reported as Governmental Activities including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

Reporting the School District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The analysis of the School District's major funds begins on page 10. 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 only 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 use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The School District's only fund of this type is the Self-Insurance Internal Service Fund. However, the activity of this fund is combined with the Governmental Activities on the entity wide financial statements.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. They are not reflected on the government-wide financial statements because the resources from those funds are not available to support the School District's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Reporting the School District's Fiduciary Responsibilities

These activities are reported in a custodial fund. The School District's fiduciary activities are reported in a separate Statement of Net Position and Statement of Changes in Net Position. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

Meigs Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

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 2023 compared to 2022.

	2023	Restated 2022	Change
Assets			
Current and Other Assets	\$15,166,013	\$17,920,338	(\$2,754,325)
Capital Assets	24,159,344	24,799,143	(639,799)
Net OPEB Asset	2,052,789	1,778,709	274,080
Total Assets	41,378,146	44,498,190	(3,120,044)
Deferred Outflows of Resources			
Pension	5,495,103	5,658,802	(163,699)
OPEB	574,899	718,858	(143,959)
Total Deferred Outflows	6,070,002	6,377,660	(307,658)
Liabilities			
Other Liabilities	5,023,787	5,026,565	(2,778)
Long-Term Liabilities:			
Due Within One Year	165,230	635,829	(470,599)
Due in More Than One Year:			
Net Pension Liability	23,046,686	14,465,972	8,580,714
Net OPEB Liability	1,442,051	1,940,848	(498,797)
Other Amounts	1,510,944	1,218,476	292,468
Total Liabilities	31,188,698	23,287,690	7,901,008
Deferred Inflow of Resources			
Property Taxes	1,716,696	3,834,395	(2,117,699)
Pension	2,769,354	11,711,699	(8,942,345)
OPEB	3,403,465	3,303,419	100,046
Total Deferred Inflow of Resources	7,889,515	18,849,513	(10,959,998)
Net Position			
Net Investment in Capital Assets	23,843,323	23,731,948	111,375
Restricted	1,760,282	2,085,662	(325,380)
Unrestricted (Deficit)	(17,233,670)	(17,078,963)	(154,707)
Total Net Position	\$8,369,935	\$8,738,647	(\$368,712)

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2023. 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. 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.

Meigs Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

Unaudited

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 \$3,120,044, primarily due to decrease in equity in pooled cash and cash equivalents and property taxes receivable.

Total liabilities increased \$7,901,008. This increase is primarily due to the increase in net pension liability and offset by a decrease in the net OPEB liability as well as a decrease in contracts payable.

The School District's deferred inflows of resources decreased \$10,959,998, primarily due to the change in the net difference between projected and actual earnings on pension plan investments.

The net effect of changes in assets, deferred outflows of resources, and liabilities, and deferred inflows of resources resulted in a \$368,712 decrease in total net position of the School District's governmental activities.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2023, and comparisons to fiscal year 2022.

Meigs Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

Unaudited

Table 2
Changes in Net Position
Governmental Activities

	2023	Restated 2022	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$318,308	\$761,393	(\$443,085)
Operating Grants, Contributions and Interest	5,664,693	9,755,969	(4,091,276)
Capital Grants	1,013,850	2,203,564	(1,189,714)
Total Program Revenues	<u>6,996,851</u>	<u>12,720,926</u>	<u>(5,724,075)</u>
General Revenues:			
Property Taxes	5,992,228	4,148,417	1,843,811
Grants and Entitlements	16,373,398	16,679,888	(306,490)
Investment Earnings/Interest	143,062	34,660	108,402
Gift and Donations	13,700	4,525	9,175
Miscellaneous	133,156	132,644	512
Total General Revenues	<u>22,655,544</u>	<u>21,000,134</u>	<u>1,655,410</u>
Total Revenues	<u>29,652,395</u>	<u>33,721,060</u>	<u>(4,068,665)</u>
Program Expenses			
Instruction:			
Regular	9,477,980	8,762,683	715,297
Special	5,166,857	4,004,776	1,162,081
Vocational	1,607,653	1,120,192	487,461
Intervention	174,901	557,840	(382,939)
Support Services:			
Pupils	1,593,077	1,606,790	(13,713)
Instructional Staff	1,780,740	1,153,599	627,141
Board of Education	144,496	82,877	61,619
Administration	1,756,943	2,579,386	(822,443)
Fiscal	666,421	565,377	101,044
Operation and Maintenance of Plant	2,941,357	2,620,969	320,388
Pupil Transportation	2,266,033	1,929,940	336,093
Central	65,777	81,793	(16,016)
Operation of Non-Instructional Services:			
Food Service Operations	1,762,652	1,591,989	170,663
Community Services	42,753	50,803	(8,050)
Extracurricular Activities	564,949	658,586	(93,637)
Interest and Fiscal Charges	8,518	23,370	(14,852)
Total Expenses	<u>30,021,107</u>	<u>27,390,970</u>	<u>2,630,137</u>
Increase (Decrease) in Net Position	(368,712)	6,330,090	(6,698,802)
Net Position Beginning of Year	8,738,647	2,408,557	6,330,090
Net Position End of Year	<u>\$8,369,935</u>	<u>\$8,738,647</u>	<u>(\$368,712)</u>

Meigs Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

Unaudited

Property taxes made up approximately 20.2 percent of revenues for governmental activities for the School District. Property tax revenue increased \$1,843,811 from 2022. The tax revenues reported for 2022 were disproportionately reduced by amounts available at June 30, 2022, which were recognized as revenue in fiscal year 2023. Of the remaining revenues, the School District receives 55.2 percent from state foundation, federal, and state grants; 1.1 percent from charges for services; and 0.5 percent from investment earnings, donations, and miscellaneous.

Approximately 54.7 percent of the School District's budget for expenditures is used to fund instructional expenses. Support services make up 37.4 percent of expenses and 7.9 percent is used for interest and fiscal charges, extracurricular activities, and operation of non-instructional services.

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. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

Table 3
Cost of Services

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2023	2023	2022	2022
Program Expenses				
Instruction:				
Regular	\$9,477,980	\$9,055,721	\$8,762,683	\$6,229,070
Special	5,166,857	2,246,452	4,004,776	1,003,637
Vocational	1,607,653	1,518,497	1,120,192	1,071,806
Student Intervention	174,901	(109,093)	557,840	(617,786)
Support Services:				
Pupils	1,593,077	1,074,768	1,606,790	858,645
Instructional Staff	1,780,740	1,190,384	1,153,599	579,465
Board of Education	144,496	144,496	82,877	82,877
Administration	1,756,943	1,652,150	2,579,386	2,315,779
Fiscal	666,421	618,460	565,377	471,688
Operation and Maintenance of Plant	2,941,357	2,770,232	2,620,969	328,555
Pupil Transportation	2,266,033	2,066,994	1,929,940	1,596,949
Central	65,777	34,191	81,793	58,737
Operation of Non-Instructional Services:				
Food Service Operations	1,762,652	211,521	1,591,989	(37,490)
Community Services	42,753	37,575	50,803	45,957
Extracurricular Activities	564,949	503,390	658,586	510,869
Interest and Fiscal Charges	8,518	8,518	23,370	23,370
Total	\$30,021,107	\$23,024,256	\$27,390,970	\$14,522,128

The dependence upon tax revenues and State subsidies for governmental activities is apparent. 77 percent of program expenses are supported through taxes, unrestricted grants and entitlements, and other general revenues.

Meigs Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

Unaudited

The School District Funds

The School District has one major fund: the General Fund. All governmental funds had total revenues of \$29,808,961 and expenditures of \$29,793,326. The General Fund's balance increased \$666,569 due primarily to an increase in property tax revenue being offset by an increase to expenditures.

General Fund Budgeting 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 year 2023, the School District amended its General Fund budget. The School District uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, final estimated revenue was \$22,299,088. Original estimated revenues were decreased \$98,111, primarily to account for decreases in tuition and fees. Final budgeted expenditures were \$23,628,947. Original appropriations were increased \$2,501,526 among all expenditure classifications primarily due to salary and benefits changes.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the School District had \$24,159,344 invested in capital assets. See Note 9 for more detailed information. Table 4 shows fiscal year 2023 balances compared to 2022.

