



OHIO AUDITOR OF STATE
KEITH FABER



**MAD RIVER LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY**

JUNE 30, 2024

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**MAD RIVER LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY**

JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Mad River Local School District
Montgomery County
801 Old Harshman Road
Riverside, Ohio 45431

To the Board of Education:

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 the Mad River Local School District, Montgomery County, Ohio (the District), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the 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 the Mad River Local School District, Montgomery County, Ohio as of June 30, 2024, and the respective changes in financial position thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Supplementary information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

February 21, 2025

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Mad River Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

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

Financial Highlights

Key financial highlights for 2024 are as follows:

- Net position of governmental activities increased \$2,638,952 which represents a 13% increase from 2023.
- General revenues accounted for \$41,434,569 in revenue or 69% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$18,914,609 or 31% of total revenues of \$60,349,178.
- The District had \$57,710,226 in expenses related to governmental activities; \$18,914,609 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$41,434,569 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The Government-wide Financial Statements answer this question. These statements include *all assets and deferred outflows*, and *liabilities and deferred inflows* 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 District's net position and changes in the net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial

Mad River Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the District presents:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements. Fund financial reports provide detailed information about the District's major fund. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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

The District as a Whole

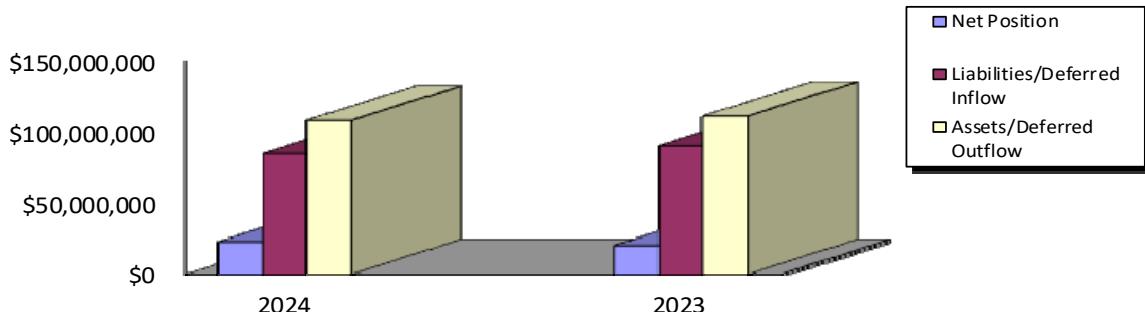
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for fiscal year 2024 compared to 2023:

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Mad River Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2024	2023
Assets:		
Current and Other Assets	\$34,871,569	\$34,440,729
Net OPEB Asset	3,510,952	4,844,072
Capital Assets	<u>59,250,098</u>	<u>58,692,681</u>
Total Assets	<u>97,632,619</u>	<u>97,977,482</u>
Deferred Outflows of Resources:		
Deferred Charge on Refunding	62,152	124,306
OPEB	2,091,418	1,018,534
Pension	<u>10,188,559</u>	<u>12,245,396</u>
Total Deferred Outflows of Resources	<u>12,342,129</u>	<u>13,388,236</u>
Liabilities:		
Other Liabilities	6,584,249	7,246,223
Long-Term Liabilities	<u>59,641,736</u>	<u>60,541,235</u>
Total Liabilities	<u>66,225,985</u>	<u>67,787,458</u>
Deferred Inflows of Resources:		
Property Taxes	9,395,099	8,893,136
Revenue in Lieu of Taxes	242,912	235,759
OPEB	5,666,384	7,201,441
Pension	<u>5,348,396</u>	<u>6,790,904</u>
Total Deferred Inflows of Resources	<u>20,652,791</u>	<u>23,121,240</u>
Net Position:		
Net Investment in Capital Assets	56,627,607	56,666,987
Restricted	6,528,497	8,510,061
Unrestricted	<u>(40,060,132)</u>	<u>(44,720,028)</u>
Total Net Position	<u>\$23,095,972</u>	<u>\$20,457,020</u>



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$23,095,972.

Mad River Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

At year-end, capital assets represented 61% of total assets. Capital assets include land, construction in progress, buildings and improvements, and equipment and vehicles. Net investment in capital assets at June 30, 2024, was \$56,627,607. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$6,528,497 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Total assets decreased slightly mainly due to a decrease in net OPEB asset. Long-term liabilities decreased due to a decrease in the net pension liability.

Table 2 shows the changes in net position for fiscal years 2024 and 2023.

Table 2
Changes in Net Position

	Governmental Activities	
	2024	2023
Revenues:		
Program Revenues		
Charges for Services	\$1,691,343	\$1,796,155
Operating Grants, Contributions	17,223,266	18,595,644
General Revenues:		
Property Taxes	10,401,235	10,915,468
Grants and Entitlements	29,378,344	26,939,181
Investment Earnings	1,199,111	273,027
Other	455,879	507,860
Total Revenues	60,349,178	59,027,335
Program Expenses:		
Instruction	34,960,627	34,916,922
Support Services:		
Pupil and Instructional Staff	6,343,950	6,326,097
School Administration, General		
Administration, Fiscal and Business	4,392,160	4,667,734
Operations and Maintenance	4,328,151	4,975,188
Pupil Transportation	2,247,491	2,143,041
Central	718,567	617,094
Operation of Non-Instructional Services	3,391,894	3,389,963
Extracurricular Activities	1,132,877	985,583
Interest and Fiscal Charges	194,509	109,767
Total Program Expenses	57,710,226	58,131,389
Change in Net Position	2,638,952	895,946
Net Position - Beginning of Year	20,457,020	19,561,074
Net Position - End of Year	\$23,095,972	\$20,457,020

Mad River Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

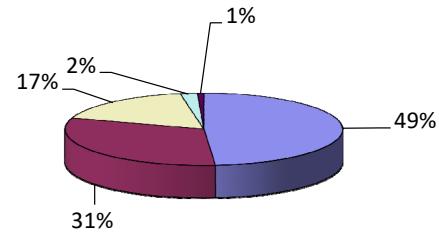
Governmental Activities

The District revenues are mainly from two sources. Property taxes levied for general, special revenue, and debt service purposes, and grants and entitlements comprised 66% of the District's revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Thus Ohio districts do not receive additional property tax revenue from increases in appraisal values and must regularly return to the voters to maintain a constant level of service. Property taxes made up 17% of revenue for governmental activities for the District in fiscal year 2024.

Revenue Sources	2024	Percent of Total
General Grants	\$29,378,344	49%
Program Revenues	18,914,609	31%
General Tax Revenues	10,401,235	17%
Investment Earnings	1,199,111	2%
Other Revenues	455,879	1%
	\$60,349,178	100%



Instruction comprises 61% of governmental program expenses. Support services expenses were 31% of governmental program expenses. All other expenses including interest and fiscal charges were 8%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Total revenues increased slightly due to an increase in grants and entitlements. Total expenses decreased mainly due to changes related to net pension liability and other post employment benefits liability.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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Mad River Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2024	2023	2024	2023
Instruction	\$34,960,627	\$34,916,922	(\$20,987,455)	(\$19,345,861)
Support Services:				
Pupil and Instructional Staff	6,343,950	6,326,097	(5,434,106)	(5,761,060)
School Administration, General Administration, and Fiscal	4,392,160	4,667,734	(4,357,835)	(4,666,445)
Operations and Maintenance	4,328,151	4,975,188	(4,186,208)	(4,641,329)
Pupil Transportation	2,247,491	2,143,041	(1,872,831)	(1,694,898)
Central	718,567	617,094	(703,203)	(606,247)
Operation of Non-Instructional Services	3,391,894	3,389,963	(189,078)	(148,511)
Extracurricular Activities	1,132,877	985,583	(870,392)	(765,472)
Interest and Fiscal Charges	194,509	109,767	(194,509)	(109,767)
Total Expenses	<u>\$57,710,226</u>	<u>\$58,131,389</u>	<u>(\$38,795,617)</u>	<u>(\$37,739,590)</u>

The District's Funds

The District has one major governmental fund: the General Fund. Assets of the general fund comprised \$30,954,060 (88%) of the total \$35,320,086 governmental funds assets.

General Fund: Fund balance at June 30, 2024 was \$15,109,892, an increase in fund balance of \$1,521,136 from 2023. The primary reason for the increase in the fund balance was due to increase in intergovernmental revenue during the year.

General Fund Budgeting Highlights

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

During the course of fiscal year 2024, the District amended its general fund budget. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, the original budget basis revenue was \$46,292,608 compared to final budget estimates of \$50,290,723. The difference between the final budget basis and actual revenue was \$225,844, which was mostly due to underestimating taxes and intergovernmental revenue estimates.