Table 4
Capital Assets
(Net of Depreciation/Amortization)

	2023	2022
Land	\$666,988	\$666,988
Construction in Progress	4,592,406	4,956,785
Buildings and Improvements	17,345,421	17,229,204
Furniture and Equipment	1,149,508	1,400,119
Vehicles	338,377	447,334
Intangible Right to Use Equipment	66,644	98,712
Totals	<u>\$24,159,344</u>	<u>\$24,799,142</u>

Debt

The School District has a financed purchase and a lease. Table 5 shows fiscal year 2023 balances compared to 2022.

Meigs Local School District, Ohio

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

Unaudited

Table 5
Outstanding Debt, at Fiscal Year End

	2023	2022
2015 Refunding Bonds	\$0	\$470,000
Financed Purchase	156,637	222,967
Lease	66,644	98,712
Totals	<u>\$223,281</u>	<u>\$791,679</u>

See Note 14 to the basic financial statements for more information on debt.

Current Issues

The School District is financially stable and continues to have a positive cash balance. The School District heavily relies upon State funding for operations. Lower enrollment levels and health insurance utilization remain areas of concern for the School District.

The School District depends on its property taxpayers, as well as an adequate and equitable funding level from the State. With the passage of HB 166, the School District continues to remain stable. Delinquent tax collection efforts have improved within Meigs County. Currently, there are over \$2.2 million in delinquent property taxes owed to the School District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, 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 Roy W. Johnson, Treasurer/CFO at Meigs Local School District, 41765 Pomeroy Pike, Pomeroy, Ohio 45769, or e-mail at roy.johnson@meigslocal.org.

Meigs Local School District, Ohio
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$7,897,898
Cash and Cash Equivalents with Fiscal Agents	73,217
Intergovernmental Receivable	783,412
Inventory Held for Resale	6,797
Materials and Supplies Inventory	137,228
Prepaid Items	119,215
Accounts Receivable	20,650
Property Taxes Receivable	6,127,596
Nondepreciable Capital Assets	5,259,394
Depreciable Capital Assets, Net	18,899,950
Net OPEB Asset	2,052,789
<i>Total Assets</i>	41,378,146
Deferred Outflow of Resources	
Pension	5,495,103
OPEB	574,899
<i>Total Deferred Outflows of Resources</i>	6,070,002
Liabilities	
Accounts Payable	229,338
Accrued Wages and Benefits Payable	2,830,793
Contracts Payable	92,740
Accrued Interest Payable	179
Vacation Benefits Payable	289,441
Unearned Revenue	163,164
Matured Compensated Absences Payable	19,139
Intergovernmental Payable	637,637
Claims Payable	761,356
Long-Term Liabilities:	
Due within One Year	165,230
Due in More than One Year:	
Net Pension Liability	23,046,686
Net OPEB Liability	1,442,051
Other Amounts	1,510,944
<i>Total Liabilities</i>	31,188,698
Deferred Inflow of Resources	
Property Taxes	1,716,696
Pension	2,769,354
OPEB	3,403,465
<i>Total Deferred Inflow of Resources</i>	7,889,515
Net Position	
Net Investment in Capital Assets	23,843,323
Restricted for:	
Other Purposes	247,061
Classroom Facilities Maintenance	7,105
Federal Grant Expenditures	99,448
Capital Improvements	895,008
State Grant Expenditures	2,123
Local Programs	29,368
Athletics	12,487
Student Activities	42,450
OPEB	423,274
Unclaimed Monies	1,958
Unrestricted (Deficit)	(17,233,670)
<i>Total Net Position</i>	\$8,369,935

See accompanying notes to the basic financial statements

Meigs Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June, 30, 2023

	Program Revenues			Capital Contributions	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest		
Governmental Activities					
Instruction:					
Regular	\$9,477,980	\$26,575	\$222,423	\$173,261	(\$9,055,721)
Special	5,166,857	47,368	2,846,648	26,389	(2,246,452)
Vocational	1,607,653	639	83,820	4,697	(1,518,497)
Student Intervention Services	174,901	0	89,480	194,514	109,093
Support Services:					
Pupils	1,593,077	87,180	431,129	0	(1,074,768)
Instructional Staff	1,780,740	0	14,670	575,686	(1,190,384)
Board of Education	144,496	0	0	0	(144,496)
Administration	1,756,943	0	102,881	1,912	(1,652,150)
Fiscal	666,421	0	47,961	0	(618,460)
Operation and Maintenance of Plant	2,941,357	0	171,125	0	(2,770,232)
Pupil Transportation	2,266,033	66,463	129,899	2,677	(2,066,994)
Central	65,777	0	1,351	30,235	(34,191)
Operation of Non-Instructional Services:					
Food Service Operations	1,762,652	37,509	1,513,622	0	(211,521)
Community Services	42,753	0	5,178	0	(37,575)
Extracurricular Activities	564,949	52,574	4,506	4,479	(503,390)
Interest and Fiscal Charges	8,518	0	0	0	(8,518)
<i>Totals</i>	<u>\$30,021,107</u>	<u>\$318,308</u>	<u>\$5,664,693</u>	<u>\$1,013,850</u>	<u>(23,024,256)</u>

General Revenues

Property Taxes Levied for:	
General Purposes	5,760,694
Debt Service	211,703
Classroom Facilities Maintenance	19,831
Grants and Entitlements not Restricted to Specific Programs	16,373,398
Investment Earnings/Interest	143,062
Gifts and Donations	13,700
Miscellaneous	133,156
<i>Total General Revenues</i>	<u>22,655,544</u>
<i>Change in Net Position</i>	(368,712)
<i>Net Position at Beginning of Year - Restated (See Note 3)</i>	<u>8,738,647</u>
<i>Net Position at End of Year</i>	<u><u>\$8,369,935</u></u>

See accompanying notes to the basic financial statements

Meigs Local School District, Ohio

Balance Sheet

Governmental Funds

June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$6,055,575	\$1,787,146	\$7,842,721
Receivables:			
Property Taxes	6,127,596	0	6,127,596
Accounts	19,400	1,250	20,650
Intergovernmental	135,339	648,073	783,412
Interfund	72,938	0	72,938
Prepaid Items	115,117	4,098	119,215
Inventory Held for Resale	0	6,797	6,797
Materials and Supplies Inventory	130,202	7,026	137,228
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	1,958	0	1,958
<i>Total Assets</i>	<u>\$12,658,125</u>	<u>\$2,454,390</u>	<u>\$15,112,515</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$53,463	\$175,875	\$229,338
Accrued Wages and Benefits Payable	2,420,862	409,931	2,830,793
Contracts Payable	0	92,740	92,740
Matured Compensated Absences Payable	19,139	0	19,139
Unearned Revenue	0	163,164	163,164
Intergovernmental Payable	479,562	158,075	637,637
Interfund Payable	0	72,938	72,938
<i>Total Liabilities</i>	<u>2,973,026</u>	<u>1,072,723</u>	<u>4,045,749</u>
Deferred Inflows of Resources			
Property Taxes	1,716,696	0	1,716,696
Unavailable Revenue	2,239,794	43,219	2,283,013
<i>Total Deferred Inflows of Resources</i>	<u>3,956,490</u>	<u>43,219</u>	<u>3,999,709</u>
Fund Balances			
Nonspendable:			
Inventories	130,202	7,026	137,228
Prepaid Items	115,117	4,098	119,215
Unclaimed Monies	1,958	0	1,958
Restricted for:			
Athletics	0	12,487	12,487
Classroom Facilities Maintenance	0	7,105	7,105
Student Activities	0	42,450	42,450
Capital Improvements	0	895,008	895,008
Local Program	0	29,368	29,368
State Grant Expenditures	0	2,123	2,123
Federal Grant Expenditures	0	76,734	76,734
Other Purposes	0	247,061	247,061
Assigned to:			
Purchases on Order	149,571	0	149,571
School Support Services	10,591	0	10,591
Athletic Facility Upgrades	0	105,848	105,848
Unassigned (Deficit)	5,321,170	(90,860)	5,230,310
<i>Total Fund Balances</i>	<u>5,728,609</u>	<u>1,338,448</u>	<u>7,067,057</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$12,658,125</u>	<u>\$2,454,390</u>	<u>\$15,112,515</u>

See accompanying notes to the basic financial statements

Meigs Local School District, Ohio
*Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
June 30, 2023*

Total Governmental Fund Balances	\$7,067,057
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*Amounts reported for governmental activities in the statement
of net position are different because*

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,159,344
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Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the funds:

Delinquent Property Taxes	2,238,919	
Intergovernmental Revenues	43,219	
Miscellaneous	875	
	2,283,013	