The District's ending unobligated cash balance was \$17,035,411.

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Mad River Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2024, the District had \$59,250,098 invested in land, construction in progress, buildings and improvements, equipment and vehicles. Table 4 shows fiscal year 2024 balances compared to fiscal year 2023:

Table 4		
Capital Assets at June 30		
(Net of Depreciation)		
	Governmental Activities	
	2024	2023
Land	\$1,068,500	\$1,068,500
Construction In Progress	287,510	0
Buildings and Improvements	54,811,934	54,955,426
Equipment and Vehicles	3,082,154	2,668,755
 Total Net Capital Assets	 <u>\$59,250,098</u>	 <u>\$58,692,681</u>

Overall, net capital assets increased mainly due to current year additions exceeding current year depreciation expense and disposals.

See Note 6 to the basic financial statements for further details on the District's capital assets.

Debt

At June 30, 2024, the District had \$1,120,000 in bonds outstanding, \$1,120,000 due within one year. Table 5 summarizes debt outstanding.

Table 5
Outstanding Debt, at Year End

	Governmental Activities	
	2024	2023
Bonds Payable:		
Refunding Bonds:		
2016 Classroom Facilities	\$ 1,120,000	\$ 2,150,000
2024 Financed Purchases	1,564,643	0
Total Long-Term Notes and Bonds	<u>\$2,684,643</u>	<u>\$2,150,000</u>

See Note 7 to the basic financial statements for further details on the District's long-term obligations.

Mad River Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)

For the Future

The economic climate at the end of the fiscal year is that the national economy has mostly recovered from the impact of the COVID 19 virus. The State of Ohio economy has performed well, and correspondingly state tax collections are up. The nation is battling high inflation from COVID era spending which has caused the Federal Reserve to raise interest rates to the point where it may tip the economy into a recession in 2024. If this happens, state tax collections will likely be reduced in 2025.

The State of Ohio enacted a new Fair School Funding Formula beginning with the 2021-2022 fiscal year. The formula and its funding were renewed for the current biennium budget beginning July 1, 2023. The Foundation funding for Mad River will increase approximately \$3 million for FY24, and \$1.5 million for FY25. The new formula is being phased-in over six years with the last two years being the FY26 & FY27 fiscal year. The Ohio General Assembly won't complete its budget for the next biennium until June 30, 2025 so the District won't know for sure what its future funding will be until then.

The Federal government has provided schools with additional grant funds to help deal with the impact of the COVID 19 virus. The District was awarded \$813,802 in ESSER I grant funds for FY21, \$3,203,751 in ESSER II funds for FY22 & FY23, \$7,200,280 in ARP ESSER III for FY22 through FY24. The District has used most of the funds to pay existing personnel in order to keep class sizes small and spur student's learning recovery after not being in school every day for two years. As these grants expire, it will be difficult financially as these grants funds run out and those personnel expenses return to the general fund.

The Montgomery County Auditor's office completed a new tri-annual reappraisal of property in 2023 and values for the District rose by a record 32%. This is the largest increase in property values the District has ever seen. The District will see increased tax revenue from its 6.8 inside millage which is allowed to grow with increased values. New housing construction within the District had been non-existent for years but one new housing subdivision was constructed recently and is now sold out. Also, another new subdivision is under construction, and two others are in the works. Tax revenues are expected to increase by approximately \$785,000 beginning in calendar year 2024 based on the new valuation.

The District's enrollment fell by 250 students during FY21 & FY22 COVID period but recovered by approximately 100 students for the 2022-2023 school year. Enrollment for 2023-2024 was 3,555 at the end of the school year. Enrollment for FY25 is projected to be 3,743. The District is funded by the State on a per student basis, so maintaining enrollment is critical to financial success.

The General fund cash balance at June 30, 2024 was \$18,522,625, which is up \$1,836,843 from FY23. Based on the latest forecast, that cash reserve balance is projected to decline over the next five years because expenses are expected to exceed revenues for the foreseeable future.

The Bonds used to finance the construction of 7 new school buildings in 2001 will be retired at the end of 2024. But now the District is experiencing large repair and replacement expenditures since many items like roofing and HVAC equipment is reaching the end of its useful life. The Board has placed a 2.9 mill Permanent Improvement Levy on the ballot for November 2024 to raise funds to maintain the buildings.

**Mad River Local School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
(Unaudited)**

All of the District's financial resources will be needed to meet the challenges of the future. With continued careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and maintain a secure financial future. Continued support and implementation of the Fair School Funding Formula by the Ohio General Assembly in the next Ohio biennium budget will be crucial for the District' financial success.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer, Jerry Ellender, at Mad River Local School District, 801 Old Harshman Road, Riverside, Ohio 45431, by phone at 937-259-6610 or by e-mail at jerry.ellender@madriverschools.org.

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Mad River Local School District, Ohio

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$22,739,597
Receivables (Net):	
Taxes	10,741,880
Accounts	5,683
Interest	140,493
Intergovernmental	1,203,987
Prepays	39,929
Nondepreciable Capital Assets	1,356,010
Depreciable Capital Assets, Net	57,894,088
Net OPEB Asset	<u>3,510,952</u>
 Total Assets	 <u>97,632,619</u>
Deferred Outflows of Resources:	
Deferred Charge on Refunding	62,152
Pension	10,188,559
OPEB	<u>2,091,418</u>
 Total Deferred Outflows of Resources	 <u>12,342,129</u>
Liabilities:	
Accounts Payable	219,059
Accrued Wages and Benefits	6,148,961
Contracts Payable	214,560
Accrued Interest Payable	1,669
Long-Term Liabilities:	
Due Within One Year	1,637,245
Due In More Than One Year:	
Net Pension Liability	49,193,944
Net OPEB Liability	3,154,347
Other Amounts	<u>5,656,200</u>
 Total Liabilities	 <u>66,225,985</u>
Deferred Inflows of Resources:	
Property Taxes	9,395,099
Revenue in Lieu of Taxes	242,912
Pension	5,348,396
OPEB	<u>5,666,384</u>
 Total Deferred Inflows of Resources	 <u>20,652,791</u>
Net Position:	
Net Investment in Capital Assets	56,627,607
Restricted for:	
Debt Service	1,056,022
Capital Projects	546,781
Food Service	431,170
Classroom Facilities Maintenance	628,959
District Managed Student Activities	251,562
State Grants	14,140
Net OPEB Asset	3,510,952
Other Purposes	88,911
Unrestricted	<u>(40,060,132)</u>
 Total Net Position	 <u>\$23,095,972</u>

See accompanying notes to the basic financial statements.

Mad River Local School District, Ohio
 Statement of Activities
 For the Fiscal Year Ended June 30, 2024

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities			
Governmental Activities:							
Instruction:							
Regular	\$21,245,687	\$516,130	\$5,644,515		(\$15,085,042)		
Special	9,948,702	430,407	5,544,368		(3,973,927)		
Vocational	3,418,327	0	1,837,752		(1,580,575)		
Other	347,911	0	0		(347,911)		
Support Services:							
Pupil	4,246,595	0	234,769		(4,011,826)		
Instructional Staff	2,097,355	0	675,075		(1,422,280)		
General Administration	123,505	0	0		(123,505)		
School Administration	3,374,184	0	4,080		(3,370,104)		
Fiscal	842,997	0	30,245		(812,752)		
Business	51,474	0	0		(51,474)		
Operations and Maintenance	4,328,151	8,814	133,129		(4,186,208)		
Pupil Transportation	2,247,491	13,410	361,250		(1,872,831)		
Central	718,567	0	15,364		(703,203)		
Operation of Non-Instructional Services	3,391,894	460,097	2,742,719		(189,078)		
Extracurricular Activities	1,132,877	262,485	0		(870,392)		
Interest and Fiscal Charges	194,509	0	0		(194,509)		
Totals	\$57,710,226	\$1,691,343	\$17,223,266		(38,795,617)		

General Revenues:

Property Taxes Levied for:	
General Purposes	9,890,509
Special Revenue Purposes	102,676
Debt Service Purposes	408,050
Grants and Entitlements, Not Restricted	29,378,344
Revenue in Lieu of Taxes	242,912
Unrestricted Contributions	11,234
Investment Earnings	1,199,111
Other Revenues	201,733
Total General Revenues	41,434,569
Change in Net Position	2,638,952
Net Position - Beginning of Year	20,457,020
Net Position - End of Year	\$23,095,972

See accompanying notes to the basic financial statements.