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal fund are included in governmental activities in the statement of net position.	(634,920)
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The net pension liability and net OPEB liability/asset is not due and payable in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in the governmental funds:

Deferred Outflows - Pension	5,495,103	
Deferred Inflows - Pension	(2,769,354)	
Net Pension Liability	(23,046,686)	
Deferred Outflows - OPEB	574,899	
Deferred Inflows - OPEB	(3,403,465)	
Net OPEB Asset	2,052,789	
Net OPEB Liability	(1,442,051)	(22,538,765)

Accrued interest payable is recognized for outstanding long-term liabilities with interest accruals that are not expected to be paid with expendable available resources and therefore are not reported in the funds.	(179)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Financed Purchase	(156,637)	
Lease	(66,644)	
Sick Leave Benefits Payable	(1,452,893)	
Vacation Benefits Payable	(289,441)	(1,965,615)

Net Position of Governmental Activities	<u><u>\$8,369,935</u></u>
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See accompanying notes to the basic financial statements

Meigs Local School District, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2023

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$5,797,265	\$231,534	\$6,028,799
Intergovernmental	18,145,688	5,009,111	23,154,799
Investment Earnings/Interest	116,929	27,902	144,831
Tuition and Fees	139,943	0	139,943
Charges for Services and Sales	639	37,509	38,148
Extracurricular	2,294	137,923	140,217
Gifts and Donations	17,718	12,225	29,943
Miscellaneous	121,194	11,087	132,281
<i>Total Revenues</i>	<u>24,341,670</u>	<u>5,467,291</u>	<u>29,808,961</u>
Expenditures			
Current:			
Instruction:			
Regular	8,498,991	315,439	8,814,430
Special	3,445,800	1,387,367	4,833,167
Vocational	1,390,462	93,761	1,484,223
Student Intervention Services	1,035	222,145	223,180
Support Services:			
Pupils	1,300,259	210,903	1,511,162
Instructional Staff	1,313,771	425,962	1,739,733
Board of Education	146,226	0	146,226
Administration	1,562,529	93,421	1,655,950
Fiscal	649,936	10,684	660,620
Operation and Maintenance of Plant	2,738,230	290,672	3,028,902
Pupil Transportation	2,132,744	2,403	2,135,147
Central	43,663	22,114	65,777
Operation of Non-Instructional Services	23,634	1,708,423	1,732,057
Extracurricular Activities	309,059	175,593	484,652
Capital Outlay	0	700,207	700,207
Debt Service:			
Principal Retirement	98,398	470,000	568,398
Interest and Fiscal Charges	5,591	3,904	9,495
<i>Total Expenditures</i>	<u>23,660,328</u>	<u>6,132,998</u>	<u>29,793,326</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>681,342</u>	<u>(665,707)</u>	<u>15,635</u>
Other Financing Sources (Uses)			
Transfers In	0	1,312,845	1,312,845
Proceeds from Sale of Capital Assets	2,830	0	2,830
Transfers Out	(17,603)	(1,295,242)	(1,312,845)
<i>Total Other Financing Sources (Uses)</i>	<u>(14,773)</u>	<u>17,603</u>	<u>2,830</u>
<i>Net Change in Fund Balance</i>	666,569	(648,104)	18,465
<i>Fund Balances at Beginning of Year - Restated (See Note 3)</i>	<u>5,062,040</u>	<u>1,986,552</u>	<u>7,048,592</u>
<i>Fund Balances at End of Year</i>	<u><u>\$5,728,609</u></u>	<u><u>\$1,338,448</u></u>	<u><u>\$7,067,057</u></u>

See accompanying notes to the basic financial statements

Meigs 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, 2023*

Net Change in Fund Balances - Total Governmental Funds \$18,465

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 depreciation/amortization exceeded capital outlay:

Capital Asset Additions	979,139	
Depreciation/Amortization Expense	<u>(1,614,337)</u>	(635,198)

Governmental funds report only 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.

Proceeds from Sale of Capital Assets	(2,830)	
Loss on Sale of Capital Assets	<u>(1,770)</u>	(4,600)

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

Delinquent Property Taxes	(36,571)	
Intergovernmental Revenues	(120,870)	
Miscellaneous	<u>875</u>	(156,566)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Refunding Bonds	470,000	
Financed Purchase	66,330	
Lease	<u>32,068</u>	568,398

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.

Accrued Interest Payable		977
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	2,102,229	
OPEB	<u>75,744</u>	2,177,973

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liabilities/asset are reported as pension/OPEB expense in the statement of activities.

Pension	(1,904,297)	
OPEB	<u>453,128</u>	(1,451,169)

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:

Vacation Benefits Payable	(43,817)	
Sick Leave Benefits Payable	<u>(390,267)</u>	(434,084)

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 funds.

(452,908)

Change in Net Position of Governmental Activities

(\$368,712)

See accompanying notes to the basic financial statements

Meigs 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, 2023*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$3,316,922	\$3,758,294	\$3,758,294	\$0
Intergovernmental	18,297,748	18,091,528	18,043,847	(47,681)
Interest	39,560	170,560	176,491	5,931
Tuition and Fees	612,753	139,943	139,943	0
Charges for Services	347	347	639	292
Gifts and Donations	4,525	5,525	15,018	9,493
Miscellaneous	125,344	132,891	113,294	(19,597)
<i>Total Revenues</i>	<u>22,397,199</u>	<u>22,299,088</u>	<u>22,247,526</u>	<u>(51,562)</u>
Expenditures				
Current:				
Instruction:				
Regular	8,079,533	8,074,975	8,085,235	(10,260)
Special	2,800,404	3,283,509	3,276,405	7,104
Vocational	1,166,954	1,326,184	1,356,572	(30,388)
Student Intervention Services	82,197	12,003	11,733	270
Support Services:				
Pupils	759,940	1,309,125	1,309,964	(839)
Instructional Staff	910,939	1,296,838	1,298,382	(1,544)
Board of Education	103,783	118,241	118,241	0
Administration	1,835,242	2,054,318	2,055,183	(865)
Fiscal	573,109	668,608	668,606	2
Operation and Maintenance of Plant	2,490,304	2,749,307	2,750,013	(706)
Pupil Transportation	1,780,010	2,065,563	2,065,563	0
Central	67,776	62,377	62,377	0
Operation of Non-Instructional Services:				
Food Service Operations	3,982	6,296	6,296	0
Community Service	42,765	45,930	45,930	0
Extracurricular Activities	326,494	373,324	372,856	468
Capital Outlay	0	78,360	78,360	0
Debt Service:				
Principal Retirement	96,741	98,398	98,398	0
Interest and Fiscal Charges	7,248	5,591	5,591	0
<i>Total Expenditures</i>	<u>21,127,421</u>	<u>23,628,947</u>	<u>23,665,705</u>	<u>(36,758)</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,269,778</u>	<u>(1,329,859)</u>	<u>(1,418,179)</u>	<u>(88,320)</u>
Other Financing Sources (Uses)				
Advances In	316,726	7,167	7,167	0
Proceeds from Sale of Capital Assets	0	2,830	2,830	0
Transfers Out	(32,728)	(17,603)	(17,603)	0
Advances Out	(104,456)	(72,938)	(72,938)	0
<i>Total Other Financing Sources (Uses)</i>	<u>179,542</u>	<u>(80,544)</u>	<u>(80,544)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	1,449,320	(1,410,403)	(1,498,723)	(88,320)
<i>Fund Balance at Beginning of Year</i>	6,663,710	6,663,710	6,663,710	0
Prior Year Encumbrances Appropriated	787,472	787,472	787,472	0
<i>Fund Balance at End of Year</i>	<u>\$8,900,502</u>	<u>\$6,040,779</u>	<u>\$5,952,459</u>	<u>(\$88,320)</u>

See accompanying notes to the basic financial statements

Meigs Local School District, Ohio
Statement of Fund Net Position
Internal Service Fund
June 30, 2023

	Governmental Activity
	Self-Insurance Internal Service Fund
Current Assets	
Equity in Pooled Cash and Cash Equivalents	\$53,219
Cash and Cash Equivalents with Fiscal Agents	73,217
<i>Total Assets</i>	126,436
Current Liabilities	
Claims Payable	761,356
Net Position	
Unrestricted (Deficit)	(\$634,920)

See accompanying notes to the basic financial statements

Meigs Local School District, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2023*