Mad River Local School District, Ohio

Balance Sheet

Governmental Funds

June 30, 2024

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$19,399,394	\$3,340,203	\$22,739,597
Receivables (Net):			
Taxes	10,544,905	196,975	10,741,880
Accounts	5,683	0	5,683
Interest	140,493	0	140,493
Intergovernmental	379,413	824,574	1,203,987
Interfund	448,517	0	448,517
Prepays	35,655	4,274	39,929
Total Assets	30,954,060	4,366,026	35,320,086
Liabilities:			
Accounts Payable	194,802	24,257	219,059
Accrued Wages and Benefits	5,458,133	690,828	6,148,961
Compensated Absences	19,126	0	19,126
Contracts Payable	107,280	107,280	214,560
Interfund Payable	0	448,517	448,517
Total Liabilities	5,779,341	1,270,882	7,050,223
Deferred Inflows of Resources:			
Property Taxes	9,248,073	147,026	9,395,099
Revenue in Lieu of Taxes	242,912	0	242,912
Grants and Other Taxes	0	247,501	247,501
Investment Earnings	47,100	0	47,100
Unavailable Revenue	526,742	19,803	546,545
Total Deferred Inflows of Resources	10,064,827	414,330	10,479,157
Fund Balances:			
Nonspendable	35,655	4,274	39,929
Restricted	0	3,160,486	3,160,486
Committed	405,105	0	405,105
Assigned	4,238,190	0	4,238,190
Unassigned	10,430,942	(483,946)	9,946,996
Total Fund Balances	15,109,892	2,680,814	17,790,706
Total Liabilities, Deferred Inflows and Fund Balances	\$30,954,060	\$4,366,026	\$35,320,086

See accompanying notes to the basic financial statements.

Mad River Local School District, Ohio
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2024

Total Governmental Fund Balance \$17,790,706

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.

Capital assets used in the operation of Governmental Funds	59,250,098
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Delinquent Property Taxes	546,545
Interest	47,100
Intergovernmental	<u>247,501</u>

841,146

In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.

(1,669)

Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.

Compensated Absences	(4,589,676)
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Deferred charge on refunding associated with long-term liabilities that are not reported in the funds.	62,152
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Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	10,188,559
Deferred inflows of resources related to pensions	(5,348,396)
Deferred outflows of resources related to OPEB	2,091,418
Deferred inflows of resources related to OPEB	<u>(5,666,384)</u>

1,265,197

Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.

Net OPEB Asset	3,510,952
Net Pension Liability	(49,193,944)
Net OPEB Liability	(3,154,347)
Other Amounts	<u>(2,684,643)</u>

(51,521,982)

Net Position of Governmental Activities	<u>\$23,095,972</u>
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See accompanying notes to the basic financial statements.

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

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property and Other Taxes	\$9,935,617	\$539,358	\$10,474,975
Tuition and Fees	867,963	0	867,963
Investment Earnings	1,151,157	25,430	1,176,587
Intergovernmental	38,443,358	8,422,818	46,866,176
Extracurricular Activities	93,184	261,285	354,469
Charges for Services	0	460,097	460,097
Revenue in Lieu of Taxes	242,912	0	242,912
Other Revenues	131,233	90,549	221,782
Total Revenues	50,865,424	9,799,537	60,664,961
Expenditures:			
Current:			
Instruction:			
Regular	19,925,547	1,221,619	21,147,166
Special	7,605,964	2,405,569	10,011,533
Vocational	2,432,178	630,945	3,063,123
Other	354,512	0	354,512
Support Services:			
Pupil	4,112,196	268,797	4,380,993
Instructional Staff	1,892,789	285,763	2,178,552
General Administration	123,505	0	123,505
School Administration	3,523,600	4,729	3,528,329
Fiscal	851,791	9,536	861,327
Business	49,524	0	49,524
Operations and Maintenance	4,567,429	23,532	4,590,961
Pupil Transportation	2,109,614	0	2,109,614
Central	682,929	15,030	697,959
Operation of Non-Instructional Services	0	3,396,976	3,396,976
Extracurricular Activities	671,883	419,270	1,091,153
Capital Outlay	1,902,020	499,301	2,401,321
Debt Service:			
Principal Retirement	120,357	1,030,000	1,150,357
Interest and Fiscal Charges	103,642	30,248	133,890
Total Expenditures	51,029,480	10,241,315	61,270,795
Excess of Revenues Over (Under) Expenditures	(164,056)	(441,778)	(605,834)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	192	0	192
Issuance of Long-Term Capital-Related Debt	1,685,000	0	1,685,000
Total Other Financing Sources (Uses)	1,685,192	0	1,685,192
Net Change in Fund Balance	1,521,136	(441,778)	1,079,358
Fund Balance - Beginning of Year	13,588,756	3,122,592	16,711,348
Fund Balance - End of Year	\$15,109,892	\$2,680,814	\$17,790,706

See accompanying notes to the basic financial statements.

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

Net Change in Fund Balance - Total Governmental Funds	\$1,079,358
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.	
Capital assets used in governmental activities	2,967,945
Depreciation Expense	<u>(2,390,244)</u>
	577,701
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of assets disposed during the current fiscal year.	
	(20,284)
Governmental funds report district pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions are reported as pension and OPEB expense.	
District pension contributions	4,452,375
Cost of benefits earned net of employee contributions - Pension	<u>(3,129,001)</u>
District OPEB contributions	122,593
Cost of benefits earned net of employee contributions - OPEB	<u>530,578</u>
	1,976,545
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Delinquent Property Taxes	(73,740)
Interest	22,524
Intergovernmental	<u>(264,567)</u>
	(315,783)
Repayment of bond principal, current bonds refundings, and accredited interest are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
	1,150,357
In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due.	
	1,535
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated Absences	(63,323)
Amortization of Deferred Charge on Refunding	<u>(62,154)</u>
	(125,477)
Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net position.	
	<u>(1,685,000)</u>
Change in Net Position of Governmental Activities	<u>\$2,638,952</u>

See accompanying notes to the basic financial statements.

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Note 1 – Description of the District

The Mad River Local School District (the “District”) is a political body incorporated and established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisitions and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services. Management believes the financial statements included in this report represent all of the funds of the District over which the Board of Education has the ability to exercise direct operating control.

Reporting Entity

In accordance with Governmental Accounting Standards Board [GASB] Statements 14/39/61, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds and account groups of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities.

The District is associated with three organizations that are defined as jointly governed organizations, one insurance purchasing pool, and one public entity shared risk pool. These organizations are:

Jointly Governed Organizations:

Montgomery County Educational Service Center
META Solutions
Southwestern Ohio Educational Purchasing Council

Insurance Purchasing Pool:

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group
Rating Plan

Public Entity Shared Risk Pool:

Southwestern Ohio Education Purchasing Council Liability, Property & Fleet Pool

These organizations are presented in Notes 16 and 17.

Note 2 – Summary of Significant Accounting Policies

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

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Measurement Focus

Government-wide Financial Statements

The 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. The government-wide statements are prepared using the economic resources measurement focus. All assets, deferred outflows, liabilities, and deferred inflows associated with the operation of the District are included on the statement of net position. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the 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 and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. 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 District.

Fund Financial Statements

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

Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental and fiduciary. The focus of government fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

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

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

General Fund - The general fund is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District does not have any fiduciary funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows 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 District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, included property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants, and other taxes and investment earnings.

**Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024**

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to pension, OPEB, and a deferred charge on refunding are reported on the governmental-wide statement of net position. For more pension and OPEB plans related information, see Notes 9 and 10.

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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, revenue in lieu of taxes (tax incremental financing), grants and other taxes, pension, OPEB, investment earnings, and unavailable revenues. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Revenue in lieu of taxes (TIF) has been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and other taxes, and investment earnings have been recorded as deferred inflows on the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents delinquent property taxes. These amounts are deferred and recognized as inflows of resources in the period the amounts become available. Deferred inflows related to pension and OPEB plans are reported on the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 9 and 10.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as Intergovernmental revenue.

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

Equity in Pooled Cash and Investments

Cash received by the District is pooled for investment purposes. Interest in the pool is represented as "Equity in Pooled Cash and Investments" on the financial statements.

During fiscal year 2024, investments were limited to Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), negotiable certificates of deposit (negotiable CDs), U.S. government money market mutual funds, commercial paper, treasury notes, municipal bonds, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for STAR Ohio, investments are reported at fair value.

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

During fiscal year 2024, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

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

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2024 amounted to \$1,151,157 in the general fund.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventory consists of food held for resale and consumable supplies.

Capital Assets

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

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10 - 75 years
Equipment and Vehicles	3 - 20 years

Prepaid Items

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the OPEB asset, net pension/OPEB liability, 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

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

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.