	Governmental Activity
	Self-Insurance Internal Service Fund
Operating Revenues	
Charges for Services	\$5,898,264
Operating Expenses	
Purchased Services	195,721
Claims	6,137,339
Other Expenses	18,112
<i>Total Operating Expenses</i>	<i>6,351,172</i>
<i>Operating Loss</i>	<i>(452,908)</i>
<i>Net Position (Deficit) at Beginning of Year</i>	<i>(182,012)</i>
<i>Net Position (Deficit) at End of Year</i>	<i>(\$634,920)</i>

See accompanying notes to the basic financial statements

Meigs Local School District, Ohio
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2023

	Governmental Activity
	Self-Insurance Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash Received from Transactions with Other Funds	\$5,898,264
Cash Payments to Suppliers for Services	(195,721)
Cash Payments for Claims	(6,234,246)
Cash Payments for Other	(18,112)
<i>Net Cash Used for Operating Activities</i>	(549,815)
<i>Cash and Cash Equivalents Beginning of Year</i>	676,251
<i>Cash and Cash Equivalents End of Year</i>	\$126,436
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$452,908)
Changes in Liabilities	
Decrease in Claims Payable	(96,907)
<i>Net Cash Used for Operating Activities</i>	(\$549,815)

See accompanying notes to the basic financial statements

Meigs Local School District, Ohio
Statement of Net Position
Custodial Fund
June 30, 2023

	<u>Custodial Fund</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,921
Liabilities	
Accounts Payable	<u>1,921</u>
Net Position	
Total Net Position	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

Note 1 - Description of the District and Reporting Entity

Meigs Local School District (the School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and federal agencies. This Board of Education controls the School District's instructional/support facilities staffed by 92 classified personnel, 153 certificated full time teaching personnel, and 9 administrators who provide services to 1,550 students and other community members.

Reporting Entity

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, vocational, 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 for the organization. The School District has no component units.

The School District participates in the Metropolitan Educational Technology Association (META) Solutions and the Coalition of Rural and Appalachian Schools, which are defined as jointly governed organizations, and the Ohio School Boards Association Workers' Compensation Group Rating Program, and the Jefferson Health Plan, which are defined as an insurance purchasing pool and a risk sharing, claims servicing, and insurance purchasing pool, respectively. These organizations are discussed in Note 16 and 17 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

A. 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 in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The School District does not have any 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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. 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. The funds used by the School District are divided into three categories: governmental, proprietary, and fiduciary.

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 following is the School District's major governmental fund:

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

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 to a particular purpose.

Proprietary Funds Proprietary funds are used to account for the School District's ongoing activities that are similar to those found in the private sector. The following is the School District's proprietary fund:

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. The School District's only Internal Service Fund accounts for the operation of the School District's self-insurance program for employee medical/surgical and dental claims.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefits) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's custodial fund accounts for high school athletic tournaments.

C. Measurement Focus

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

Like the government-wide statements, all proprietary and fiduciary 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. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources.

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified 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 sixty days of fiscal year end.

Non-exchange 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 non-exchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, and fees.

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 represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB 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, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected

Meigs Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 15. 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)

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.

E. Budgetary Process

All funds, other than 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 may appropriate. The appropriation resolution is the Board's authorization to spend resources and set 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 maintains budgetary information at the fund, function, and object level and has the authority to allocate appropriations at 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 amended certificate in effect when final appropriations for the fiscal year were passed.

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.

F. Cash and Investments

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 the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents and Investments."

The School District participates in the Jefferson Health Plan insurance consortium for self-insurance. These monies are held separate from the School District's central bank account and are reflected in the financial statements as "cash and cash equivalents with fiscal agents".

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

During fiscal year 2023, investments were limited to STAR Ohio and common stock. Common stock is reported at fair value based on quoted market prices.

During fiscal year 2023, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio) is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, *Certain External Investment Pools and Pool Participants*. The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings. Interest revenue credited to the General Fund during fiscal year 2023 amounted to \$116,929, which includes \$21,540 from other School District funds.

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.

G. Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2023, 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 the services are consumed.

I. Capital Assets

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 infrastructure by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. 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.

Meigs Local School District, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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 and amortization are computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Improvements	20 - 50 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 - 10 years
Intangible Right to Use Equipment	5 - 20 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.

J. 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 vacation leave after an employee's anniversary hire date. The liability for vacation benefits is recorded as "vacation benefits payable", rather than long-term liabilities, as the balances are to be used by employees in the fiscal year following the fiscal year in which the benefit was earned.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each person upon the occurrence of employee resignations and retirements. These amounts are recorded in the accounts "matured compensated absences payable" in the funds from which these payments will be made.

K. Lease Payable

The School District serves as a lessee in various noncancellable leases which are 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.

Meigs Local School District, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund 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 position is not sufficient for payment of those benefits. Bonds, leases, and long-term loans are recognized as a liability on the governmental fund financial statements when due.

M. 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 of 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.

N. Interfund Balances

Interfund receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities' column of the statement of net position.

O. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are externally imposed by creditors, contributors, grantors, or laws of other government, or imposed by law through constitutional provisions. Restricted assets represent unclaimed monies.

P. 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.

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

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

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes 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 District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution 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 a deficit balance.

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.

Q. Net Position

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources. 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 either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include investments donated to the School District for which a specific purpose has not been identified.

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

R. 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

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

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.

S. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither transaction occurred in the fiscal year.

U. Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. The School District recognizes unearned revenue for intergovernmental revenue from grants received before the eligibility requirements are met.

V. 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.

Note 3 - Changes in Accounting Principles and Restatement of Fund Balances and Net Position

For fiscal year 2023, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 91, Conduit Debt Obligations; GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*; and GASB Statement No. 99, *Omnibus 2022*.

GASB 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The School District did not have any debt that met the definition of conduit debt.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The School District did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

Meigs Local School District, Ohio

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For the Fiscal Year Ended June 30, 2023*

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The School District did not have any long-term contracts that met the GASB 96 definition of a SBITA.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

For fiscal year 2023, the School District modified its approach to the allocation of property tax due to levies expiring. The School District is restating accrued wages and intergovernmental payables due to a change in how the School District posted grants and salaries in fiscal year 2022. There is also a change to intergovernmental receivables due to a discrepancy in unavailable revenues. These modifications resulted in the following effect on fund balance/net position as of June 30, 2022:

	General	Other Governmental Funds	Total
Fund Balances, June 30, 2022	\$5,122,118	\$2,074,390	\$7,196,508
Adjustments:			
Property Taxes Receivable	803,167	(836,998)	(33,831)
Intergovernmental Receivable	0	(147,916)	(147,916)
Accrued Wages and Benefits Payable	(59,220)	59,220	0
Intergovernmental Payables	(858)	858	0
Unearned Revenue	(397,776)	397,776	0
Property Taxes Not Levied to Finance Current Year Operations	(405,391)	439,222	33,831
Restated Fund Balances, June 30, 2022	<u>\$5,062,040</u>	<u>\$1,986,552</u>	<u>\$7,048,592</u>
		Governmental	
		Activities	
Net Position June 30, 2022		<u>\$8,886,563</u>	
Adjustments:			
Intergovernmental Receivable		(147,916)	
Restated Net Position June 30, 2022		<u>\$8,738,647</u>	

Note 4 - Fund Deficits

Fund balances at June 30, 2023, included the following individual fund deficits:

	Deficit
Nonmajor Special Revenue Funds:	
Food Service	\$71,600
IDEA B	10,135
Vocational Education	5,283
Title II-A	3,842
	<u>\$90,860</u>

These 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.

Meigs Local School District, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023

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

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. Encumbrances are treated as expenditures (budget basis) rather than as an assignment of fund balance (GAAP basis).
4. Prepaid items and unreported cash are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
5. Advances In and Advances Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
6. Certain funds are accounted for as separate funds internally with legally adopted budgets (budget basis) that do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

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

	Net Change in Fund Balance	General Fund
GAAP Basis		<u>\$666,569</u>
Revenue Accruals		(2,148,497)
Expenditure Accruals		60,272
Beginning of Fiscal Year:		
Unreported Cash		71
Prepaid Items		197,496
End of Fiscal Year:		
Unreported Cash		(477)
Prepaid Items		(115,117)
FMV of Investments		59,968
Advances In		7,167
Advances Out		(72,938)
To reclassify excess of expenditures over revenues into financial statement fund types		737
Encumbrances		<u>(153,974)</u>
Budget Basis		<u><u>(\$1,498,723)</u></u>

Meigs Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

Note 6 - Deposits and Investments

Monies held by the School District are classified by State statute into three categories. Active deposits are public deposits 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 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 the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) and by a letter of credit from United Bankers Bank.