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for 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 District will compensate the employees for the benefits through paid time off or some other means. The District records a liability for accumulated unused vacation time, when earned, for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vested payment method. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount due to the employee at year end. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. Compensated absences are reported in governmental funds only if they have matured.

The District's policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

<u>Vacation</u> How Earned	<u>Certified</u> Not Eligible	<u>Administrators</u> 20 days per year	<u>Non-Certificated</u> 10-20 days for each service year depending on length of service – bonus of maximum 5 days eligible
Maximum Accumulation	Not Applicable	Not Applicable	Not Applicable
Vested	Not Applicable	As Earned	As Earned
Termination Entitlement	Not Applicable	Used prior to termination	Used prior to termination
<u>Sick Leave</u> How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	328 days	328 days	328 days
Vested	As Earned	As Earned	As Earned
Termination Entitlement	1/4 paid upon retirement	1/4 paid upon retirement	1/4 paid upon retirement

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's \$6,528,497 restricted net position reported at fiscal year end, none were restricted by enabling legislation.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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 to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as interfund "receivables/payables". These amounts are eliminated in the governmental activities columns of the statement of net position.

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided are not eliminated in the process of consolidation.

Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (prepaid) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

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 policies of the District Board of Education.

Mad River Local School District
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For The Fiscal Year Ended June 30, 2024

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The 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 amounts in any of the unrestricted fund balance classifications could be used.

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 – Equity In Pooled Cash And Investments

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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 monies held by the 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

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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.
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2024, \$4,531,994 of the District's bank balance of \$4,781,994 was exposed to custodial credit risk because it was uninsured and collateralized.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or

Mad River Local School District
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Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State.

Investments

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

	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)	Concentration of Credit Risk
Money Market Funds	\$899,811	Level 1	0.00	4.7%
Federal Farm Credit Bank	2,340,737	Level 2	1.32	12.2%
Federal Home Loan Bank	7,948,853	Level 2	1.26	41.3%
Federal Home Loan Mortgage Corporation	2,029,130	Level 2	1.75	10.6%
Negotiable Certificates of Deposit	2,129,405	Level 2	1.69	11.1%
Commercial Paper	1,091,817	Level 2	0.30	5.7%
Federal National Mortgage Association	448,046	Level 2	1.31	2.3%
U.S. Treasury Notes	1,560,922	Level 1	3.72	8.1%
STAROhio	28,778	Amortized Cost	0.13	0.1%
Municipal Bonds	<u>754,261</u>	Level 1	3.09	3.9%
Total Investments	<u><u>\$19,231,760</u></u>			
Portfolio Weighted Average Maturity			1.53	

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2024. Fair value hierarchy for all investments are identified in the table above.

Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years.

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The District's investments in Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Farm Credit Bank, Municipal Bonds, and U.S. Treasury Notes were rated AA+ by Standard and Poor's ratings and Aaa by Moody's Investors Service. Commercial Paper was rated A-1+ by Standard & Poor's. STAR Ohio was rated AAAm by Standard and Poor's. Negotiable CDs and Money Market Funds were not rated.

Concentration of Credit Risk – The District's investment policy allows investments in U.S. Agencies or Instrumentalities as well as other investments permitted by Ohio Law. The District has invested 4.7% of the District's investments in Money Market Funds, 41.3% in Federal Home Loan Bank, 10.6% in Federal Home Loan Mortgage Corporation, 12.2% in Federal Farm Credit Bank, 2.3% in Federal National Mortgage Association, 5.7% in Commercial Paper, 8.1% in US Treasury Notes, 0.1% in STAR Ohio, 11.1% Negotiable Certificates of Deposit, and 3.9% in Municipal Bonds.

Mad River Local School District
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For The Fiscal Year Ended June 30, 2024

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District's securities are either insured and registered in the name of the District or at least registered in the name of the District.

Note 4 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2022 on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value.

Public utility property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true 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. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from Montgomery County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2024 and for which there is an enforceable legal claim. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2024. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflow of resources for that portion not intended to finance current year operations.

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

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

Mad River Local School District
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	2024 First Half	2023 Second Half
	Amount	Amount
Agricultural/Residential and Other Real Estate	\$327,979,900	\$245,775,570
Public Utility Personal	<u>18,498,780</u>	<u>15,973,450</u>
Total	<u>\$346,478,680</u>	<u>\$261,749,020</u>

Note 5 – Receivables

Receivables at June 30, 2024, consisted of taxes, accounts, interest, intergovernmental grants and interfund. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Note 6 – Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$1,068,500	\$0	\$0	\$1,068,500
Construction in Progress	0	287,510	0	287,510
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	88,231,441	1,685,000	0	89,916,441
Equipment and vehicles	<u>8,529,481</u>	<u>995,435</u>	<u>270,017</u>	<u>9,254,899</u>
Totals at Historical Cost	<u>97,829,422</u>	<u>2,967,945</u>	<u>270,017</u>	<u>100,527,350</u>
Less Accumulated Depreciation:				
Buildings and Improvements	33,276,015	1,828,492	0	35,104,507
Equipment and Vehicles	<u>5,860,726</u>	<u>561,752</u>	<u>249,733</u>	<u>6,172,745</u>
Total Accumulated Depreciation	<u>39,136,741</u>	<u>2,390,244</u>	<u>249,733</u>	<u>41,277,252</u>
Governmental Activities Capital Assets, Net	<u><u>\$58,692,681</u></u>	<u><u>\$577,701</u></u>	<u><u>\$20,284</u></u>	<u><u>\$59,250,098</u></u>

Depreciation expense was charged to governmental functions as follows:

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Mad River Local School District
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For The Fiscal Year Ended June 30, 2024

Instruction:	
Regular	\$1,003,920
Special	229,405
Vocational	508,366
Other Instruction	315
Support Services:	
Pupil	93,191
School Administration	70,439
Operations and Maintenance	130,327
Pupil Transportation	246,228
Operation of Non-Instructional Services	31,034
Extracurricular Activities	77,019
Total Depreciation Expense	<u><u>\$2,390,244</u></u>

Note 7 - Long-Term Liabilities

	Interest Rate	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:						
Bonds:						
2016 Refunding Classroom Facilities -Current Interest	1.85%	\$2,150,000	\$0	\$1,030,000	\$1,120,000	\$1,120,000
Subtotal Bonds		<u>2,150,000</u>	<u>0</u>	<u>1,030,000</u>	<u>1,120,000</u>	<u>1,120,000</u>
Purchase Finance Agreement		0	1,685,000	120,357	1,564,643	240,720
Compensated Absences		<u>4,726,891</u>	<u>334,631</u>	<u>452,720</u>	<u>4,608,802</u>	<u>276,525</u>
Subtotal Bonds and Other Amounts		<u>6,876,891</u>	<u>2,019,631</u>	<u>1,603,077</u>	<u>7,293,445</u>	<u>1,637,245</u>
Net Pension Liability		51,131,647	0	1,937,703	49,193,944	0
Net OPEB Liability		<u>2,532,697</u>	<u>621,650</u>	<u>0</u>	<u>3,154,347</u>	<u>0</u>
Subtotal Net Pension/OPEB Liability		<u>53,664,344</u>	<u>621,650</u>	<u>1,937,703</u>	<u>52,348,291</u>	<u>0</u>
Total Long Term Obligations		<u><u>\$60,541,235</u></u>	<u><u>\$2,641,281</u></u>	<u><u>\$3,540,780</u></u>	<u><u>\$59,641,736</u></u>	<u><u>\$1,637,245</u></u>

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from which the person is paid.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefitting from their service.

In 2024 the District entered into a seven year \$1,685,000 Purchase Finance Agreement with a variable interest rate to fund the payment of a roofing project. The agreement will be paid from the general fund.

On March 3, 2016 the District issued \$7,630,000 in Current Interest Bonds with an interest rate of 1.85%. Those securities were deposited into an irrevocable trust with an escrow agent to provide all future debt service payments on the bond issues.

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2025	\$1,120,000	\$10,360	\$1,130,360

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Note 8 – Retirement Incentives

In addition to, and separate of severance pay, any qualifying employee who retires under any of Ohio's public employee retirement systems will receive a Retirement Incentive of \$10,000 if the employee has thirty (30) years of service credit.

To qualify for the \$10,000 incentive bonus, an employee must give written notice to the Director of Human Resources by no later than March 1 of the year he/she first becomes eligible for full retirement.

Further qualifications for the Retirement Incentive are as follows:

1. The employee must have completed no less than 5 consecutive years in paid status employment with the District, immediately preceding the effective date of retirement, and must be on paid status at the time of retirement.
2. Persons on disability retirement will not be eligible for the bonus.
3. The employee must have completed no less than 10 years of service for the Mad River School District by the effective date of retirement.
4. The effective date of retirement must be no earlier than after the last work day of the given school year, and must be no later than by June 30 of the year the notice was given.

An Employee who is eligible for retirement, as above, and misses his/her March 1 deadline for notice forfeits his/her right to receive either bonus. The amount of the bonus will not be included in any calculations to determine the employee's salary for retirement purposes. An Employee shall forfeit his/her right to either Retirement Incentive if his/her teaching contract is terminated for good and just cause. All Eligibility and qualification requirements are subject to verification.

The Board shall pay the \$10,000 Retirement Incentive within 90 days of the retiree providing verification of retirement.

The liability for fiscal year 2024 retirement incentives (bonus) is \$0. Because the normal retirement age is now more than 30 years, the \$10,000 rarely comes into play anymore.

Note 9 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description

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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Mad River Local School District
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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 District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$1,009,359 for fiscal year 2024. Of this amount \$112,163 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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.

Mad River Local School District
Notes to the Basic Financial Statements
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New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

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

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

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

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

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

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

Funding Policy

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

The District's contractually required contribution to STRS was \$3,443,016 for fiscal year 2024. Of this amount \$573,836 is reported as accrued wages and benefits.

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

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

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$10,318,110	\$38,875,834	\$49,193,944
Proportion of the Net Pension Liability:			
Current Measurement Date	0.18673570%	0.18052448%	
Prior Measurement Date	0.17645320%	0.18707805%	
Change in Proportionate Share	0.01028250%	-0.00655357%	
Pension Expense	\$747,675	\$2,381,326	\$3,129,001

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

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	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$443,494	\$1,417,331	\$1,860,825
Changes of assumptions	73,089	3,201,636	3,274,725
Changes in employer proportionate share of net pension liability	402,230	198,404	600,634
Contributions subsequent to the measurement date	1,009,359	3,443,016	4,452,375
Total Deferred Outflows of Resources	\$1,928,172	\$8,260,387	\$10,188,559
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$86,266	\$86,266
Changes of assumptions	0	2,409,911	2,409,911
Net difference between projected and actual earnings on pension plan investments	145,030	116,512	261,542
Changes in employer proportionate share of net pension liability	308,339	2,282,338	2,590,677
Total Deferred Inflows of Resources	\$453,369	\$4,895,027	\$5,348,396

\$4,452,375 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	(\$77,333)	(\$1,158,392)	(\$1,235,725)
2026	(238,447)	(2,032,236)	(2,270,683)
2027	773,540	3,591,443	4,364,983
2028	7,684	(478,471)	(470,787)
Total	\$465,444	(\$77,656)	\$387,788

Actuarial Assumptions - SERS

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

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

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

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

	June 30, 2023	June 30, 2022
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or Ad Hoc COLA	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00% net of system expenses	7.00% net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	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. As of June 30, 2023:

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

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Discount Rate

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

Sensitivity of the 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%
Proportionate share of the net pension liability	\$15,229,002	\$10,318,110	\$6,181,617

Changes Between the Measurement Date and the Report Date

Governor DeWine signed HB33 in July 2023 authorizing SERS to implement a Contribution Based Benefit Cap beginning August 1, 2024. Any effect on the net pension liability is unknown.

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to those used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected Salary Increases	From 2.50% to 8.50% based on service	From 2.50% to 8.50% based on age
Investment Rate of Return	7.00% net of investments expense, including inflation	7.00% net of investments expense, including inflation
Discount Rate of Return	7.00%	7.00%
Payroll Increases	3.00%	3.00%
Cost-of-Living Adjustments (COLA)	0.00%	0.00%

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-

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retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

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

* Final target weights reflected October 1, 2022.

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

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the 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 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:

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	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$59,782,429	\$38,875,834	\$21,194,576

Changes Between the Measurement Date and the Report Date

In March 2024, the STRS Board made the eligibility rule requiring 34 years of service for an unreduced retirement permanent, effective June 1, 2024. Eligibility for a reduced retirement benefit has been lowered from 30 to 29 years of service. The effect of these changes on the net pension liability is currently unknown.

Note 10 - Defined Benefit OPEB Plans

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description

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

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

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

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Funding Policy

State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$122,593.

The surcharge, added to the allocated portion of the 14.00% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$122,593 for fiscal year 2024.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

Funding Policy

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

Net OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

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	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability	\$3,154,347	\$0	\$3,154,347
Proportionate Share of the Net OPEB (Asset)	0	(3,510,952)	(3,510,952)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.19146900%	0.18052448%	
Prior Measurement Date	<u>0.18039020%</u>	<u>0.18707805%</u>	
Change in Proportionate Share	0.01107880%	-0.00655357%	
OPEB Expense	(\$386,428)	(\$144,149)	(\$530,577)

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

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$6,572	\$5,473	\$12,045
Changes of assumptions	1,066,577	517,214	1,583,791
Net difference between projected and actual earnings on OPEB plan investments	24,447	6,266	30,713
Changes in employer proportionate share of net OPEB liability	266,666	75,610	342,276
Contributions subsequent to the measurement date	<u>122,593</u>	<u>0</u>	<u>122,593</u>
Total Deferred Outflows of Resources	<u>\$1,486,855</u>	<u>\$604,563</u>	<u>\$2,091,418</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$1,626,814	\$535,513	\$2,162,327
Changes of assumptions	895,865	2,316,476	3,212,341
Changes in employer proportionate share of net OPEB liability	290,171	1,545	291,716
Total Deferred Inflows of Resources	<u>\$2,812,850</u>	<u>\$2,853,534</u>	<u>\$5,666,384</u>

\$122,593 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year			
Ending June 30:	SERS	STRS	Total
2025	(\$533,601)	(\$990,497)	(\$1,524,098)
2026	(457,028)	(465,401)	(922,429)
2027	(270,058)	(174,790)	(444,848)
2028	(156,990)	(238,728)	(395,718)
2029	(109,511)	(218,317)	(327,828)
Thereafter	<u>78,600</u>	<u>(161,238)</u>	<u>(82,638)</u>
Total	<u>(\$1,448,588)</u>	<u>(\$2,248,971)</u>	<u>(\$3,697,559)</u>

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Actuarial Assumptions - SERS

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

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

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

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Inflation	2.40%	2.40%
Future Salary Increases, Including Inflation	3.25% to 13.58%	3.25% to 13.58%
Investment Rate of Return	7.00% net of investment expense	7.00% net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048	2044
Municipal Bond Index Rate:		
Measurement Date	3.86%	3.69%
Prior Measurement Date	3.69%	1.92%
Single Equivalent Interest Rate (SEIR), net of plan investment expense, including price inflation:		
Measurement Date	4.27%	4.08%
Prior Measurement Date	4.08%	2.27%
Health Care Cost Trend Rate	6.75% to 4.40%	7.00% to 4.40%

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

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adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

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

Discount Rate

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

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Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
Proportionate share of the net OPEB liability	\$4,032,157	\$3,154,347	\$2,462,157
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
Proportionate share of the net OPEB liability	\$2,317,390	\$3,154,347	\$4,263,429

Changes Between Measurement Date and Reporting Date

In September 2023, the SERS Board changed minimum compensation to \$30,000 from \$25,000 for purposes of the surcharge. Any effect on the net OPEB liability is unknown.

Actuarial Assumptions - STRS

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

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment Rate of Return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Discount Rate of Return	7.00%	7.00%
Health Care Cost Trends:		
Medical		
Pre-Medicare	7.50% initial, 4.14% ultimate	7.50% initial, 3.94% ultimate
Medicare	-10.94% initial, 4.14% ultimate	-68.78% initial, 3.94% ultimate
Prescription Drug		
Pre-Medicare	-11.95% initial, 4.14% ultimate	9.00% initial, 3.94% ultimate
Medicare	1.33% initial, 4.14% ultimate	-5.47% initial, 3.94% ultimate

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

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

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

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

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

* Final target weights reflected at October 1, 2022.

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

Discount Rate

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

Sensitivity of the Proportionate Share of the Net OPEB (Asset) to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net OPEB (asset)	(\$2,971,561)	(\$3,510,952)	(\$3,980,704)
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$4,002,502)	(\$3,510,952)	(\$2,918,888)

Changes Between the Measurement Date and the Reporting date

In March, 2024, the STRS Board made changes to the eligibility for the maximum health care premium subsidy, going into effect initially with the January 2025 benefit. In May, 2024, the Board aligned the eligibility for the health care premium subsidy with the changes to pension eligibility made in March 2024. The effect on the net OPEB liability (asset) is unknown at this time.