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;
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;

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

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. At fiscal year-end, the School District had no undeposited cash on hand.

At June 30, 2023, the School District’s internal service fund had a cash balance of \$73,217 with Jefferson Health Plan Self-Insurance Plan, a claims servicing pool (See Note 17). The balance is held by the claim’s administrator in a pooled account which is representative of numerous entities and, therefore, cannot be included in the risk disclosures reported by the School District. Disclosures for the Jefferson Health Plan Self-Insurance Plan as a whole may be obtained from the Plan’s fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Jefferson Health Plan Self-Insurance Plan, Treasurer, Jefferson County ESC, Steubenville, Ohio 43695.

Investments

Investments are reported at fair value. As of December 31, 2023, the School District had the following investment:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Fair Value				
Common Stock	\$132,866	N/A	Not Rated	11.34%
STAR Ohio	1,038,322	Average 38.5 Days	AAAm	88.66%
	\$1,171,188			100.00%

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 chart identifies the School District’s recurring fair value measurements as of June 30, 2023. The School District’s investment in common stock is valued at unobservable inputs (Level 3 inputs).

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, 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 2023 represents collections of calendar year 2022 taxes. Public utility real property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022, 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 Meigs County. The Meigs 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, 2023, 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.

Accrued property taxes receivable includes real property and public utility taxes which are measurable as of June 30, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is 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 inflows of resources – property taxes.

The amount available as an advance at June 30, 2023, was \$2,171,981 in the General Fund. The amount available as an advance at June 30, 2022, was \$133,010 in the General Fund, \$26,269 in the Debt Service Fund, and \$1,898 in the Classroom Facilities Maintenance Special Revenue 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 inflows of resources – unavailable revenue.

Meigs Local School District, Ohio

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The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second- Half Collections		2023 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$156,014,330	82.41%	\$176,704,250	83.33%
Public Utility Personal	33,304,590	17.59%	35,336,770	16.67%
Total Assessed Value	\$189,318,920	100.00%	\$212,041,020	100.00%
Tax Rate per \$1,000 of assessed valuation	\$24.45		\$20.00	

Note 8 - Receivables

Receivables at June 20, 2023, consisted primarily of property taxes, intergovernmental receivables arising from entitlements and shared revenues, interfund, and accounts (billings for service).

All receivables, except for delinquent property taxes, are expected to be collected 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 \$2,238,919.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Title I	\$169,080
Foundation	7,964
ESSER	31,656
Miscellaneous	297,890
IDEA-B Special Education	67,442
Carl D Perkins Secondary	12,736
Title I Supplementary School Improvement	42,066
Title IV-A, Student Support and Aca. Enrich	15,738
Title II-A Supporting Effective Instruction	12,150
Medicaid Reimbursement	126,690
	\$783,412

Meigs Local School District, Ohio

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Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance 6/30/2022	Additions	Reductions	Balance 6/30/2023
Governmental Activities				
<i>Nondepreciable Capital Assets</i>				
Land	\$666,988	\$0	\$0	\$666,988
Construction in Progress	4,956,785	707,257	(1,071,636)	4,592,406
<i>Total Nondepreciable Capital Assets</i>	<u>5,623,773</u>	<u>707,257</u>	<u>(1,071,636)</u>	<u>5,259,394</u>
<i>Depreciable Capital Assets</i>				
<i>Tangible Assets</i>				
Buildings and Improvements	38,008,983	1,171,111	0	39,180,094
Furniture, Fixtures, and Equipment	4,814,079	162,993	(78,953)	4,898,119
Vehicles	2,997,781	9,414	(223,306)	2,783,889
<i>Total Tangible Assets</i>	<u>45,820,843</u>	<u>1,343,518</u>	<u>(302,259)</u>	<u>46,862,102</u>
<i>Intangible Right to Use Lease Assets</i>				
Intangible Right to Use - Equipment	128,438	0	0	128,438
<i>Total Depreciable Capital Assets</i>	<u>45,949,281</u>	<u>1,343,518</u>	<u>(302,259)</u>	<u>46,990,540</u>
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Buildings and Improvements	(20,779,779)	(1,054,894)	0	(21,834,673)
Furniture, Fixtures, and Equipment	(3,413,960)	(409,004)	74,353	(3,748,611)
Vehicles	(2,550,447)	(118,371)	223,306	(2,445,512)
<i>Total Depreciation</i>	<u>(26,744,186)</u>	<u>(1,582,269)</u>	<u>297,659</u>	<u>(28,028,796)</u>
<i>Amortization</i>				
<i>Intangible Right to Use Lease Assets</i>				
Intangible Right to Use - Equipment	(29,726)	(32,068)	0	(61,794)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(26,773,912)</u>	<u>(1,614,337)</u>	<u>297,659</u>	<u>(28,090,590)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>19,175,369</u>	<u>(270,819)</u>	<u>(4,600)</u>	<u>18,899,950</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$24,799,142</u>	<u>\$436,438</u>	<u>(\$1,076,236)</u>	<u>\$24,159,344</u>

Meigs Local School District, Ohio

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

	Depreciation	Amortization	Total
Instruction:			
Regular	\$506,184	\$0	\$506,184
Special	322,719	0	322,719
Vocational	88,279	0	88,279
Support Services:			
Pupils	76,231	0	76,231
Instructional Staff	36,431	0	36,431
Administration	113,672	0	113,672
Operation and Maintenance of Plant	62,657	32,068	94,725
Pupil Transportation	153,586	0	153,586
Operation of Non-Instructional/Share Services			
Food Service Operations	92,628	0	92,628
Community Services	7,552	0	7,552
Extracurricular Activities	122,330	0	122,330
Total	\$1,582,269	\$32,068	\$1,614,337

Note 10 - Risk Management

A. Property and Liability

The School District is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the School District contracted with the Schwendeman Agency for property, fleet, violence, and liability insurance coverage.

Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in insurance coverage from the prior year.

The types and amounts of coverage provided are as follows:

Property	Deductible	Limits of Coverage
General Liability:		
Each Occurrence	\$0	\$5,000,000
Aggregate Limit	0	7,000,000
Educator's Legal Liability	2,500	5,000,000
Educator's Excess Liability	2,500	7,000,000
Employee Benefits Liability	0	1,000,000
Building and Contents	1,000	95,822,258
Fleet	1,000	5,000,000

B. Workers' Compensation

For fiscal year 2023, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). 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 school districts is calculated as one experience and a common premium rate is applied to all

Meigs Local School District, Ohio

Notes to the Basic Financial Statements
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school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

C. Employee Medical Benefits

Medical/surgical and dental insurance is offered to employees through a self-insurance internal service fund. The fund is responsible for \$150,000 in claims per individual family per year. After that, effective January 1, 2013, stop-loss covers up to a lifetime maximum of \$1,000,000 per covered classified, certified, and exempt persons.

The claims liability of \$761,356 reported in the Internal Service Fund at June 30, 2023, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30, "Risk Financing Omnibus." This statement requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
2022	\$622,335	\$6,565,083	\$6,329,155	\$858,263
2023	858,263	6,137,339	6,234,246	761,356

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

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

Meigs Local School District, Ohio

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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.

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:

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*Notes to the Basic Financial Statements
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	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.

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, 2023, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$552,065 for fiscal year 2023. Of this amount, \$159,765 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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.

Meigs Local School District, Ohio

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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, an 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. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all their member contributions and 9.53 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 4.47 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 fifty 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 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 2023 employer and

Meigs Local School District, Ohio

Notes to the Basic Financial Statements
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employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$1,550,164 for fiscal year 2023. Of this amount, \$230,228 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, 2022, 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:

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.10026190%	0.079278650%	
Prior Measurement Date	<u>0.09972330%</u>	<u>0.084362240%</u>	
Change in Proportionate Share	<u>0.00053860%</u>	<u>-0.005083590%</u>	
Proportionate Share of the Net			<u>Total</u>
Pension Liability	\$5,422,942	\$17,623,744	\$23,046,686
Pension Expense	\$273,075	\$1,631,222	\$1,904,297

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$219,634	\$225,607	\$445,241
Changes of assumptions	53,509	2,109,032	2,162,541
Net difference between projected and actual earnings on pension plan investments	0	613,268	613,268
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	54,088	117,736	171,824
School District contributions subsequent to the measurement date	552,065	1,550,164	2,102,229
Total Deferred Outflows of Resources	\$879,296	\$4,615,807	\$5,495,103
Deferred Inflows of Resources			
Differences between expected and actual experience	\$35,601	\$67,416	\$103,017
Changes of assumptions	0	1,587,495	1,587,495
Net difference between projected and actual earnings on pension plan investments	189,236	0	189,236
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	0	889,606	889,606
Total Deferred Inflows of Resources	\$224,837	\$2,544,517	\$2,769,354

\$2,102,229 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$55,690	(\$238,287)	(\$182,597)
2025	2,553	(327,683)	(325,130)
2026	(270,328)	(700,237)	(970,565)
2027	314,479	1,787,333	2,101,812
Total	\$102,394	\$521,126	\$623,520

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.

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Notes to the Basic Financial Statements

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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 pension liability in the latest actuarial valuation, prepared as of June 30, 2022, are presented below:

	<u>June 30, 2022</u>
Inflation	2.4 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 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 were 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.

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment 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.

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.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$7,982,314	\$5,422,942	\$3,266,709

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022; actuarial valuation are presented below:

Meigs Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

	<u>June 30, 2022</u>
Inflation	2.50 percent
Salary increases	Varies by service from 2.50% to 8.50%
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

For 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.

For 2021, post-retirement mortality rates are based on 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. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, 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.

Actuarial assumptions used in the June 30, 2022, 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:

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

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

* Target allocation percentage is effective July 1, 2022.

Target weights were phased in over a 3 month period concluding on 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, 2022. 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, 2022. 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, 2022.

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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$26,623,061	\$17,623,744	\$10,013,108

Note 12 - Postemployment Benefits

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

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
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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.

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 2023, 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 2023, this amount was \$25,000. 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 2023, the School District's surcharge obligation was \$75,744.

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 \$75,744 for fiscal year 2023, all 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 administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums.

Meigs Local School District, Ohio

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For the Fiscal Year Ended June 30, 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, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.10270950%	0.07927865%	
Prior Measurement Date	0.10255030%	0.08436224%	
Change in Proportionate Share	0.00015920%	-0.00508359%	
Proportionate Share of the:			Total
Net OPEB Liability	\$1,442,051	\$0	\$1,442,051
Net OPEB (Asset)	\$0	(\$2,052,789)	(\$2,052,789)
OPEB Expense	(\$80,527)	(\$372,601)	(\$453,128)

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$12,122	\$29,758	\$41,880
Changes of assumptions	229,377	87,442	316,819
Net difference between projected and actual earnings on OPEB plan investments	7,495	35,734	43,229
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	75,383	21,844	97,227
School District contributions subsequent to the measurement date	75,744	0	75,744
Total Deferred Outflows of Resources	\$400,121	\$174,778	\$574,899
Deferred Inflows of Resources			
Differences between expected and actual experience	\$922,443	\$308,289	\$1,230,732
Changes of assumptions	591,973	1,455,625	2,047,598
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	84,756	40,379	125,135
Total Deferred Inflows of Resources	\$1,599,172	\$1,804,293	\$3,403,465

\$75,744 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	(\$272,047)	(\$473,498)	(\$745,545)
2025	(283,527)	(483,698)	(767,225)
2026	(264,826)	(219,931)	(484,757)
2027	(171,360)	(91,249)	(262,609)
2028	(109,254)	(119,298)	(228,552)
Thereafter	(173,781)	(241,841)	(415,622)
Total	(\$1,274,795)	(\$1,629,515)	(\$2,904,310)

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.

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

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, 2022, are presented below:

	<u>June 30, 2022</u>
Inflation	2.40 percent
Future Salary Increases, including inflation Wage Increases	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044
Municipal Bond Index Rate:	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	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 were 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.

Meigs Local School District, Ohio

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

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 in 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 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 capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. 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, 2022, was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.27 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 become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022, and the June 30, 2021, 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 is 3.69 percent at June 30, 2022, and 1.92 percent at June 30, 2021.

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 (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate.

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	\$1,791,050	\$1,442,051	\$1,160,316

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*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2023*

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$1,112,081	\$1,442,051	\$1,873,048

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022; actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age from 2.5 percent to 12.50 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 3.94 percent ultimate	5.00 percent initial 4 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4 percent ultimate

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

For 2022, 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.

For 2021, healthy retirees the mortality rates are 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. For disabled retirees, 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.

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*Notes to the Basic Financial Statements
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Actuarial assumptions used in the June 30, 2022, 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, 2022. 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, 2022. 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, 2022.

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, 2022, 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	(\$1,897,749)	(\$2,052,789)	(\$2,185,593)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$2,129,241)	(\$2,052,789)	(\$1,956,286)

Note 13 - Other Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service, and can accumulate up to three weeks at one time. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on a twelve-month contract do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. All employees may accumulate an unlimited amount of sick days. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum of 45 days. In addition for every ten (10) day block above the maximum, the employee shall be granted one (1) day per diem.

Meigs Local School District, Ohio

*Notes to the Basic Financial Statements
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B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through the One America/American United Life Insurance Company, as administered by the Metropolitan Education Council. Coverage in the amount of \$40,000 is provided for all full-time classified, certified and exempt employees. The Superintendent and Treasurer have \$100,000 life insurance policies.

Note 14 - Long-Term Obligations

Changes in long-term obligations during fiscal year 2023 were as follows

	Restated Principal Outstanding 6/30/22	Additions	Deductions	Principal Outstanding 6/30/23	Amounts Due within One Year
Direct Placements:					
2015 School Improvement Refunding Bonds, 2.3%	\$470,000	\$0	\$470,000	\$0	\$0
Direct Placement:					
Financed Purchase	222,967	0	66,330	156,637	68,195
Net Pension Liability:					
STRS	10,786,471	6,837,273	0	17,623,744	0
SERS	3,679,501	1,743,441	0	5,422,942	0
Total Net Pension Liability	14,465,972	8,580,714	0	23,046,686	0
Net OPEB Liability - SERS	1,940,848	0	498,797	1,442,051	0
Lease Payable	98,712	0	32,068	66,644	32,716
Sick Leave Benefits Payable	1,062,626	487,803	97,536	1,452,893	64,319
Total Long-Term Obligations	<u>\$18,261,125</u>	<u>\$9,068,517</u>	<u>\$1,164,731</u>	<u>\$26,164,911</u>	<u>\$165,230</u>

On September 3, 2015, the School District issued \$3,115,000 in voted School Improvement Refunding Bonds, which included term bonds. The bonds advance refunded \$3,115,000 of outstanding 2007 School Improvement General Obligation Bonds. The bonds were issued for a seven year period with final maturities at December 1, 2022.

Principal and interest requirements to retire bonds matured in fiscal year 2023.

Financed Purchase

The School District has entered into a financed purchase agreement for buildings where ownership of the underlying asset transfers to the School District by the end of the contract. The School District disbursed \$625,000 to pay these costs for the fiscal year ended June 30, 2016. Future financed purchase payments are paid from the General Fund as follows:

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Fiscal Year	Principal	Interest	Total
2024	\$68,195	\$3,496	\$71,691
2025	70,561	1,602	72,163
2026	17,881	42	17,923
Total	<u>\$156,637</u>	<u>\$5,140</u>	<u>\$161,777</u>

Lease

The School District has an outstanding agreement to lease copiers. The future lease payments were discounted based on the interest rate implicit in the lease. This discount is being amortized using the interest method over the life of the lease. A summary of the principal and interest amounts to be paid from the General Fund for the remaining lease is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$32,716	\$1,034	\$33,750
2025	33,928	373	34,301
	<u>\$66,644</u>	<u>\$1,407</u>	<u>\$68,051</u>

The School District's voted legal debt margin was \$20,759,682, with an unvoted debt margin of \$212,041 at June 30, 2023.

Sick leave benefits will be paid from the General Fund, the Food Service Special Revenue Fund, and the Title I Special Revenue Fund. There are no repayment schedules for the net pension and net OPEB liabilities. However, employer pension/OPEB contributions are made from the following funds: General Fund, the Food Service Special Revenue Fund, the Local Grants Special Revenue Fund, the Title I Special Revenue Fund, and multiple Federal Grants Special Revenue Funds. See Notes 11 and 12 for additional information related to net pension and net OPEB liabilities.

Note 15 - Interfund Transactions

As of June 30, 2023, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	<u>\$72,938</u>	<u>\$0</u>
Elementary Secondary School		
Emergency Relief	0	70,306
Title I	0	1,879
Special Education IDEA B	<u>0</u>	<u>753</u>
Total Special Revenue Funds	<u>0</u>	<u>72,938</u>
Total All Funds	<u>\$72,938</u>	<u>\$72,938</u>

All the interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made.

Meigs Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

The General Fund transferred \$17,188 to the District Managed Activities Special Revenue Fund and \$415 to the Student Activities Fund. The Bond Retirement Fund transferred \$1,295,242 to the Permanent Improvement Fund during fiscal year 2023. The transfers were made using unrestricted revenues collected in the General Fund to finance student programs accounted for in another fund in accordance with budgetary authorizations.

Note 16 - Jointly Governed Organizations

A. Metropolitan Educational Technology Association (META) Solutions

The School District participates in the Metropolitan Educational Technology Association (META), formed from the merger of the Metropolitan Educational Council (MEC) and the Southeastern Ohio Voluntary Education Cooperative (SEOVEC) during fiscal year 2016, which is a jointly governed organization, created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During 2023, the School District paid \$403,688 for services with META/MEC/SEOVEC. Financial information can be obtained from Metropolitan Educational Technology Association at 100 Executive Drive, Marion, Ohio 43302.

B. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (CORAS) is a jointly governed organization composed of over 130 school districts and other educational institutions in the 29-county region of Ohio designated as Appalachia. The Coalition is operated by a board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 29 Appalachian counties are divided; and three from Ohio University College of Education. The board exercised total control over the operations of CORAS including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The Coalition 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 Coalition 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 Coalition. During fiscal year 2023, the School District did not make any payments for services provided during the year. Financial information may be obtained from the Coalition of Rural and Appalachian Schools at Lindley Hall Room 200, Ohio University, Athens, Ohio 45701.

Note 17 - Public Entity Pools

A. Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Rating Program

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a

Meigs Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

three member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

B. Risk Sharing, Claims Servicing, and Insurance Purchasing Pool

Jefferson Health Plan

The School District Participates in the Jefferson Health Plan is a risk-sharing, claims servicing, and insurance purchasing pool comprised of over one hundred members, including five insurance consortiums. Each participant appoints a member of the insurance plan's assembly. The Plan's business and affairs are conducted by a nine member Board of Directors elected from the assembly. The plan offers medical, dental, vision, and prescription drug coverage to the members on a self-insured basis, as well as the opportunity to participate in the group purchasing of life insurance coverage. The medical coverage plan provides each plan participant the opportunity to choose a self-insurance deductible limit which can range from \$35,000 to \$250,000 under which the individual member is responsible for all claims through the claims servicing pool. Plan participants also participate in a shared risk internal pool for individual claims between the self-insurance deductible limit and \$1,500,000, and all claims between the deductible and the \$1,500,000 are paid from the Large Claim Reimbursement Program (LCRP). The LCRP is not owned by the plan participants. All participants pay a premium rate that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the LCRP up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. All participants pay an additional fee for participation in the LCRP that is based on the claims of the LCRP in aggregate and is not based on individual claims experience.

In the event of a deficiency in the LCRP, participants would be charged a higher rate for participation, and in the event of a surplus, the internal pool pays dividends to the participants. For all individual claims exceeding \$1,500,000, stop loss coverage is purchased, as well as for an annual total plan aggregate claims amount. All plan participants also pay a monthly administrative fee for fiscal services and third party administrative services. The plan also purchases fully insured life insurance for plan participants.

Note 18 - Set-Aside Calculations

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 acquisition. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-Aside Reserve Balance as of as of June 30, 2022	\$0
Current Year Set-Aside Requirement	340,963
Prior Year Offset from Bond Proceeds	<u>(340,963)</u>
Totals	<u>\$0</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>

Meigs Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

The School District has \$1,339,194 remaining expenditures from prior year bond proceeds that can be used to offset the capital acquisition set-aside requirement.

Note 19 - Significant Commitments

A. 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 governmental encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$153,974
Nonmajor Funds	<u>1,571,347</u>
Total	<u>\$1,725,321</u>

B. Contractual Commitments

As of June 30, 2023, the School District had contractual purchase commitments as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 06/30/23
HVAC Upgrades and Installation	Elementary and Secondary School Education Relief	\$6,426,389	\$4,192,172	\$2,234,217
Football Stadium	Permanent Improvement	1,181,206	400,234	780,972
		<u>\$7,607,595</u>	<u>\$4,592,406</u>	<u>\$3,015,189</u>

Note 20 - Contingencies

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2023, if applicable, cannot be determined at this time.

B. Litigation

As of June 30, 2023, the School District is currently not a party to any material legal proceedings.

C. School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) 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. ODE has finalized these adjustments.

Meigs Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

Note 21 - 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 2023, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Meigs 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**

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.10026190%	0.09972330%	0.09899240%	0.10244810%
School District's Proportionate Share of the Net Pension Liability	\$5,422,942	\$3,679,501	\$6,547,566	\$6,129,649
School District's Covered Payroll	\$3,994,893	\$3,493,757	\$3,478,793	\$3,517,889
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	135.75%	105.32%	188.21%	174.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%

*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 the required supplementary information

2019	2018	2017	2016	2015	2014
0.10100440%	0.09487320%	0.09499670%	0.09044680%	0.09131900%	0.09131900%
\$5,784,709	\$5,668,464	\$6,952,882	\$5,160,982	\$4,621,603	\$5,430,448
\$3,322,807	\$3,065,429	\$2,943,586	\$2,958,847	\$3,379,847	\$3,232,237
174.09%	184.92%	236.20%	174.43%	136.74%	168.01%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

Meigs 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**

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.079278650%	0.084362240%	0.083186760%	0.084253840%
School District's Proportionate Share of the Net Pension Liability	\$17,623,744	\$10,786,471	\$20,128,236	\$18,632,230
School District's Covered Payroll	\$10,766,386	\$10,435,171	\$10,115,693	\$9,896,707
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	163.69%	103.37%	198.98%	188.27%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

*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 the required supplementary information

2019	2018	2017	2016	2015	2014
0.084379890%	0.087664890%	0.085392120%	0.081257930%	0.079738600%	0.079738600%
\$18,553,243	\$20,824,983	\$28,583,317	\$22,457,315	\$19,395,177	\$23,103,420
\$9,607,007	\$9,344,486	\$9,023,614	\$8,855,843	\$7,029,862	\$8,851,969
193.12%	222.86%	316.76%	253.59%	275.90%	261.00%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

Meigs 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 Seven Fiscal Years (1)**

	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.10270950%	0.10255030%	0.10148240%
School District's Proportionate Share of the Net OPEB Liability	\$1,442,051	\$1,940,848	\$2,205,545
School District's Covered Payroll	\$3,994,893	\$3,493,757	\$3,478,793
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	36.10%	55.55%	63.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.40%	24.08%	18.17%

(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 the required supplementary information

2020	2019	2018	2017
0.10501990%	0.10241330%	0.09622990%	0.09605870%
\$2,641,030	\$2,841,222	\$2,582,558	\$2,738,028
\$3,517,889	\$3,322,807	\$3,065,429	\$2,943,586
75.07%	85.51%	84.25%	93.02%
15.57%	13.57%	12.46%	11.49%

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

	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.079278650%	0.084362240%	0.083186760%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$2,052,789)	(\$1,778,709)	(\$1,462,006)
School District's Covered Payroll	\$10,766,386	\$10,435,171	\$10,115,693
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-19.07%	-17.05%	-14.45%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	230.70%	174.70%	182.10%

(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 the required supplementary information

2020	2019	2018	2017
0.084253840%	0.084379890%	0.087664890%	0.085392120%
(\$1,395,446)	(\$1,355,899)	\$3,420,361	\$4,566,793
\$9,896,707	\$9,607,007	\$9,344,486	\$9,023,614
-14.10%	-14.11%	36.60%	50.61%
174.70%	176.00%	47.10%	37.30%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Pension Liability				
Contractually Required Contribution	\$552,065	\$559,285	\$489,126	\$487,031
Contributions in Relation to the Contractually Required Contribution	<u>(552,065)</u>	<u>(559,285)</u>	<u>(489,126)</u>	<u>(487,031)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$3,943,321	\$3,994,893	\$3,493,757	\$3,478,793
Pension 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)	\$75,744	\$68,051	\$64,599	\$59,321
Contributions in Relation to the Contractually Required Contribution	<u>(75,744)</u>	<u>(68,051)</u>	<u>(64,599)</u>	<u>(59,321)</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>1.92%</u>	<u>1.70%</u>	<u>1.85%</u>	<u>1.71%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.92%</u>	<u>15.70%</u>	<u>15.85%</u>	<u>15.71%</u>

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
\$474,915	\$448,579	\$429,160	\$412,102	\$389,973	\$468,447
(474,915)	(448,579)	(429,160)	(412,102)	(389,973)	(468,447)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,517,889	\$3,322,807	\$3,065,429	\$2,943,586	\$2,958,847	\$3,379,847
<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>	<u>13.86%</u>
\$81,834	\$71,695	\$52,242	\$47,705	\$71,189	\$50,191
(81,834)	(71,695)	(52,242)	(47,705)	(71,189)	(50,191)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>2.33%</u>	<u>2.16%</u>	<u>1.70%</u>	<u>1.62%</u>	<u>2.41%</u>	<u>1.49%</u>
<u>15.83%</u>	<u>15.66%</u>	<u>15.70%</u>	<u>15.62%</u>	<u>15.59%</u>	<u>15.35%</u>

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Pension Liability				
Contractually Required Contribution	\$1,550,164	\$1,507,294	\$1,460,924	\$1,416,197
Contributions in Relation to the Contractually Required Contribution	<u>(1,550,164)</u>	<u>(1,507,294)</u>	<u>(1,460,924)</u>	<u>(1,416,197)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$11,072,600	\$10,766,386	\$10,435,171	\$10,115,693
Pension 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>
Total 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 the required supplementary information

2019	2018	2017	2016	2015	2014
\$1,385,539	\$1,344,981	\$1,308,228	\$1,263,306	\$1,239,818	\$913,882
(1,385,539)	(1,344,981)	(1,308,228)	(1,263,306)	(1,239,818)	(913,882)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,896,707	\$9,607,007	\$9,344,486	\$9,023,614	\$8,855,843	\$7,029,862
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>
\$0	\$0	\$0	\$0	\$0	\$70,299
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(70,299)</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>1.00%</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>

Meigs Local School District, Ohio

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

Net Pension Liability

Changes in 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.

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:

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2017</u>	<u>Fiscal Year 2016 and Prior</u>
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 were 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 report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with 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 year 2017 and prior are presented below:

Meigs Local School District, Ohio

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	From 2.5 percent to 12.5 percent based on age	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	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (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 August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

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 year 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 age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Changes in Benefit Term – STRS Pension

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:

Meigs Local School District, Ohio

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2023

	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 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 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

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 (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent.)

Meigs Local School District, Ohio

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

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 claim's 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 claim's 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.

For fiscal year 2022, there was no change to the claim's 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 calendar year 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.

Meigs Local School District
Schedule of Federal Awards Expenditures
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Entity Number	Federal AL Number	Federal Awards Expenditures
<u>United States Department of Agriculture</u>			
<i>Passed through the Ohio Department of Education</i>			
Child Nutrition Cluster:			
National School Lunch Program Non-Cash Assistance	N/A	10.555	\$ 95,036
COVID-19 Supply Chain Assistance	N/A	10.555	42,257
National School Lunch Program	N/A	10.555	727,349
National School Breakfast Program	N/A	10.553	343,044
Summer Food Service Program for Children	N/A	10.559	<u>38,137</u>
Total Child Nutrition Cluster			1,245,823
COVID-19 Pandemic EBT Administrative Costs	N/A	10.649	<u>2,747</u>
Total United States Department of Agriculture			<u>1,248,570</u>
<u>United States Department of Education</u>			
<i>Passed through the Ohio Department of Education</i>			
Special Education Cluster (IDEA)			
Special Education-Grants to States	N/A	84.027	438,992
COVID-19 Special Education-Grants to States	N/A	84.027X	29,585
Special Education-Preschool Grants	N/A	84.173	5,886
COVID-19 Special Education-Preschool Grants	N/A	84.173X	<u>6,504</u>
Total Special Education Cluster (IDEA)			480,967
COVID-19 Education Stabilization Fund	N/A	84.425D	18,926
COVID-19 Education Stabilization Fund	N/A	84.425U	1,355,836
COVID-19 Education Stabilization Fund	N/A	84.425C	<u>37,612</u>
Total COVID-19 Education Stabilization Fund			1,412,374
Title I Grants to Local Educational Agencies	N/A	84.010	1,037,181
Career and Technical Education - Basic Grants to States	N/A	84.048	61,977
Rural Education	N/A	84.358B	61,000
Student Support and Academic Enrichment Program	N/A	84.424	86,493
Twenty-First Century Community Learning Centers	N/A	84.287C	40,275
Supporting Effective Instruction State Grants	N/A	84.367	<u>102,486</u>
Total United States Department of Education			<u>3,282,753</u>
<u>Department of Health and Human Services</u>			
<i>Passed through the Department of Health and Human Services</i>			
Epidemiology and Laboratory Capacity for Infectious Diseases	N/A	93.323	<u>24,356</u>
Total Department of Health and Human Services			<u>24,356</u>
<u>U.S. Department of Labor</u>			
<i>Passed through Area 14 Workforce Development Board</i>			
Registered Apprenticeship	JFSCAY20	17.285	<u>7,250</u>
Total U.S. Department of Labor			7,250
<u>United States Department of Treasury</u>			
<i>Passed through the Ohio Facilities Construction Commission</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery	5CV3	21.027	<u>114,992</u>
Total United States Department of Treasury			<u>114,992</u>
Total Federal Financial Assistance			<u>\$4,677,921</u>

The notes to the schedule of federal awards expenditures are an integral part of this schedule.

**MEIGS LOCAL SCHOOL DISTRICT
MEIGS COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2023**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards Expenditures (the Schedule) includes the federal award activity of the Meigs Local School District (the School District’s) under programs of the federal government for the year ended June 30, 2022. 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 of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE’s consent, schools can transfer unobligated amounts to the subsequent fiscal year’s program. The District transferred the following amounts from 2023 to 2024 programs:

Program Title	CFDA Number	Amount Transferred
Title I	84.010A	\$ 25,010.51
Title II-A	84.367A	87.39
Title IV-A	84.424A	7,934.28
V-B Rural	84.358B	315.73
IDEA-B	84.027A	646.04
ARP ESSER	84.425U	648,265.45

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

Independent Auditor's Report

Board of Education
Meigs Local School District
41765 Pomeroy Pike
Pomeroy, Ohio 41765

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Meigs Local School District, Meigs County, Ohio (the School District) as of and for the year ended June 30, 2023, 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 February 13, 2024, wherein we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the School District.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Meigs Local School District

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

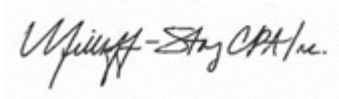
Page 2

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.



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

February 13, 2024



**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by
the Uniform Guidance**

Independent Auditor's Report

Board of Education
Meigs Local School District
41765 Pomeroy Pike
Pomeroy, Ohio 41765

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Meigs Local School District's (the School District) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2023. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

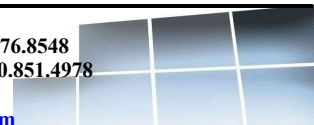
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the 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 each major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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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 each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

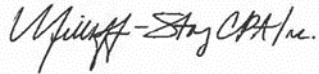
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Meigs Local School District, Ohio
Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on
the Schedule of Federal Awards Expenditures Required by the Uniform Guidance
Page 3

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

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



Millhuff-Stang, CPA, Inc.
Wheelersburg, Ohio

February 13, 2024

Meigs Local School District
Schedule of Findings and Questioned Costs
2 CFR Section 200.515
For the Fiscal Year Ended June 30, 2023

Section I – Summary of Auditor’s Results

<i>Financial Statements</i>		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified
Internal control over financial reporting:		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?		No
<i>Federal Awards</i>		
Internal control over major program(s):		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:		Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		No
Identification of major program(s):		COVID-19 Education Stabilization Fund, AL #84.425D, #84.425U, #84.425C; Child Nutrition Cluster, AL #10.555, #10.553, #10.559
Dollar threshold used to distinguish between type A and type B programs:		Type A: >\$750,000 Type B: all others
Auditee qualified as low-risk auditee?		Yes

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

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OHIO AUDITOR OF STATE KEITH FABER



MEIGS LOCAL SCHOOL DISTRICT

MEIGS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 4/9/2024

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

This report is a matter of public record and is available online at
www.ohioauditor.gov