Note 11 – Contingent Liabilities

Grants

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds; however, in the opinion of management, any such disallowed claims will not have a material, adverse effect on the overall financial condition of the District at June 30, 2024.

Note 12 – Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the fiscal year, the District maintains comprehensive insurance coverage with private carriers for real property, building contents and vehicles. Vehicle policies include liability coverage for bodily injury and property damage. Real property and contents are 100% co-insured with \$5,000 deductible.

There were no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the last three fiscal years.

Note 13 – Set-Aside Calculation

The 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 year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2023	\$0
Current Year Set Aside Requirements	800,733
Qualified Disbursements	(1,309,888)
Set Aside Reserve Balance as of June 30, 2024	<u><u>(509,155)</u></u>
Restricted Cash as of June 30, 2024	<u><u>\$0</u></u>

Note 14 – Interfund Transactions

Interfund transactions at June 30, 2024, consisted of the following interfund receivables and interfund payables:

	Interfund	
	Receivable	Payable
General Fund	\$448,517	\$0
Other Governmental Funds	0	448,517
Total All Funds	<u><u>\$448,517</u></u>	<u><u>\$448,517</u></u>

Interfund balances are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

Note 15 – Accountability

The following individual funds had a deficit balance at year end:

Fund	<u>Amounts</u>
Other Governmental Funds:	
Special Education	\$172,293
Miscellaneous Federal Grants	107,280
Drug-Free Schools Grant	1,916
ESSER	95,397
Title I Sub A	8,045
Title I	79,982
Improving Teacher Quality	15,962
Title III	2

The deficit in fund balance was primarily due to accruals in GAAP. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Note 16 – Jointly Governed Organizations

META Solutions

Metropolitan Educational Technology Association (META) is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology and student services, a purchasing cooperative, and other individual services based on each client's needs. The governing board of META consists of a president, vice president and six board members who represent the members of META. The Board works with META' Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization's mission, vision, and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The District paid META \$119,030 for services provided during the fiscal year. Financial information can be obtained from the Chief Financial Officer, at 100 Executive Drive, Marion, Ohio 43302.

Southwestern Ohio Educational Purchasing Council

The Southwestern Ohio Educational Purchasing Council (EPC) is a council of governments with over 40 years of shared services experience, pooling the purchasing power of over 130 Ohio School Districts and Boards of Developmental Disabilities. Member districts benefit from the EPC's ability to aggregate volumes on goods and services such as health insurance; liability, fleet and property insurance; utilities; group rating; as well as food; classroom and office supplies; furniture; medical supplies and much more. The District made payments of \$0 to EPC in fiscal year 2024 for membership dues.

Montgomery County Educational Service Center

The Montgomery County Educational Service Center (MCESC) supports a system for strong collaborative linkages of the major stakeholders: districts, educational providers, students, parents, and the public at large. Through these combined efforts, the Center works actively to support the schools' continuous improvement processes by offering a broad range of quality services and programs. These cooperative efforts are designed to strengthen the capacity of the districts to achieve quality and cost-effective programs. The District made payments of \$2,110,535 to MCESC in fiscal year 2024. Financial information can be obtained from the Treasurer, at 200 South Keowee Street, Dayton, Ohio 45402.

Note 17 – Insurance Purchasing Pool/Public Entity Shared Risk Pool

Insurance Purchasing Pool

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan – The District participates in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP). The GRP's business and affairs are conducted by a fourteen member committee consisting of various GRP representatives that are elected by general assembly. Either the superintendent or treasurer from each participating school district serves on the general assembly. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The District made payments of \$96,927 to the insurance pool in fiscal year 2024.

Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Public Entity Shared Risk Pool

Southwestern Ohio Education Purchasing Council Liability, Property & Fleet Pool - The Southwestern Ohio Educational Purchasing Council Benefit Plan (the Plan) is a public entity shared risk pool consisting of 55 school districts. The Plan is organized as a Voluntary Employee Benefit Association under Section 501(c) (9) of the Internal Revenue Code and provides medical, dental and vision insurance benefits to the employees of the participants. The Plan is governed by the Southwestern Ohio Educational Purchasing Council and its participating members. Each participant decides which plans offered by the Plan will be extended to its employees. Participation in the Plan is by written application subject to acceptance by the Plan and payment of the monthly premiums. Financial information may be obtained from the Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

Note 18 – Fund Balances

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

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Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Fund Balances	Other Governmental Funds		
	General		Total
Nonspendable:			
Prepays	\$35,655	\$4,274	\$39,929
Total Nonspendable	35,655	4,274	39,929
Restricted for:			
Private Purpose	0	33,917	33,917
Other Grants	0	37,841	37,841
Student Activity	0	251,562	251,562
Auxiliary Services	0	79,952	79,952
Classroom Facilities Maintenance	0	623,704	623,704
Student Wellness and Success	0	14,140	14,140
Food Service	0	529,446	529,446
Debt Service	0	1,043,143	1,043,143
Capital Outlay	0	546,781	546,781
Total Restricted	0	3,160,486	3,160,486
Committed to:			
Termination Benefits	405,105	0	405,105
Total Committed	405,105	0	405,105
Assigned to:			
Encumbrances	1,198,423	0	1,198,423
Budgetary Resource	2,826,552	0	2,826,552
Public Schools	213,215	0	213,215
Total Assigned	4,238,190	0	4,238,190
Unassigned (Deficit)	10,430,942	(483,946)	9,946,996
Total Fund Balance	\$15,109,892	\$2,680,814	\$17,790,706

Note 19 – Tax Abatements Entered Into By Other Governments

Other governments entered into property tax abatement agreements with property owners under the Enterprise Zone Agreement (“EZA”) program within the taxing districts of the District. The EZA program is an economic development tool administered by municipal and county governments that provides real and personal property tax exemptions to businesses making investments in the community. Within the taxing districts of the District, The City of Riverside has entered into EZA agreements. Under these agreements the District’s received \$242,912 in payments in lieu of taxes in FY24 from TIF (Tax Increment Financing) Districts.

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Mad River Local School District
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Note 20 – Implementation of New Accounting Principles

New Accounting Principles

For fiscal year 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections; and portions of GASB Statement No. 99, Omnibus 2022.

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

GASB Statement No. 99 addresses a variety of topics and includes clarification of provisions related to accounting and reporting of leases under GASB Statement No. 87, provides extension of the period which the London Interbank Offered Rate is considered appropriate benchmark interest rate, guidance on disclosure of nonmonetary transaction, accounting for pledges of future revenues when resources are not received by the pledging government under GASB Statement No. 48, and terminology updates related to certain provisions of GASB Statement No. 63 and No. 53. These topics under GASB Statement No. 99 provisions were implemented in a prior year.

Other topics in GASB Statement No. 99 includes classification of other derivative instruments within the scope of GASB Statement No. 53, clarification of provisions related to accounting and reporting of Public-Private and Public-Public Partnerships under GASB Statement No. 94, and clarification of provisions to accounting and reporting of subscription-based information technology arrangements under GASB Statement No. 96. These topics under GASB Statement No. 99 provisions were implemented and did not have an effect on the financial statements of the District.

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REQUIRED **S**UPPLEMENTARY **I**NFORMATION

Mad River Local School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.18673570%	\$10,318,110	\$7,107,571	145.17%	76.06%
2023	0.17645320%	9,543,962	6,892,407	138.47%	75.82%
2022	0.19328890%	7,131,800	6,671,686	106.90%	82.86%
2021	0.19434620%	12,854,467	6,813,350	188.67%	68.55%
2020	0.19691210%	11,781,596	6,755,200	174.41%	70.85%
2019	0.19515150%	11,176,688	6,554,622	170.52%	71.36%
2018	0.19753850%	11,802,489	6,348,786	185.90%	69.50%
2017	0.18645390%	13,646,705	5,859,600	232.89%	62.98%
2016	0.18601000%	10,613,911	6,900,835	153.81%	69.16%
2015	0.18534500%	9,380,205	5,440,159	172.43%	71.70%

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

See accompanying notes to the required supplementary information.

Mad River Local School District
 Required Supplementary Information
 Schedule of the District's Contributions for Net Pension Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$1,009,359	(\$1,009,359)	\$0	\$7,209,707	14.00%
2023	995,060	(995,060)	0	7,107,571	14.00%
2022	964,937	(964,937)	0	6,892,407	14.00%
2021	934,036	(934,036)	0	6,671,686	14.00%
2020	953,869	(953,869)	0	6,813,350	14.00%
2019	911,952	(911,952)	0	6,755,200	13.50%
2018	884,874	(884,874)	0	6,554,622	13.50%
2017	888,830	(888,830)	0	6,348,786	14.00%
2016	820,344	(820,344)	0	5,859,600	14.00%
2015	909,530	(909,530)	0	6,900,835	13.18%

See accompanying notes to the required supplementary information.

Mad River Local School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.18052448%	\$38,875,834	\$24,501,600	158.67%	80.02%
2023	0.18707805%	41,587,685	23,932,114	173.77%	78.88%
2022	0.19822547%	25,344,908	24,764,057	102.35%	87.78%
2021	0.19595242%	47,413,513	24,611,486	192.65%	75.48%
2020	0.19816537%	43,823,081	22,990,457	190.61%	77.40%
2019	0.19592345%	43,079,167	22,609,543	190.54%	77.30%
2018	0.19068834%	45,298,424	21,800,143	207.79%	75.30%
2017	0.19081863%	63,872,747	20,730,750	308.11%	66.80%
2016	0.18352524%	50,721,008	18,994,543	267.03%	72.10%
2015	0.17150188%	41,715,193	18,870,662	221.06%	74.70%

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

See accompanying notes to the required supplementary information.

Mad River Local School District

Required Supplementary Information

Schedule of the District's Contributions for Net Pension Liability

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$3,443,016	(\$3,443,016)	\$0	\$24,592,971	14.00%
2023	3,430,224	(3,430,224)	0	24,501,600	14.00%
2022	3,350,496	(3,350,496)	0	23,932,114	14.00%
2021	3,466,968	(3,466,968)	0	24,764,057	14.00%
2020	3,445,608	(3,445,608)	0	24,611,486	14.00%
2019	3,218,664	(3,218,664)	0	22,990,457	14.00%
2018	3,165,336	(3,165,336)	0	22,609,543	14.00%
2017	3,052,020	(3,052,020)	0	21,800,143	14.00%
2016	2,902,305	(2,902,305)	0	20,730,750	14.00%
2015	2,659,236	(2,659,236)	0	18,994,543	14.00%

See accompanying notes to the required supplementary information.

Mad River Local School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.19146900%	\$3,154,347	\$7,107,571	44.38%	30.02%
2023	0.18039020%	2,532,697	6,892,407	36.75%	30.34%
2022	0.18957830%	3,587,925	6,671,686	53.78%	24.08%
2021	0.18929550%	4,114,011	6,813,350	60.38%	18.17%
2020	0.19521100%	4,909,146	6,755,200	72.67%	15.57%
2019	0.19853730%	5,507,961	6,554,622	84.03%	13.57%
2018	0.20105280%	5,395,729	6,348,786	84.99%	12.46%
2017	0.18908028%	5,389,487	5,859,600	91.98%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Mad River Local School District
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Nine Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$122,593	(\$122,593)	\$0	\$7,209,707	1.70%
2023	136,283	(136,283)	0	7,107,571	1.92%
2022	117,627	(117,627)	0	6,892,407	1.71%
2021	76,872	(76,872)	0	6,671,686	1.15%
2020	63,066	(63,066)	0	6,813,350	0.93%
2019	122,065	(122,065)	0	6,755,200	1.81%
2018	142,501	(142,501)	0	6,554,622	2.17%
2017	96,229	(96,229)	0	6,348,786	1.52%
2016	98,156	(98,156)	0	5,859,600	1.68%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

Mad River Local School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability
 State Teachers Retirement System of Ohio
 Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2024	0.18052448%	(\$3,510,952)	\$24,501,600	(14.33%)	168.52%
2023	0.18707805%	(4,844,072)	23,932,114	(20.24%)	230.73%
2022	0.19822547%	(4,179,422)	24,764,057	(16.88%)	174.73%
2021	0.19595242%	(3,443,862)	24,611,486	(13.99%)	182.13%
2020	0.19816537%	(3,282,093)	22,990,457	(14.28%)	174.74%
2019	0.19592345%	(3,148,290)	22,609,543	(13.92%)	176.00%
2018	0.19068834%	7,439,955	21,800,143	34.13%	47.10%
2017	0.19081863%	10,205,030	20,730,750	49.23%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

Mad River Local School District
 Required Supplementary Information
 Schedule of the District's Contributions for Net OPEB (Asset)/Liability
 State Teachers Retirement System of Ohio
Last Nine Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$0	\$0	\$0	\$24,592,971	0.00%
2023	0	0	0	24,501,600	0.00%
2022	0	0	0	23,932,114	0.00%
2021	0	0	0	24,764,057	0.00%
2020	0	0	0	24,611,486	0.00%
2019	0	0	0	22,990,457	0.00%
2018	0	0	0	22,609,543	0.00%
2017	0	0	0	21,800,143	0.00%
2016	0	0	0	20,730,750	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Mad River Local School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2024

General Fund				
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$9,439,738	\$10,255,012	\$10,301,065	\$46,053
Revenue in lieu of taxes	222,601	241,826	242,912	1,086
Tuition and Fees	581,505	631,727	634,564	2,837
Investment Earnings	606,306	658,670	661,628	2,958
Intergovernmental	35,341,400	38,393,702	38,566,119	172,417
Other Revenues	101,058	109,786	110,279	493
Total Revenues	46,292,608	50,290,723	50,516,567	225,844
Expenditures:				
Current:				
Instruction:				
Regular	19,775,092	20,381,285	19,861,081	520,204
Special	7,558,880	7,790,593	7,591,749	198,844
Vocational	2,335,476	2,407,068	2,345,631	61,437
Student Intervention Services	283,756	292,454	284,990	7,464
Support Services:				
Pupil	4,100,285	4,225,976	4,118,114	107,862
Instructional Staff	2,023,014	2,085,028	2,031,811	53,217
General Administration	122,987	126,757	123,522	3,235
School Administration	3,706,615	3,820,239	3,722,733	97,506
Fiscal	875,613	902,454	879,420	23,034
Business	42,283	43,579	42,467	1,112
Operations and Maintenance	4,841,022	4,989,420	4,862,072	127,348
Pupil Transportation	2,395,396	2,468,825	2,405,812	63,013
Central	696,345	717,691	699,373	18,318
Extracurricular Activities	671,437	692,020	674,357	17,663
Capital Outlay	223,029	229,866	223,999	5,867
Total Expenditures	49,651,230	51,173,255	49,867,131	1,306,124
Excess of Revenues Over (Under) Expenditures	(3,358,622)	(882,532)	649,436	1,531,968
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	176	191	192	1
Transfers (Out)	(298,701)	(307,858)	(300,000)	7,858
Total Other Financing Sources (Uses)	(298,525)	(307,667)	(299,808)	7,859
Net Change in Fund Balance	(3,657,147)	(1,190,199)	349,628	1,539,827
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	16,685,783	16,685,783	16,685,783	0
Fund Balance - End of Year	\$13,028,636	\$15,495,584	\$17,035,411	\$1,539,827

See accompanying notes to the required supplementary information.

Mad River Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

Note 1 – Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations 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 amount that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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

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

While the 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 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for (budget basis) rather than as an assigned fund balance for general fund (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

The following table summarizes the adjustments necessary to reconcile the GAAP basis to the budgetary basis for the general fund.

Mad River Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	\$1,521,136
Revenue Accruals	(2,033,857)
Expenditure Accruals	2,649,585
Transfers Out	(300,000)
Encumbrances	(1,487,236)
Budget Basis	<u><u>\$349,628</u></u>

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2023-2024: There were no changes in benefit terms since the prior measurement period.

2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the change in the Consumer Price Index Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2023-2024: The following changes of assumptions affected the total pension liability since the prior measurement date:

(1) Cost of Living Adjustments (COLA) was increased from 2.00% to 2.50% for calendar year 2024.

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,
- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
- (5) The discount rate was reduced from 7.50% to 7.00%,
- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior

Mad River Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2019-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2023: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table:
 - a. Adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020
- (2) Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table:
 - a. Adjusted 95.0% for females, projected forward generationally using mortality improvement scale MP-2020
- (3) Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table:
 - a. Projected forward generationally using mortality improvement scale MP-2020
- (4) Projected salary increases changed from 2.50% to 12.50% to 2.50% to 8.50%

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

Mad River Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2024: Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

2017-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2024: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	4.08%
Measurement Date	4.27%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.69%
Measurement Date	3.86%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	4.08%
Measurement Date	4.27%
- (4) The assumption for percent of pre-Medicare eligible retirees who choose the Wraparound plan increased from 10% to 20%.
- (5) The health care trend assumption on retiree premiums was updated to not apply trend to the \$35 surcharge.
- (6) The morbidity factors were updated based on the Society of Actuaries' June 2013 research report Health Care Costs—From Birth to Death by Dale Yamamoto and from the ASOP 6 practice note developed by the American Academy of Actuaries.
- (7) An assumption was added to assume that 15% of pre-65 retirees who waive will elect coverage upon Medicare eligibility.

2023: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Mad River Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

- (1) Discount Rate:
 - Prior Measurement Date 2.27%
 - Measurement Date 4.08%
- (2) Municipal Bond Index Rate:
 - Prior Measurement Date 1.92%
 - Measurement Date 3.69%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 2.27%
 - Measurement Date 4.08%
- (4) Health care trend rates were updated.

2022: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
 - Prior Measurement Date 2.63%
 - Measurement Date 2.27%
- (2) Investment Rate of Return:
 - Prior Measurement Date 7.50%
 - Measurement Date 7.00%
- (3) Assumed Rate of Inflation:
 - Prior Measurement Date 3.00%
 - Measurement Date 2.40%
- (4) Payroll Growth Assumption:
 - Prior Measurement Date 3.50%
 - Measurement Date 1.75%
- (5) Assumed Real Wage Growth:
 - Prior Measurement Date 0.50%
 - Measurement Date 0.85%
- (6) Municipal Bond Index Rate:
 - Prior Measurement Date 2.45%
 - Measurement Date 1.92%
- (7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
 - Prior Measurement Date 2.63%
 - Measurement Date 2.27%
- (8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- (9) Rate of health care participation for future retirees and spouses was updated to reflect recent.
- (10) Mortality among active members was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Employee mortality table.
- (11) Mortality among service retired members was updated to the following:
 - a. PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
- (12) Mortality among beneficiaries was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
- (13) Mortality among disabled member was updated to the following:

Mad River Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

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

(14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.22%
Measurement Date	2.63%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
Measurement Date	2.45%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.22%
Measurement Date	2.63%

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.70%
Measurement Date	3.22%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.62%
Measurement Date	3.13%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.70%
Measurement Date	3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

(2) Municipal Bond Index Rate:

Fiscal Year 2018	3.56%
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Mad River Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

Fiscal Year 2017	2.92%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

2022: The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

Mad River Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

2020: There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% 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% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% 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. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% 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 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in Assumptions:

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately \$0.26 billion. The assumption changes included changes in healthcare costs and trends.

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

Mad River Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

2018: The discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and the long term expected rate of return was reduced from 7.75% to 7.45%. 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.

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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**MAD RIVER LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY**

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

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	(1) (2) Total Federal Expenditures	Total Federal Noncash Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$454,017	
National School Lunch Program	10.555	1,411,373	\$149,032
COVID-19 National School Lunch Program	10.555	106,781	
Summer Food Service Program for Children	10.559	19,849	
Total Child Nutrition Cluster		<u>1,992,020</u>	<u>149,032</u>
Total U.S. Department of Agriculture		<u>1,992,020</u>	<u>149,032</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	1,004,970	
COVID-19 Special Education - Grants to States	84.027	14,301	
Special Education - Preschool Grants	84.173	<u>16,596</u>	
Total Special Education Cluster (IDEA)		<u>1,035,867</u>	
COVID-19 Education Stabilization Fund	84.425W	2,188	
COVID-19 Education Stabilization Fund	84.425D	198,709	
COVID-19 Education Stabilization Fund	84.425U	<u>2,585,348</u>	
Total COVID-19 Education Stabilization Fund		<u>2,786,245</u>	
English Language Acquisition State Grants	84.365	41,137	
Career and Technical Education - Basic Grants to States	84.048	75,306	
Title I Grants to Local Educational Agencies	84.010	1,021,985	
Supporting Effective Instruction State Grants	84.367	178,497	
Student Support and Academic Enrichment Program	84.424	<u>118,481</u>	
Total U.S. Department of Education		<u>5,257,518</u>	
U.S. DEPARTMENT OF TREASURY			
<i>Passed Through Ohio Facilities Construction Commission</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>392,021</u>	
Total U.S. Department of Treasury		<u>392,021</u>	
Total Expenditures of Federal Awards		<u>\$7,641,559</u>	<u>\$149,032</u>

(1) There were no pass through entity identifying numbers
(2) There were no amounts passed through to subrecipients

The accompanying notes are an integral part of this schedule.

**MAD RIVER LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY**

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

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Mad River Local School District (the District) under programs of the federal government for the fiscal year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the 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 District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - SUBRECIPIENTS

The District did not have any subrecipients for the fiscal year ending June 30, 2024.

NOTE E - CHILD NUTRITION CLUSTER

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

NOTE F – FOOD DONATION PROGRAM

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

NOTE G - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with the Ohio Department of Education and Workforce's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2024 to 2025 programs:

<u>Program Title</u>	<u>AL Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$13,427
English Language Acquisition State Grants	84.365	7,317
English Language Acquisition State Grants	84.365A	1,331
Supporting Effective Instruction State Grants	84.367	8,793
Student Support and Academic Enrichment Program	84.424	1,355
		\$32,223

OHIO AUDITOR OF STATE KEITH FABER



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

Mad River Local School District
Montgomery County
801 Old Harshman Road
Riverside, Ohio 45431

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Mad River Local School District, Montgomery County, Ohio (the District) as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

Mad River Local School District
Montgomery County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

February 21, 2025



65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

Mad River Local School District
Montgomery County
801 Old Harshman Road
Riverside, Ohio 45431

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Mad River Local School District's, Montgomery County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Mad River Local School District's major federal programs for the fiscal year ended June 30, 2024. Mad River Local School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 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 District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the 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 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 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 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 District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

Mad River Local School District

Montgomery County

Independent Auditor's Report on Compliance with Requirements

Applicable to Each Major Federal Program and on Internal Control Over Compliance

Required by the Uniform Guidance

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

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



Keith Faber
Auditor of State
Columbus, Ohio

February 21, 2025

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MAD RIVER LOCAL SCHOOL DISTRICT
MONTGOMERY COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	COVID-19 Coronavirus State and Local Fiscal Recovery Funds (AL #21.027) Special Education Cluster (AL #84.027, 84.173) Title I Grants to Local Education Agencies (AL #84.010)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

4. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

Finding 2024-001

Findings for Recovery Resolved/Repaid Under Audit – Failure to Withhold STRS

Ohio Rev. Code § 3307.26(A)(5) requires that each teacher shall contribute a certain percent of the teacher's earned compensation, except that the percent shall not be greater than fourteen percent of the teachers' compensation. For compensation earned on or after July 1, 2016, fourteen percent.

Additionally, **Ohio Rev. Code § 3307.26(C)** requires the contribution for all teachers shall be deducted by the employer on each payroll in an amount equal to the applicable per cent of the teachers' paid compensation for such payroll period or other period as the board may approve. All contributions on paid compensation for teachers shall be remitted at intervals required by the state teachers retirement system.

The District did not withhold and remit the required State Teachers Retirement System (STRS) employee contributions from employee paychecks for Leah Macy and Brandi Sowers in the amount of \$2,248.81 and \$210, respectively.

As a result, the employees were overpaid by the listed amounts. The District has since remitted the employee contributions for the above-named employees in the listed amount to STRS.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued in the amount of \$2,248.81 against Leah Macy, jointly and severally with the treasurer and bonding company and \$210 against Brandi Sowers, also jointly and severally with the treasurer and bonding company, for the listed amounts, and in favor of Mad River Local School District's General Fund.

On November 20, 2024, the District entered into an agreement with Leah Macy for repayment of the employee contribution amount owed. Per the agreement, there will be \$149.92 deducted from Ms. Macy's pay, per payroll period, starting on pay date November 29, 2024, until the amount is repaid in full (pursuant to the repayment plan). As a result of this agreed-upon plan covering the amount owed, the Finding for Recovery has been resolved under audit.

On December 9, 2024, Brandi Sowers repaid the District \$210 via a check number 386 to the credit of the District's General Fund via receipt no. 221902. As a result of this payment, the Finding for Recovery for \$210 has been repaid under audit.

The District should establish and implement procedures to verify that all employees are enrolled in the proper retirement system and that subsequent withholdings and payments are made in a timely manner to avoid interest and penalties for delinquent submissions. Failure to do so could result in potential findings for recovery being issued in future audits.

Officials' Response:

Internal Controls for payroll will be reviewed and strengthened to prevent the issue from recurring in the future.

OHIO AUDITOR OF STATE KEITH FABER



MAD RIVER LOCAL SCHOOL DISTRICT

MONTGOMERY COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/20/2025

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov