



OHIO AUDITOR OF STATE  
**KEITH FABER**





**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY  
JUNE 30, 2024**

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CUYAHOGA COUNTY  
JUNE 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

Maple Heights City School District  
Cuyahoga County  
5740 Lawn Avenue  
Maple Heights, Ohio 44137

To the Board of Education:

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Maple Heights City School District, Cuyahoga County, Ohio (the District), as of and for the 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the 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 schedules, 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 (the Schedule), 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 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 December 24, 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  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 24, 2025

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**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

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

**Financial Highlights**

Key financial highlights for fiscal year 2024 are as follows:

- In total, net position of governmental activities increased \$8,740,893, which represents a 33.75% increase from the net position at June 30, 2023.
- General revenues accounted for \$47,209,905 in revenue or 66.55% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions accounted for \$23,727,273 or 33.45% of total revenues of \$70,937,178.
- The School District had \$62,196,285 in expenses related to governmental activities; only \$23,727,273 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$47,209,905 were adequate to provide these programs.
- The School District's major governmental funds are the general fund, the elementary and secondary school emergency relief fund, and the bond retirement fund. The general fund had \$49,176,942 in revenues and \$45,465,543 in expenditures and other financing uses. During fiscal year 2024, the general fund's balance increased \$3,711,399, from a beginning fund balance of \$14,389,815 to \$18,101,214.
- The elementary and secondary school emergency relief fund (ESSER) had \$11,803,340 in revenues and \$9,838,253 in expenditures. During fiscal year 2024, the elementary and secondary school emergency relief fund's balance increased \$1,965,087, from a beginning deficit fund balance of (\$3,170,590) to (\$1,205,503).
- The bond retirement fund had \$4,776,893 in revenues and \$4,215,524 in expenditures. During fiscal year 2024, the bond retirement fund's balance increased \$561,369, from a beginning fund balance of \$7,913,658 to \$8,475,027.

**Using these Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the School 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 position* and *statement of activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the School District, the general fund, ESSER fund, and bond retirement fund are reported as major funds.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**Reporting the School District as a Whole**

***Statement of Net Position and the Statement of Activities***

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

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

In the statement of net position and the statement of activities, the governmental activities include the School District's programs and services, including instruction, support services, operation and maintenance of plant, pupil transportation, extracurricular activities, and food service operations.

**Reporting the School District's Most Significant Funds**

***Fund Financial Statements***

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, the ESSER fund, and the bond retirement fund.

***Governmental Funds***

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at 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 financial statements provide a detailed *short-term* view of the School 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 basic financial statements.

***Proprietary Funds***

The School District maintains one proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the School District's various functions. The School District's internal service fund accounts for medical benefits of School District employees. The proprietary fund uses the accrual basis of accounting.

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

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

***Required Supplementary Information***

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

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**The School District as a Whole**

The statement of net position provides the perspective of the School District as a whole. The table below provides a summary of the School District's net position at June 30, 2024 and June 30, 2023.

	<b>Net Position</b>	
	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>
<b><u>Assets</u></b>		
Current and other assets	\$ 67,495,268	\$ 62,634,913
Capital assets, net	<u>93,022,947</u>	<u>90,654,420</u>
Total assets	<u>160,518,215</u>	<u>153,289,333</u>
<b><u>Deferred Outflows of Resources</u></b>		
Deferred charge on refunding	888,231	974,918
Pension	9,234,302	11,055,248
OPEB	<u>1,767,869</u>	<u>1,064,210</u>
Total deferred outflows of resources	<u>11,890,402</u>	<u>13,094,376</u>
<b><u>Liabilities</u></b>		
Current liabilities	8,536,765	8,689,961
Long-term liabilities:		
Due within one year	3,112,569	3,291,043
Due in more than one year:		
Net pension liability	43,219,981	44,649,537
Net OPEB liability	2,945,366	2,442,749
Other amounts	<u>52,631,361</u>	<u>54,839,263</u>
Total liabilities	<u>110,446,042</u>	<u>113,912,553</u>
<b><u>Deferred Inflows of Resources</u></b>		
Property taxes levied for next year	18,807,252	15,653,871
Unamortized gain on refunding	104,956	117,243
Pensions	3,199,090	4,159,425
OPEB	<u>5,212,824</u>	<u>6,643,057</u>
Total deferred inflows of resources	<u>27,324,122</u>	<u>26,573,596</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	43,833,552	37,988,922
Restricted	12,806,744	11,540,860
Unrestricted	<u>(22,001,843)</u>	<u>(23,632,222)</u>
Total net position	<u>\$ 34,638,453</u>	<u>\$ 25,897,560</u>

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

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

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

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

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

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

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

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

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

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

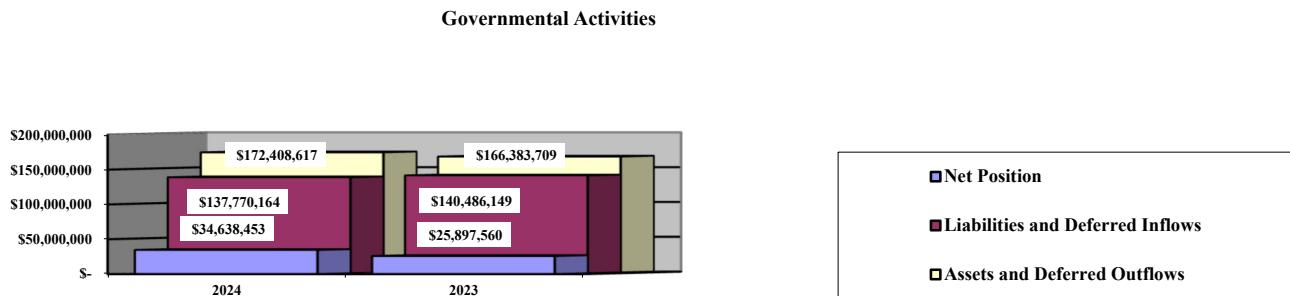
Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the School District's assets and deferred outflows exceeded liabilities and deferred inflows by \$34,638,453.

Total assets include a net OPEB asset reported by STRS. See note 11 for more detail.

At year-end, capital assets represented 57.95% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right-to-use assets. The School District's net investment in capital assets at June 30, 2024, was \$43,833,552. These capital assets are used to provide services to the students and are not available for future spending.

A portion of the School District's net position, \$12,806,744, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is \$22,001,843.

The table below illustrates the School District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2024 and June 30, 2023.



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**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

The table below shows the change in net position for fiscal years 2024 and 2023.

	<b>Change in Net Position</b>	
	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 832,073	\$ 1,316,535
Operating grants and contributions	22,895,200	21,854,886
General revenues:		
Property taxes	19,210,264	19,040,166
Grants and entitlements	26,382,570	23,683,748
Investment earnings	1,037,648	907,232
Other	<u>579,423</u>	<u>675,012</u>
Total revenues	<u>70,937,178</u>	<u>67,477,579</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:	31,409,948	33,154,215
Support services:		
Pupil and Instructional Staff	7,161,302	5,060,619
Board of Education, Administration		
Fiscal and Business	8,594,336	7,936,197
Operation and Maintenance	6,146,036	4,744,171
Pupil Transportation	2,481,927	2,870,538
Central	186,431	379,393
Food Service Operations	2,589,964	2,434,884
Other Non-Instructional Services	303,597	302,030
Extracurricular Activities	1,138,486	1,093,261
Interest and Fiscal Charges	<u>2,184,258</u>	<u>2,149,283</u>
Total expenses	<u>62,196,285</u>	<u>60,124,591</u>
Change in net position	8,740,893	7,352,988
Net position at beginning of year	<u>25,897,560</u>	<u>18,544,572</u>
Net position at end of year	<u>\$ 34,638,453</u>	<u>\$ 25,897,560</u>

**Governmental Activities**

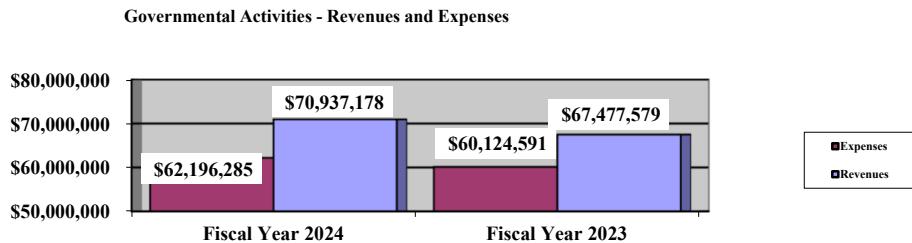
Net position of the School District's governmental activities increased \$8,740,893. Total governmental expenses of \$62,196,285 were offset by program revenues of \$23,727,273 and general revenues of \$47,209,905. Program revenues supported 38.15% of the total governmental expenses.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

The primary sources of revenue for governmental activities are derived from property taxes, and unrestricted grants and entitlements. These revenue sources represent 64.27% of total governmental revenue. The increase in operating grants and contributions is the result of approximately \$1 million more in ESSER funding and the increase in grants and entitlements is the result of an increase in base cost funding through the state foundation.

The graph below presents the School District's governmental activities revenue and expenses for fiscal year 2024 and 2023.



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The table on the next page shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2024 and 2023. That is, it identifies the cost of these services supported by tax revenue, unrestricted State grants and entitlements, and other general revenues.

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**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

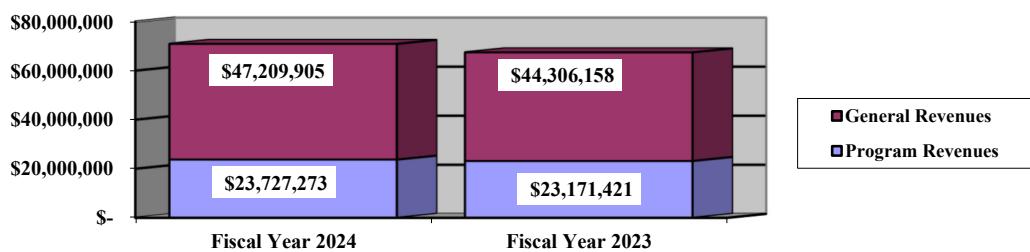
**Governmental Activities**

	Total Cost of Services <u>2024</u>	Net Cost of Services <u>2024</u>	Total Cost of Services <u>2023</u>	Net Cost of Services <u>2023</u>
<b>Program expenses</b>				
Instruction	\$ 31,409,948	\$ 19,696,200	\$ 33,154,215	\$ 19,284,958
Support services:				
Pupil and Instructional Staff	7,161,302	4,243,577	5,060,619	3,232,294
Board of Education, Administration				
Fiscal and Business	8,594,336	7,832,854	7,936,197	7,170,998
Operations and Maintenance of Plant	6,146,036	1,631,248	4,744,171	2,448,779
Pupil Transportation	2,481,927	1,547,058	2,870,538	1,407,278
Central	186,431	185,426	379,393	374,361
Food Service Operations	2,589,964	225,320	2,434,884	31,139
Other Non-Instructional Services	303,597	108,166	302,030	6,935
Extracurricular Activities	1,138,486	814,905	1,093,261	847,145
Interest and Fiscal Charges	<u>2,184,258</u>	<u>2,184,258</u>	<u>2,149,283</u>	<u>2,149,283</u>
Total expenses	<u><u>\$ 62,196,285</u></u>	<u><u>\$ 38,469,012</u></u>	<u><u>\$ 60,124,591</u></u>	<u><u>\$ 36,953,170</u></u>

The dependence upon tax and other general revenues for governmental activities is apparent, as 62.71% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 61.85%. The School District's taxpayers and State funding are the primary support for School District's students.

The graph below presents the School District's governmental activities revenue for fiscal year 2024 and 2023.

**Governmental Activities - General and Program Revenues**



**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**The School District's Funds**

The School District's governmental funds reported a combined fund balance of \$26,575,467 which is more than last year's total of \$20,650,814. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2024 and 2023.

	Fund Balance (Deficit)	Fund Balance (Deficit)	<u>Change</u>	Percentage Change
	<u>June 30, 2024</u>	<u>June 30, 2023</u>		
General	\$ 18,101,214	\$ 14,389,815	\$ 3,711,399	25.79 %
ESSER	(1,205,503)	(3,170,590)	1,965,087	61.98 %
Bond retirement	8,475,027	7,913,658	561,369	7.09 %
Other Governmental	<u>1,204,729</u>	<u>1,517,931</u>	<u>(313,202)</u>	(20.63) %
<b>Total</b>	<b><u>\$ 26,575,467</u></b>	<b><u>\$ 20,650,814</u></b>	<b><u>\$ 5,924,653</u></b>	<b>28.69 %</b>

***General Fund***

The School District's general fund balance increased \$3,711,399 in fiscal year 2024.

The table that follows assists in illustrating the financial activities and change in fund balance of the general fund.

	2024 <u>Amount</u>	2023 <u>Amount</u>	<u>Change</u>	Percentage Change
<b><u>Revenues</u></b>				
Taxes	\$ 14,841,746	\$ 15,838,104	\$ (996,358)	(6.29) %
Tuition and fees	542,254	1,109,662	(567,408)	(51.13) %
Earnings on investments	1,297,292	430,370	866,922	201.44 %
Intergovernmental	31,839,742	28,428,632	3,411,110	12.00 %
Other revenues	<u>655,908</u>	<u>750,263</u>	<u>(94,355)</u>	(12.58) %
<b>Total</b>	<b><u>\$ 49,176,942</u></b>	<b><u>\$ 46,557,031</u></b>	<b><u>\$ 2,619,911</u></b>	<b>5.63 %</b>
<b><u>Expenditures</u></b>				
Instruction	\$ 24,333,784	\$ 23,915,999	\$ 417,785	1.75 %
Support services	20,166,928	17,761,284	2,405,644	13.54 %
Other non-instructional services	24,125	17,563	6,562	37.36 %
Extracurricular activities	637,968	650,632	(12,664)	(1.95) %
Facilities acquisition and construction	19,833	25,838	(6,005)	(23.24) %
Debt service	<u>150,198</u>	<u>175,061</u>	<u>(24,863)</u>	(14.20) %
<b>Total</b>	<b><u>\$ 45,332,836</u></b>	<b><u>\$ 42,546,377</u></b>	<b><u>\$ 2,786,459</u></b>	<b>6.55 %</b>

Total revenues of the general fund increased \$2,619,911 or 5.63%. The increase in earnings on investments was due to more favorable interest rates on investments the School District has. The increase in intergovernmental revenues is due to more funds from the state foundation for the School District.

Total expenditures of the general fund increased \$2,786,459 or 6.55%. The increase in expenditures was primarily due to the increase in instruction expenditures and an increase in support services expenditures. All other revenues and school district expenditures remained relatively consistent with the prior year.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

***General Fund Budgeting Highlights***

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

For the general fund, original budgeted revenues and other financing sources were \$47,324,057 which were the same as the final budgeted revenues and other financing sources of \$47,324,057. Actual revenues and other financing sources for fiscal year 2024 were \$55,249,182. This represents a \$7,925,125 increase over final budgeted revenues.

General fund original appropriations (appropriated expenditures) were \$45,400,849 which was \$4,814,926 less than the final appropriations of \$50,215,775. The actual budget basis expenditures for fiscal year 2024 totaled \$50,598,336, which was \$382,561 less than the final budget appropriations, due to controls on spending.

***ESSER Fund***

The elementary and secondary school emergency relief fund (ESSER) had \$11,803,340 in revenues and \$9,838,253 in expenditures. During fiscal year 2024, the elementary and secondary school emergency relief fund's balance increased \$1,965,087, from a beginning deficit fund balance of (\$3,170,590) to (\$1,205,503).

***Bond Retirement Fund***

The bond retirement fund had \$4,776,893 in revenues and \$4,125,524 in expenditures. During fiscal year 2024, the bond retirement fund's balance increased \$561,369, from a beginning fund balance of \$7,913,658 to \$8,475,027.

***Capital Assets and Debt Administration***

***Capital Assets***

At the end of fiscal year 2024, the School District had \$93,022,947 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right-to-use assets. This entire amount is reported in governmental activities. The following table shows June 30, 2024 balances compared to June 30, 2023:

**Capital Assets at June 30  
(Net of Depreciation/Amortization)**

	<b>Governmental Activities</b>	
	<u>2024</u>	<u>2023</u>
Land	\$ 5,460,268	\$ 5,460,268
Construction in progress	2,682,425	1,922,389
Land improvements	2,849,799	2,450,745
Building and improvements	77,832,744	78,441,297
Furniture and equipment	2,626,306	959,682
Vehicles	1,545,746	1,383,621
Intangible right-to-use assets	25,659	36,418
Total	<u>\$ 93,022,947</u>	<u>\$ 90,654,420</u>

The overall increase in capital assets of \$2,368,527 is due to current year additions exceeding depreciation/amortization expense.

See Note 8 to the basic financial statements for additional information on the School District's capital assets.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

***Debt Administration***

At June 30, 2024, the School District had \$48,545,235 in general obligation bonds, certificates of participation, leases payable, and notes payable - finance purchases. Of this total, \$2,352,143 is due within one year. Principal payments amounted to \$2,877,823.

The following table summarizes the outstanding debt at year end.

**Outstanding Debt, at Year End**

	Governmental Activities <u>2024</u>	Governmental Activities <u>2023</u>
General obligation bonds	\$ 45,541,206	\$ 50,800,714
Certificates of participation	2,910,000	3,169,910
Leases payable	11,979	15,068
Notes payable - finance purchase	<u>82,050</u>	<u>116,784</u>
Total	<u>\$ 48,545,235</u>	<u>\$ 54,102,476</u>

See Note 12 to the basic financial statements for additional information on the School District's long-term obligations.

**Current Financial Related Activities**

The School District's five-year forecast continues to be the instrument used to make future financial decisions regarding program and funding strategies.

The School District is maintaining its programs and using its resources wisely. As the preceding information shows, the School District heavily depends on its property taxpayers and support from unrestricted State entitlements, and continued stability in the Federal grant area; however, financially the future is not without challenges.

This scenario requires management to plan carefully and prudently to provide the resources to meet student needs over the next several fiscal years.

The School District has committed itself to financial excellence for many years. The School District's system of budgeting internal controls is critical to the integrity of the use of public funds. All of the School District's financial abilities will be needed to meet the challenges of the future.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Connie Baldwin, Treasurer/CFO at Maple Heights City School District, 5740 Lawn Avenue, Maple Heights, Ohio 44137; or by e-mail at [connie.baldwin@mapleschools.com](mailto:connie.baldwin@mapleschools.com).

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**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 34,652,727
Receivables:	
Property taxes	26,343,687
Accounts	257,240
Accrued interest	89,429
Intergovernmental	3,081,265
Prepayments	52,607
Inventory held for resale	22,065
Net OPEB asset	2,996,248
Capital assets:	
Nondepreciable capital assets	8,142,693
Depreciable capital assets, net	84,880,254
Capital assets, net	<u>93,022,947</u>
Total assets	<u>160,518,215</u>
<b>Deferred outflows of resources:</b>	
Unamortized deferred loss on debt refunding	888,231
Pension	9,234,302
OPEB	1,767,869
Total deferred outflows of resources	<u>11,890,402</u>
<b>Liabilities:</b>	
Accounts payable	1,257,377
Contracts payable	578,510
Accrued wages and benefits payable	3,862,419
Intergovernmental payable	546,853
Pension and postemployment benefits payable	701,802
Accrued interest payable	704,152
Unearned revenue	56,952
Claims payable	828,700
Long-term liabilities:	
Due within one year	3,112,569
Due in more than one year:	
Net pension liability	43,219,981
Net OPEB liability	2,945,366
Other amounts due in more than one year	<u>52,631,361</u>
Total liabilities	<u>110,446,042</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	18,807,252
Unamortized gain on debt refunding	104,956
Pension	3,199,090
OPEB	5,212,824
Total deferred inflows of resources	<u>27,324,122</u>
<b>Net position:</b>	
Net investment in capital assets	43,833,552
Restricted for:	
Capital projects	449,647
OPEB	2,996,248
Classroom facilities maintenance	526,013
Debt service	6,721,307
State funded programs	150,946
Federally funded programs	602,430
Food service operations	1,174,148
Student activities	90,771
Other purposes	95,234
Unrestricted (deficit)	<u>(22,001,843)</u>
Total net position	<u>\$ 34,638,453</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services and Sales</b>		<b>Operating Grants and Contributions</b>	
		<b>Governmental Activities</b>			
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 21,734,963	\$ 205,318	\$ 4,803,618	\$ (16,726,027)	
Special	7,739,901	338,954	5,757,868	(1,643,079)	
Vocational	1,192,811	5,815	300,200	(886,796)	
Other	742,273	-	301,975	(440,298)	
Support services:					
Pupil	4,353,659	-	1,780,352	(2,573,307)	
Instructional staff	2,807,643	-	1,137,373	(1,670,270)	
Board of education	98,495	-	-	(98,495)	
Administration	5,216,257	-	761,482	(4,454,775)	
Fiscal	2,149,409	-	-	(2,149,409)	
Business	1,130,175	-	-	(1,130,175)	
Operations and maintenance	6,146,036	-	4,514,788	(1,631,248)	
Pupil transportation	2,481,927	568	934,301	(1,547,058)	
Central	186,431	-	1,005	(185,426)	
Operation of non-instructional services:					
Food service operations	2,589,964	20,793	2,343,851	(225,320)	
Other non-instructional services	303,597	-	195,431	(108,166)	
Extracurricular activities	1,138,486	260,625	62,956	(814,905)	
Interest and fiscal charges	2,184,258	-	-	(2,184,258)	
<b>Totals</b>	<b>\$ 62,196,285</b>	<b>\$ 832,073</b>	<b>\$ 22,895,200</b>	<b>(38,469,012)</b>	

**General revenues:**

Property taxes levied for:

General purposes	14,524,687
Debt service	4,167,998
Capital projects	365,614
Classroom facilities maintenance	151,965
Grants and entitlements not restricted to specific programs	26,382,570
Investment earnings	1,037,648
Miscellaneous	579,423
<b>Total general revenues</b>	<b>47,209,905</b>

Change in net position 8,740,893

**Net position at beginning of year** 25,897,560

**Net position at end of year** \$ 34,638,453

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<b>General</b>	<b>Elementary and Secondary School Emergency</b>	<b>Bond Retirement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>					
Equity in pooled cash and cash equivalents	\$ 16,119,996	\$ 3,746,739	\$ 8,030,581	\$ 2,972,483	\$ 30,869,799
<b>Receivables:</b>					
Property taxes	20,165,143	-	5,721,939	456,605	26,343,687
Accounts	142,806	-	-	111,585	254,391
Accrued interest	89,429	-	-	-	89,429
Interfund loans	4,720,079	-	-	-	4,720,079
Intergovernmental	176,970	1,261,950	-	1,642,345	3,081,265
Prepayments	52,607	-	-	-	52,607
Inventory held for resale	-	-	-	22,065	22,065
Total assets	<u>\$ 41,467,030</u>	<u>\$ 5,008,689</u>	<u>\$ 13,752,520</u>	<u>\$ 5,205,083</u>	<u>\$ 65,433,322</u>
<b>Liabilities:</b>					
Accounts payable	\$ 385,456	\$ 490,528	\$ -	\$ 378,431	\$ 1,254,415
Contracts payable	26,261	552,249	-	-	578,510
Accrued wages and benefits payable	2,942,779	338,020	-	581,620	3,862,419
Compensated absences payable	250,756	-	-	-	250,756
Intergovernmental payable	538,574	4,759	-	3,520	546,853
Pension and postemployment benefits payable	533,479	57,233	-	111,090	701,802
Interfund loans payable	-	3,509,453	-	1,210,626	4,720,079
Unearned revenue	-	-	-	56,952	56,952
Total liabilities	<u>4,677,305</u>	<u>4,952,242</u>	<u>-</u>	<u>2,342,239</u>	<u>11,971,786</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year	14,378,197	-	4,104,444	324,611	18,807,252
Delinquent property tax revenue not available	4,134,035	-	1,173,049	93,608	5,400,692
Intergovernmental revenue not available	-	1,261,950	-	1,239,896	2,501,846
Accrued interest not available	43,352	-	-	-	43,352
Miscellaneous revenue not available	132,927	-	-	-	132,927
Total deferred inflows of resources	<u>18,688,511</u>	<u>1,261,950</u>	<u>5,277,493</u>	<u>1,658,115</u>	<u>26,886,069</u>
<b>Fund balances:</b>					
Nonspendable:					
Prepays	52,607	-	-	-	52,607
Restricted:					
Debt service	-	-	8,475,027	-	8,475,027
Capital projects	-	-	-	356,039	356,039
Classroom facilities maintenance	-	-	-	526,013	526,013
Food service operations	-	-	-	1,226,512	1,226,512
Non-public schools	-	-	-	25,898	25,898
State funded programs	-	-	-	125,048	125,048
Federally funded programs	-	-	-	133	133
Extracurricular	-	-	-	90,771	90,771
Other purposes	-	-	-	95,234	95,234
Assigned:					
Student and staff support	69,858	-	-	-	69,858
Facilities acquisition and construction	2,288	-	-	-	2,288
Operation of non-instructional	2,171	-	-	-	2,171
Other purposes	9,664	-	-	-	9,664
Unassigned (deficit)	<u>17,964,626</u>	<u>(1,205,503)</u>	<u>-</u>	<u>(1,240,919)</u>	<u>15,518,204</u>
Total fund balances	<u>18,101,214</u>	<u>(1,205,503)</u>	<u>8,475,027</u>	<u>1,204,729</u>	<u>26,575,467</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 41,467,030</u>	<u>\$ 5,008,689</u>	<u>\$ 13,752,520</u>	<u>\$ 5,205,083</u>	<u>\$ 65,433,322</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2024**

<b>Total governmental fund balances</b>	\$ 26,575,467
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	93,022,947
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.	
Property taxes receivable	\$ 5,400,692
Accounts receivable	132,927
Accrued interest receivable	43,352
Intergovernmental receivable	<u>2,501,846</u>
Total	8,078,817
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.	2,954,115
Unamortized amounts on bonds issued are not recognized in the funds.	
Premiums	(3,830,856)
Discounts	<u>697,638</u>
Total	(3,133,218)
Unamortized amounts on refundings are not recognized in the funds.	
Gain	(104,956)
Loss	<u>888,231</u>
Total	783,275
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(704,152)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.	
Deferred outflows - pension	9,234,302
Deferred inflows - pension	(3,199,090)
Net pension liability	(43,219,981)
Deferred outflows - OPEB	1,767,869
Deferred inflows - OPEB	(5,212,824)
Net OPEB asset	2,996,248
Net OPEB liability	<u>(2,945,366)</u>
Total	(40,578,842)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
General obligation bonds	(45,541,206)
Certificates of participation	(2,910,000)
Notes payable - finance purchase	(82,050)
Leases payable	(11,979)
Compensated absences payable	<u>(3,814,721)</u>
Total	<u>(52,359,956)</u>
<b>Net position of governmental activities</b>	<u><u>\$ 34,638,453</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>General</b>	<b>Elementary and Secondary School Emergency</b>	<b>Bond Retirement</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Property taxes	\$ 14,841,746	\$ -	\$ 4,252,893	\$ 525,615	\$ 19,620,254
Intergovernmental	31,839,742	11,803,340	524,000	7,158,145	51,325,227
Investment earnings	1,297,292	-	-	-	1,297,292
Tuition and fees	542,254	-	-	-	542,254
Extracurricular	25,028	-	-	223,390	248,418
Rental income	2,632	-	-	-	2,632
Charges for services	5,815	-	-	33,000	38,815
Contributions and donations	43,010	-	-	2,043	45,053
Miscellaneous	579,423	-	-	54,091	633,514
<b>Total revenues</b>	<b>49,176,942</b>	<b>11,803,340</b>	<b>4,776,893</b>	<b>7,996,284</b>	<b>73,753,459</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	16,743,701	2,559,940	-	2,307,095	21,610,736
Special	6,081,505	335,569	-	1,156,646	7,573,720
Vocational	1,082,914	-	-	63,054	1,145,968
Other	425,664	86,400	-	215,928	727,992
Support services:					
Pupil	3,081,620	959,574	-	205,525	4,246,719
Instructional staff	1,673,892	926,812	-	190,184	2,790,888
Board of education	95,390	-	-	-	95,390
Administration	4,395,296	368,290	-	393,777	5,157,363
Fiscal	1,759,455	-	102,650	12,270	1,874,375
Business	1,060,391	-	-	-	1,060,391
Operations and maintenance	4,847,321	4,542,724	-	483,840	9,873,885
Pupil transportation	3,074,887	58,944	-	94,693	3,228,524
Central	178,676	-	-	-	178,676
Operation of non-instructional services:					
Food service operations	-	-	-	2,327,925	2,327,925
Other non-instructional services	24,125	-	-	270,065	294,190
Extracurricular activities	637,968	-	-	416,191	1,054,159
Facilities acquisition and construction	19,833	-	-	-	19,833
Debt service:					
Principal retirement	37,823	-	2,535,000	305,000	2,877,823
Interest and fiscal charges	112,375	-	1,577,874	-	1,690,249
<b>Total expenditures</b>	<b>45,332,836</b>	<b>9,838,253</b>	<b>4,215,524</b>	<b>8,442,193</b>	<b>67,828,806</b>
Excess (deficiency) of revenues over (under) expenditures	3,844,106	1,965,087	561,369	(445,909)	5,924,653
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	132,707	132,707
Transfers (out)	(132,707)	-	-	-	(132,707)
<b>Total other financing sources (uses)</b>	<b>(132,707)</b>	<b>-</b>	<b>-</b>	<b>132,707</b>	<b>-</b>
Net change in fund balances	3,711,399	1,965,087	561,369	(313,202)	5,924,653
<b>Fund balances (deficits) at beginning of year</b>	<b>14,389,815</b>	<b>(3,170,590)</b>	<b>7,913,658</b>	<b>1,517,931</b>	<b>20,650,814</b>
<b>Fund balances (deficits) at end of year</b>	<b>\$ 18,101,214</b>	<b>\$ (1,205,503)</b>	<b>\$ 8,475,027</b>	<b>\$ 1,204,729</b>	<b>\$ 26,575,467</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Net change in fund balances - total governmental funds** \$ 5,924,653

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.

Capital asset additions	\$ 6,181,207
Current year depreciation/amortization	<u>(3,591,418)</u>
<b>Total</b>	<b>2,589,789</b>

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.

(221,262)

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

Property taxes	(409,990)
Tuition	(46)
Earnings on investments	(259,644)
Intergovernmental	<u>(2,146,601)</u>
<b>Total</b>	<b>(2,816,281)</b>

Repayment of bond, COPs, leases and notes payable principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

2,877,823

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:

Change in accrued interest payable	34,191
Accreted interest on capital appreciation bonds	(739,057)
Amortization of bond discounts	(58,728)
Amortization of bond premiums	343,985
Amortization of deferred loss on refunding	(86,687)
Amortization of deferred gain on refunding	12,287
<b>Total</b>	<b>(494,009)</b>

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

Pension	4,123,059
OPEB	102,195
<b>Total</b>	<b>4,225,254</b>

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

Pension	(3,554,114)
OPEB	442,546
<b>Total</b>	<b>(3,111,568)</b>

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

(7,024)

An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

(226,482)

**Change in net position of governmental activities** \$ 8,740,893

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**STATEMENT OF NET POSITION  
INTERNAL SERVICE FUND  
JUNE 30, 2024**

	<b>Governmental Activities - Internal Service Fund</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 3,782,928
Receivables:	
Accounts	<u>2,849</u>
Total assets	<u>3,785,777</u>
<b>Liabilities:</b>	
Accounts payable	2,962
Claims payable	<u>828,700</u>
Total liabilities	<u>831,662</u>
<b>Net position:</b>	
Unrestricted	<u>\$ 2,954,115</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>	
Charges for services	\$ 5,644,403
Total operating revenues	<u>5,644,403</u>
<b>Operating expenses:</b>	
Purchased services	67,781
Claims	<u>5,803,104</u>
Total operating expenses	<u>5,870,885</u>
Change in net position	(226,482)
<b>Net position at beginning of year</b>	<u>3,180,597</u>
<b>Net position at end of year</b>	<u>\$ 2,954,115</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>	
Cash received from sales/charges for services	\$ 5,641,554
Cash payments for purchased services	(67,781)
Cash payments for claims	<u>(5,785,904)</u>
Net change in cash and cash equivalents	(212,131)
<b>Cash and cash equivalents at beginning of year</b>	<b>3,995,059</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>3,782,928</u></b>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>	
Operating loss	\$ (226,482)
Changes in assets and liabilities:	
Accounts receivable	(2,849)
Accounts payable	(14,900)
Claims payable	<u>32,100</u>
Net cash used in operating activities	<u>\$ (212,131)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT**

The Maple Heights City School District (the School District) operates under a locally elected five-member Board of government and provides educational services as authorized by state and federal agencies. The Board controls a staff of 193 non-certificated employees, 220 certificated full-time teaching personnel, and 47 administrative employees to provide services to 2,873 students and other community members. The School District operates 3 elementary schools (K-5), 1 middle school (6-8), and 1 high school (9-12).

The School District was originally part of Bedford Township. In 1924, the first Maple Heights Board of Education was organized. The Clement Elementary School was selected to become the site of the high school. The School District was officially established in 1931 and is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. Under such laws there is no authority for a school district to have a charter or adopt local laws. The legislative power of the School District is vested in the Board of Education, consisting of five members elected at-large for staggered four-year terms.

The School District is located in Maple Heights, Ohio, Cuyahoga County and serves an area of approximately 5.5 square miles.

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

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

**A. Reporting Entity**

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization.

Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The School District has no component units.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

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

*JOINTLY GOVERNED ORGANIZATIONS*

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEOnet) is the computer service organization or Information Technology Center (ITC) used by the School District. NEOnet is an association of public school districts in a geographic area determined by the Ohio Department of Education and Workforce. The Summit County Educational Service Center acts as the fiscal agent for the consortium. The purpose of the consortium is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All school districts in the consortium are required to pay fees, charges, and assessments as charged. A board made up of superintendents from all of the participating school districts governs NEOnet. NEOnet's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the board. An elected Executive Board consisting of five members of the governing board is the managerial body of the consortium and meets on a monthly basis. Payments to NEOnet are made from the general fund. In fiscal year 2024, the School District paid \$711,124 to NEOnet. Financial information can be obtained by contacting the Treasurer at the Summit County Educational Service Center, who serves as the fiscal agent, at 420 Washington Avenue, Suite 200, Cuyahoga Falls, Ohio 44221.

Ohio Schools Council

The Ohio Schools Council (Council) is a jointly governed organization among 249 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each school district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Council's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2024, the School District paid \$138,319 to the Council. Financial information can be obtained by contacting the Executive Director at the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The School District participates in the natural gas purchase program. This program allows the School District to purchase natural gas at reduced rates. Constellation New Energy (formerly Compass Energy) has been selected as the supplier and program manager for the period from July 1, 2019 through June 30, 2022. There are currently 161 participants in the program including the Maple Heights City School District. The participants make monthly payments based on estimated usage. Each August, these estimated payments are compared to their actual usage for the year (July to June). School districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in August until the credits are exhausted and school districts that did not pay enough on estimated billings are invoiced for the difference on the August monthly estimated billing. Any school district that requests a refund of their excess amount has the amount returned in November of that fiscal year.

The School District also participates in the Council's current electric purchase program. The Power 4 Schools Program provides a fixed price rate for electricity supplied by ENGIE Resources of \$0.0518 per kWh for the generation of electricity. There are currently 251 participants in the program, including the Maple Heights City School District. School districts are not charged a fee by OSC to participate in this program. School districts pay the utility (Ohio Edison, Toledo Edison or Cleveland Electric Illuminating Company) directly and receive a discount for the fixed price of generation.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

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

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

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

*Elementary and Secondary School Emergency Relief (ESSER)* - The elementary and secondary school emergency relief fund is used to account for grants received from the federal government to provide emergency relief to school districts related to the COVID-19 pandemic.

*Bond Retirement Fund* - The bond retirement fund is used to account for and report the accumulation of property tax revenues restricted for the payment of certificates of participation and general obligation bonds issued for building improvements and the construction of a new school building.

Other governmental funds of the School District are used to account for:

*Nonmajor special revenue funds* - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

*Nonmajor capital projects funds* - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

*PROPRIETARY FUNDS*

Proprietary funds reporting focuses on the determination of operating income, changes in net position, financial position and cash flows and are classified as either enterprise or internal service. The School District only has an internal service fund.

*Internal Service Fund* - The internal service fund accounts for and reports the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund is a self-insurance fund that accounts for medical benefits of School District employees.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

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

**C. Basis of Presentation and Measurement Focus**

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

*Government-wide Financial Statements* - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government. The activity of the internal service fund is eliminated to avoid “doubling up” revenues and expenses. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

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

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

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

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

Like the government-wide statements, the internal service fund is accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its internal service fund.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

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

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Government-wide financial statements and the statement presented for proprietary funds 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 outflows/inflows of resources and in the presentation of expenses versus expenditures.

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: property taxes available as an advance, interest, tuition, grants, fees and rentals.

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 10 and 11 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

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

See Notes 10 and 11 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position. In addition, deferred outflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt.

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

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

**E. Budgetary Accounting**

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

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 and final budgeted amounts in the budgetary statements reflect the amounts in the amended certificate that were in effect at the time the original and final appropriations were passed by the Board of Education.

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

**F. Cash and Cash Equivalents**

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

Investments were limited to U.S. Treasury notes, Federal Agriculture Mortgage Corporation (FAMC) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Tennessee Valley Authority (TVA) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Organization (FNMA) securities, commercial paper, negotiable certificates of deposit, a U.S. government money market, and State Treasury Asset Reserve of Ohio (STAR Ohio).

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

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

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

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$1,297,292, which includes \$772,681 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are reported as cash equivalents.

**G. Inventory**

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

**H. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of assets by back trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of \$5,000. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

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

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

Description	Estimated Lives
Land improvements	5 -20 years
Buildings and improvements	20 - 50 years
Furniture and equipment	5 - 20 years
Vehicles	4 - 5 years
Intangible right-to-use assets	5 years
SBITA assets	5 years

The School District is reporting intangible right-to-use assets related to equipment and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/subscription term or the useful life of the underlying asset.

**I. Interfund Balances**

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

**J. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for all 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 vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave after ten years of current service with the School District.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental funds, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees who have resigned or retired will be paid. The non-current portion of the liability is not reported.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

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

**K. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements and all payables, accrued liabilities and long-term obligations payable from the proprietary fund are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds; however, insurance claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Certificates of participation and general obligation bonds are recognized as a liability on the fund financial statements when due. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

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

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

**M. Fund Balance**

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

*Nonspendable* - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance includes the remaining amount that is not restricted or committed. These assigned balances are established by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education or by State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated. The School District Board of Education has also assigned fund balance to cover a gap between fiscal year 2024's estimated revenue and appropriated budget and for public school support.

Unassigned - Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

**N. Net Position**

Net position represents the difference between all other elements in the statement of net position. 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 is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include instruction, athletics, community activities, information systems, and telecommunications.

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

**O. Operating Revenues and Expenses**

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

**P. Internal Activity**

Transfers between governmental activities are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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

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

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

**Q. Premiums on Debt Issuances**

On the government-wide financial statements, premiums on debt issuances are deferred and amortized for the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are received in the year the bonds are issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

**R. Discounts on Debt Issuances**

On the government-wide financial statements, discounts on debt issuances are deferred and amortized for the term of the certificates of participation and bonds using the straight-line method since the results are not significantly different from the effective interest method. These discounts are presented as a decrease of the face amount of the certificates of participation and bonds payable. On governmental fund statements, discounts are financing uses in the year the bonds are issued.

**S. Deferred Charges on Refunding**

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on the refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old or new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources on the statement of net position.

**T. 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 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

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

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

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

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

**B. Deficit Fund Balances**

Fund balances at June 30, 2024 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Public School Preschool	\$ 48,836
21st Century	17,790
IDEA Part B	143,703
Vocational Education	64,255
School Improvement Stimulus A	6,985
Title I	838,393
Title IV-A	88,791
IDEA Part B - Preschool	26,743
Improving Teacher Quality	5,423

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 – DEPOSITS AND INVESTMENTS**

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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

**NOTE 4 – DEPOSITS AND INVESTMENTS - (Continued)**

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations, including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim monies available for investment at the time of purchase.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Deposits**

The carrying amount of the School District's deposits was \$5,376,476. Custodial credit risk for deposits is the risk that in the event of a bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At June 30, 2024, \$741,263 of the School District's total bank balance of \$5,477,020 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent resulting in the uninsured and uncollateralized balance.

The School 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 School 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 percent of the deposits being secured; or

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 76.12 percent of the deposits being secured or a rate set by the Treasurer of State.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 – DEPOSITS AND INVESTMENTS - (Continued)**

**B. Investments**

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

Measurement/ <u>Investment type</u>	Measurement <u>value</u>	Investment maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Commercial paper	\$ 706,906	\$ 271,043	\$ 435,863	\$ -	\$ -	\$ -
FAMC	574,048	-	72,263	-	123,833	377,952
FFCB	2,167,555	311,870	-	271,633	294,840	1,289,212
FHLB	3,443,694	576,030	729,985	609,574	432,289	1,095,816
FHLMC	109,679	-	-	-	-	109,679
FNMA	215,455	-	120,532	94,923	-	-
Negotiable CDs	936,754	343,135	-	-	-	593,619
TVA	191,950	-	96,205	-	-	95,745
US Government money market	34,952	34,952	-	-	-	-
US Treasury Note	6,546,091	892,729	1,050,890	1,072,935	1,230,833	2,298,704
<i>Amortized Cost:</i>						
STAR Ohio	14,349,167	14,349,167	-	-	-	-
	<u>\$ 29,276,251</u>	<u>\$ 16,778,926</u>	<u>\$ 2,505,738</u>	<u>\$ 2,049,065</u>	<u>\$ 2,081,795</u>	<u>\$ 5,860,727</u>

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The preceding chart identifies the School District's recurring fair value measurement as of June 30, 2024. The commercial paper and money market account are measured at fair value and is valued using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

*Interest Rate Risk:* The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity.

*Credit Risk:* STAR Ohio carries a rating of AAA by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 – DEPOSITS AND INVESTMENTS - (Continued)**

*Concentration of Credit Risk:* The School District places no limit on the amount it may invest in any one issuer. The following table includes the percentage of each investment type held by the School District at June 30, 2024:

<u>Measurement/Investment type</u>	<u>Measurement</u>	
	<u>Value</u>	<u>% of Total</u>
<i>Fair value:</i>		
Commercial paper	\$ 706,906	2.41
FAMC	574,048	1.96
FFCB	2,167,555	7.40
FHLB	3,443,694	11.76
FHLMC	109,679	0.37
FNMA	215,455	0.74
Negotiable CDs	936,754	3.20
TVA	191,950	0.66
U.S. Government money market	34,952	0.12
U.S. Treasury Note	6,546,091	22.36
<i>Amortized Cost:</i>		
STAR Ohio	<u>14,349,167</u>	<u>49.02</u>
Total	<u>\$ 29,276,251</u>	<u>100.00</u>

**C. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2024:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 5,376,476
Investments	<u>29,276,251</u>
Total	<u>\$ 34,652,727</u>
<u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 34,652,727</u>

**NOTE 5 - INTERFUND TRANSACTIONS**

**A.** Interfund transfers for the fiscal year ended June 30, 2024, consisted of the following, as reported on the fund statements:

	<u>Amount</u>
<u>Transfers from general fund to:</u>	
Nonmajor governmental funds	<u>\$ 132,707</u>

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers between governmental funds are eliminated on the government-wide financial statements.

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

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

**B.** Interfund loans receivable/payable consisted of the following at June 30, 2024, as reported on the fund statements:

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amount</u>
General	ESSER fund	\$ 3,509,453
General	Nonmajor governmental funds	<u>1,210,626</u>
Total		<u><u>\$ 4,720,079</u></u>

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund loans between governmental funds are eliminated on the statement of net position thus there are no internal balances.

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the School 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, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2023 became a lien December 31, 2022, were levied after April 1, 2023, and are collected in calendar year 2024 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.

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

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

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

**NOTE 6 - PROPERTY TAXES - (Continued)**

The amount available as an advance at June 30, 2024 and 2023 were:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Major governmental funds:		
General fund	\$ 1,652,911	\$ 2,090,835
Bond retirement fund	444,446	562,198
Nonmajor governmental fund:		
Permanent improvement fund	38,386	48,556

The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

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 reported as deferred inflows of resources.

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

	2023 Second Half Collections		2024 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 322,810,960	94.68	\$ 327,235,970	94.54
Public utility personal	<u>18,139,930</u>	<u>5.32</u>	<u>18,915,940</u>	<u>5.46</u>
Total	<u>\$ 340,950,890</u>	<u>100.00</u>	<u>\$ 346,151,910</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$81.30		\$81.30	

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2024, consisted of taxes, accounts (miscellaneous), intergovernmental grants, and accrued interest. 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 fiscal year guarantee of federal funds. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected in one year.

A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 26,343,687
Accounts	257,240
Accrued interest	89,429
Intergovernmental	<u>3,081,265</u>
Total	<u>\$ 29,771,621</u>

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 8 - CAPITAL ASSETS**

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

<b>Governmental activities:</b>	<u>Balance</u>	<u>June 30, 2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
	<u>June 30, 2024</u>				
<i>Capital assets, not being depreciated/amortized:</i>					
Land	\$ 5,460,268	\$ -	\$ -	\$ 5,460,268	
Construction in progress	<u>1,922,389</u>	<u>3,738,166</u>	<u>(2,978,130)</u>	<u>2,682,425</u>	
Total capital assets, not being depreciated/amortized	<u>7,382,657</u>	<u>3,738,166</u>	<u>(2,978,130)</u>	<u>8,142,693</u>	
<i>Capital assets, being depreciated/amortized:</i>					
Land improvements	6,370,607	953,130	(408,833)	6,914,904	
Buildings and improvements	138,187,481	2,204,784	-	140,392,265	
Furniture and equipment	7,921,295	1,919,552	(49,844)	9,791,003	
Vehicles	3,312,220	343,705	-	3,655,925	
<i>Intangible right-to-use assets:</i>					
Equipment	19,061	-	-	19,061	
SBITAs	<u>24,119</u>	<u>-</u>	<u>-</u>	<u>24,119</u>	
Total capital assets, being depreciated/amortized	<u>155,834,783</u>	<u>5,421,171</u>	<u>(458,677)</u>	<u>160,797,277</u>	
<i>Less: accumulated depreciation/amortization:</i>					
Land improvements	(3,919,862)	(339,439)	194,196	(4,065,105)	
Buildings and improvements	(59,746,184)	(2,813,337)	-	(62,559,521)	
Furniture and equipment	(6,961,613)	(246,303)	43,219	(7,164,697)	
Vehicles	(1,928,599)	(181,580)	-	(2,110,179)	
<i>Intangible right-to-use assets:</i>					
Equipment	(4,447)	(3,813)	-	(8,260)	
SBITAs	<u>(2,315)</u>	<u>(6,946)</u>	<u>-</u>	<u>(9,261)</u>	
Total accumulated depreciation/amortization	<u>(72,563,020)</u>	<u>(3,591,418)</u>	<u>237,415</u>	<u>(75,917,023)</u>	
Governmental activities capital assets, net	<u>\$ 90,654,420</u>	<u>\$ 5,567,919</u>	<u>\$ (3,199,392)</u>	<u>\$ 93,022,947</u>	

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 8 - CAPITAL ASSETS - (Continued)**

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

Instruction:

Regular	\$ 1,013,562
Special	304,567
Vocational	55,758
Other	22,966

Support services:

Pupil	185,876
Instructional staff	120,781
Board of Education	4,066
Administration	216,730
Fiscal	282,930
Business	82,974
Operations and maintenance	383,737
Pupil transportation	298,200
Central	10,448
Operation of non-instructional services:	
Other non-instructional services	9,444
Food service operations	489,189
Extracurricular activities	<u>110,190</u>
Total depreciation/amortization expense	<u>\$ 3,591,418</u>

**NOTE 9 - RISK MANAGEMENT**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft of damage to and destruction of settled claims have not exceeded this commercial coverage in any of the past three years and there have been no significant reductions in insurance coverage from last year.

**B. Workers' Compensation**

The School District pays the State Workers' Compensation System a premium based on a rate of \$1 per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

**C. Self-Insurance**

Medical insurance is offered to employees through a self-insurance internal service fund. The School District's monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. A specific excess loss coverage (stop-loss) insurance policy covers claims in excess of \$150,000 per employee, per year. The claims liability of \$828,700 reported in the internal service fund at June 30, 2024, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - RISK MANAGEMENT - (Continued)**

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

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2024	\$ 796,600	\$ 5,803,104	\$ (5,771,004)	\$ 828,700
2023	815,300	5,000,501	(5,019,201)	796,600

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

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

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

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

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

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

The Ohio Revised Code limits the School 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 School District does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

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

The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

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

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

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

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contribution to SERS was \$1,119,871 for fiscal year 2024. Of this amount, \$76,089 is reported as pension and postemployment benefits payable.

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

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

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

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

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

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

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

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

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

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

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

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

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

The School District's contractually required contribution to STRS was \$3,003,188 for fiscal year 2024. Of this amount, \$501,172 is reported as pension and postemployment benefits payable.

***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 School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.177447400%	0.157677020%	
Proportion of the net pension liability current measurement date	<u>0.181762700%</u>	<u>0.154059690%</u>	
Change in proportionate share	<u>0.004315300%</u>	<u>-0.003617330%</u>	
Proportionate share of the net pension liability	\$ 10,043,324	\$ 33,176,657	\$ 43,219,981
Pension expense	\$ 823,001	\$ 2,731,113	\$ 3,554,114

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 431,685	\$ 1,209,552	\$ 1,641,237
Changes of assumptions	71,143	2,732,277	2,803,420
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	205,504	461,082	666,586
Contributions subsequent to the measurement date	<u>1,119,871</u>	<u>3,003,188</u>	<u>4,123,059</u>
Total deferred outflows of resources	<u>\$ 1,828,203</u>	<u>\$ 7,406,099</u>	<u>\$ 9,234,302</u>

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 73,620	\$ 73,620
Net difference between projected and actual earnings on pension plan investments	141,166	99,431	240,597
Changes of assumptions	-	2,056,619	2,056,619
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	828,254	828,254
Total deferred inflows of resources	<u>\$ 141,166</u>	<u>\$ 3,057,924</u>	<u>\$ 3,199,090</u>

\$4,123,059 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Fiscal Year Ending June 30:</b>			
2025	\$ 191,766	\$ (319,286)	\$ (127,520)
2026	(322,050)	(1,101,872)	(1,423,922)
2027	689,969	3,119,707	3,809,676
2028	<u>7,481</u>	<u>(353,562)</u>	<u>(346,081)</u>
<b>Total</b>	<u><b>\$ 567,166</b></u>	<u><b>\$ 1,344,987</b></u>	<u><b>\$ 1,912,153</b></u>

***Actuarial Assumptions - SERS***

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

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

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

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

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

Wage inflation:

Current measurement date	2.40%
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Prior measurement date	2.40%
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Future salary increases, including inflation:

Current measurement date	3.25% to 13.58%
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Prior measurement date	3.25% to 13.58%
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COLA or ad hoc COLA:

Current measurement date	2.00%
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Prior measurement date	2.00%
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Investment rate of return:

Current measurement date	7.00% net of system expenses
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Prior measurement date	7.00% net of system expenses
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Discount rate:

Current measurement date	7.00%
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Prior measurement date	7.00%
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Actuarial cost method

Entry age normal (level percent of payroll)

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

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

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

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

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

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

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

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 14,823,435	\$ 10,043,324	\$ 6,016,993

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - STRS***

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

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

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

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

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

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

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

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

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

***Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

- The following table represents the net pension liability as of June 30, 2023, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 51,018,357	\$ 33,176,657	\$ 18,087,463

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

**NOTE 11 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

See Note 10 for a description of the net OPEB liability (asset).

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$102,195.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$102,195 for fiscal year 2024. Of this amount, \$102,195 is reported as pension and postemployment benefits payable.

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

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

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

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.173983700%	0.157677020%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.178783900%</u>	<u>0.154059690%</u>	
Change in proportionate share	<u>0.004800200%</u>	<u>-0.003617330%</u>	
Proportionate share of the net OPEB liability	\$ 2,945,366	\$ -	\$ 2,945,366
Proportionate share of the net OPEB asset	\$ -	\$ (2,996,248)	\$ (2,996,248)
OPEB expense	\$ (336,822)	\$ (105,724)	\$ (442,546)

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

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 6,133	\$ 4,675	\$ 10,808
Net difference between projected and actual earnings on OPEB plan investments	22,831	5,348	28,179
Changes of assumptions	995,916	441,390	1,437,306
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	169,510	19,871	189,381
Contributions subsequent to the measurement date	<u>102,195</u>	<u>-</u>	<u>102,195</u>
Total deferred outflows of resources	<u>\$ 1,296,585</u>	<u>\$ 471,284</u>	<u>\$ 1,767,869</u>
 <b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 1,519,036	\$ 457,009	\$ 1,976,045
Changes of assumptions	836,513	1,976,883	2,813,396
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>419,454</u>	<u>3,929</u>	<u>423,383</u>
Total deferred inflows of resources	<u>\$ 2,775,003</u>	<u>\$ 2,437,821</u>	<u>\$ 5,212,824</u>

\$102,195 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2025.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$ (531,798)	\$ (869,201)	\$ (1,400,999)
2026	(511,309)	(402,884)	(914,193)
2027	(323,871)	(152,892)	(476,763)
2028	(173,871)	(207,750)	(381,621)
2029	(85,999)	(190,143)	(276,142)
Thereafter	46,235	(143,667)	(97,432)
<b>Total</b>	<b><u>\$ (1,580,613)</u></b>	<b><u>\$ (1,966,537)</u></b>	<b><u>\$ (3,547,150)</u></b>

***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.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

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

Investment rate of return:

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

Municipal bond index rate:

Current measurement date	3.86%
Prior measurement date	3.69%

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

Current measurement date	4.27%
Prior measurement date	4.08%

Medical trend assumption:

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

In 2023, the following mortality assumptions were used:

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

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

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

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

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

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

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

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

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 3,765,021	\$ 2,945,366	\$ 2,299,036
	Current		
	1% Decrease	Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,163,859	\$ 2,945,366	\$ 3,980,970

***Actuarial Assumptions - STRS***

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

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

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

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

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

**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

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

Asset Class	Target Allocation*	Long-Term Expected Real Rate of Return **
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>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 actuarial rate of return, without net value added by management.

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

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

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

**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 2,535,932	\$ 2,996,248	\$ 3,397,135
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,415,737	\$ 2,996,248	\$ 2,490,980

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**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 – LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during the year consist of the following:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due in One Year
<b><i>Governmental Activities:</i></b>					
<b><i>Certificates of Participation</i></b>					
2018 Refunding Certificates of Participation:					
Term Portion (3.90%)	\$ 3,215,000	\$ -	\$ (305,000)	\$ 2,910,000	\$ 320,000
Discount	(45,090)	- -	3,128	(41,962)	-
<b><i>General Obligation Bonds:</i></b>					
2013 School Facilities Refunding Bonds:					
Capital Appreciation Bonds (24.00%)	49,702	- -	- -	49,702	-
Accretion	502,959	140,882	- -	643,841	-
2014 School Facilities Refunding Bonds:					
Serial Portion (2.00%-3.00%)	775,000	- -	(170,000)	605,000	280,000
Term Portion (3.25%-3.5%)	6,830,000	- -	- -	6,830,000	-
Capital Appreciation Bonds (51.80%)	19,972	- -	- -	19,972	19,972
Accretion	999,516	598,175	- -	1,597,691	1,597,691
Premium	789,224	- -	(74,573)	714,651	-
Discount	(155,065)	- -	14,651	(140,414)	-
2015 School Facilities Refunding Bonds:					
Serial Portion (2.50%-5.00%)	12,895,000	- -	(2,210,000)	10,685,000	255,000
Term Portion (3.5%-3.75%)	19,250,000	- -	- -	19,250,000	-
Premium	2,738,966	- -	(201,641)	2,537,325	-
Discount	(556,211)	- -	40,949	(515,262)	-
2021 School Facilities Refunding Bonds:					
Serial and Term Bonds (1.00%-4.00%)	6,015,000	- -	(155,000)	5,860,000	160,000
Premium	646,651	- -	(67,771)	578,880	-
<b>Total General Obligation Bonds</b>	<b>50,800,714</b>	<b>739,057</b>	<b>(2,823,385)</b>	<b>48,716,386</b>	<b>2,312,663</b>
Net Pension Liability	44,649,537	445,588	(1,875,144)	43,219,981	-
Net OPEB Liability	2,442,749	502,617	- -	2,945,366	-
<b><i>Other Long-Term Obligations:</i></b>					
Leases Payable	15,068	- -	(3,089)	11,979	3,693
Notes Payable - Finance Purchase	116,784	- -	(34,734)	82,050	35,787
Compensated Absences	4,027,830	326,781	(289,134)	4,065,477	440,426
<b>Total Other Long-Term Obligations</b>	<b>51,251,968</b>	<b>1,274,986</b>	<b>(2,202,101)</b>	<b>50,324,853</b>	<b>479,906</b>
Total governmental activities long-term liabilities	\$ 105,222,592	\$ 2,014,043	\$ (5,327,358)	\$ 101,909,277	\$ 3,112,569

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 – LONG-TERM OBLIGATIONS – (Continued)**

**2018 Refunding Certificates of Participation:**

The School District issued \$4,575,000 in Refunding Certificates of Participation (COPs) on October 10, 2017, for the purpose of refunding the 2008 certificates of participation and energy conservation notes. The COPs issuance included a discount of \$62,815, which will be amortized over the life of the COPs. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. The COPs have been designated to be “qualified tax exempt obligations” within the meaning of 265(b)(3) of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Ohio Governmental Development Leasing Corporation and the subleased back to the School District. The initial lease ended June 30, 2009. The School District may renew the lease for successive one-year terms, each ending on June 30, except the final lease term, which ends on November 1, 2037. To satisfy the trustee requirements, the School District is required to make annual base rent payments, subject to the lease terms and annual appropriations. The base rent includes an interest component of 3.9 percent. As a result, \$2,490,000 of the 2008 COPs is considered defeased and the liability for the refunded portion of these bonds has been removed from the School District’s financial statements. At June 30, 2024, \$1,420,000 of the defeased bonds are still outstanding.

The term bond portion of the 2018 COPs is subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on November 1 of the years and in the respective principal amounts as follows:

Fiscal Year	Principal Amount to be Redeemed	
2025	\$	320,000
2026		330,000
2027		340,000
2028		355,000
2029		370,000
2030		115,000
2031		120,000
2032		125,000
2033		125,000
2034		130,000
2035		135,000
2036		140,000
2037		150,000

The remaining principal amount of the bonds (\$155,000) will mature at stated maturity in fiscal year 2038, on November 1, 2037.

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

**NOTE 12 – LONG-TERM OBLIGATIONS – (Continued)**

Principal and interest requirements to retire the debt outstanding at June 30, 2024, are as follows:

Fiscal Year Ending June 30	<u>Certificates of Participation</u>	
	Principal	Interest
2025	\$ 320,000	\$ 107,250
2026	330,000	94,575
2027	340,000	81,510
2028	355,000	67,957
2029	370,000	53,820
2030 -2034	615,000	174,427
2035 - 2038	<u>580,000</u>	<u>46,605</u>
Total	<u>\$ 2,910,000</u>	<u>\$ 626,144</u>

*2013 School Facilities Refunding Bonds:*

In fiscal year 2013, the School District issued \$8,224,702 in general obligation bonds for the purpose of refunding a portion of the 2010 school facilities improvement bond issue in order to take advantage of lower interest rates. As a result, \$8,315,000 of the 2010 bonds were considered defeased and the liability for the refunded bonds has been removed from the School District's financial statements. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School District's financial statements. During fiscal year 2022, \$6,780,000 was refunded by the Series 2021 bonds. At June 30, 2024, there were no further obligations outstanding on the term and serial bonds.

Interest on the capital appreciation bonds will be accreted annually until the point of maturity of the capital appreciation bonds, which is 2013 through 2032. The final maturity amount of outstanding capital appreciation bonds at June 30, 2024, is \$3,540,000. The accretion recorded for fiscal year 2024 was \$140,882, for a total outstanding bond liability of \$693,543.

*2014 School Facilities Refunding Bonds:*

On December 30, 2014, the School District issued \$8,824,972 in general obligation bonds for the purpose of refunding a portion of the 2010 school facilities improvement bond issue in order to take advantage of lower interest rates. As a result, \$8,830,000 of the 2010 bonds were considered defeased and the liability for the refunded bonds has been removed from the School District's financial statements. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School District's financial statements. On June 30, 2024, \$8,830,000 of the defeased bonds are still outstanding. The bonds will be paid from the bond retirement debt service fund.

Interest on the capital appreciation bonds will be accreted annually until the point of maturity of the capital appreciation bonds, which is 2025. The final maturity amount of outstanding capital appreciation bonds at June 30, 2024, is \$2,040,000. The accretion recorded for fiscal year 2024 was \$598,175, for a total outstanding bond liability of \$1,617,663.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 – LONG-TERM OBLIGATIONS – (Continued)**

The term bond portion of the 2014 refunding bonds are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on January 15 of the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2027	\$ 75,000
2028	75,000
2029	80,000
2030	30,000
2031	30,000
2032	35,000
2033	<u>35,000</u>
 Total	 <u>\$ 360,000</u>

The remaining principal amount of the term bonds (\$3,000,000 and \$3,795,000) will mature at stated maturity.

The current interest bonds are subject to redemption at the option of the School District, either in whole or in part, in such order as the School District shall determine, on any date on or after January 15, 2023, at a redemption price equal to 100 percent of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

*2015 School Facilities Refunding Bonds:*

On March 11, 2015, the School District issued \$35,154,088 in general obligation bonds for the purpose of refunding a portion of the 2010 school facilities improvement bond issue in order to take advantage of lower interest rates. As a result, \$35,170,000 of the 2010 bonds were considered defeased and the liability for the refunded bonds has been removed from the School District's financial statements. The proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School District's financial statements. On June 30, 2024, \$28,225,000 of the defeased bonds are still outstanding. The bonds will be paid from the bond retirement debt service fund.

The term bond portion of the 2015 refunding bonds are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on January 15 of the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Amount</u>
2029	\$ 2,920,000
2030	150,000
2031	2,755,000
2032	85,000
2033	85,000
2034	565,000
2035	<u>4,595,000</u>
 Total	 <u>\$ 11,155,000</u>

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 12 – LONG-TERM OBLIGATIONS – (Continued)**

The remaining principal amount of the term bonds (\$3,275,000 and \$4,820,000) will mature at stated maturity.

The current interest bonds are subject to redemption at the option of the School District, either in whole or in part, in such order as the School District shall determine, on any date on or after January 15, 2023, at a redemption price equal to 100 percent of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

**Series 2021 School Facilities Refunding Bonds:**

During fiscal year 2022, the School District issued \$6,155,000 in general obligation bonds to refund \$6,780,000 of the Series 2013 School Facilities Refunding Bonds. The issuance proceeds were used to purchase securities which were placed in an irrevocable trust to provide resources for all future debt service payments on the refunded debt. This refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded bonds outstanding at June 30, 2024 was \$6,425,000.

The issue is comprised of current interest bonds, par value \$6,155,000. The interest rates on the current interest bonds range from 1.00% - 4.00%. Interest payments on the current interest bonds are due on July 15 and January 15 of each year. The final maturity stated in the issue is January 15, 2033.

The reacquisition price exceeded the net carrying amount of the old debt by \$135,674. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt, which has a final maturity date of January 15, 2033. This advance refunding was undertaken to reduce the combined total debt service payments by \$639,978 and resulted in an economic gain of \$563,865.

Principal and interest requirements to retire the debt outstanding at June 30, 2024, are as follows:

Fiscal Year Ending June 30	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 695,000	\$ 1,495,063	\$ 2,190,063	\$ 19,972	\$ 2,020,028	\$ 2,040,000
2026	2,810,000	1,472,613	4,282,613	-	-	-
2027	2,945,000	1,386,475	4,331,475	-	-	-
2028	3,180,000	1,301,437	4,481,437	-	-	-
2029	3,335,000	1,189,437	4,524,437	-	-	-
2030 -2034	15,685,000	4,397,163	20,082,163	49,702	3,490,298	3,540,000
2035 - 2038	14,580,000	940,613	15,520,613	-	-	-
Total	<u>\$ 43,230,000</u>	<u>\$ 12,182,801</u>	<u>\$ 55,412,801</u>	<u>\$ 69,674</u>	<u>\$ 5,510,326</u>	<u>\$ 5,580,000</u>

**Net Pension Liability:** See Note 10

**Net OPEB Liability:** See Note 11

There is no repayment schedule for the net pension and OPEB liabilities; however, employer pension and OPEB contributions are made from the general fund and the food service, other local grants, public preschool, title VI-B, and title I special revenue funds. For additional information related to the net pension and OPEB liabilities see Notes 10 and 11. Compensated absences will be paid from the general fund and the food service, other local grants, public preschool, student wellness, title VI-B, title I, and miscellaneous federal grants special revenue funds. The capital lease will be paid from the building capital projects fund.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

*Leases Payable:*

The School District has entered into lease agreements in intangible right-to-use assets for equipment. Due to the implementation of GASB Statement No. 87, the School District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The School District has entered into lease agreements for postage machine equipment at varying years and terms as follows:

<u>Lease</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease End Date</u>	<u>Payment Method</u>
Postage machine	2022	5	2027	Quarterly

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 3,693	\$ 1,945	\$ 5,638
2026	4,416	1,223	5,639
2027	3,870	359	4,229
Total	<u>\$ 11,979</u>	<u>\$ 3,527</u>	<u>\$ 15,506</u>

*Notes Payable - Finance Purchase*

The School District entered into a notes payable - finance purchase obligation for the financing of copy machines. The lease payments will be recorded as expenditure in the general fund and the building fund.

A liability in the amount of the present value of minimum notes payable - finance purchase payments have been recorded on the statement of net position. Capital assets have been capitalized in the amount of \$175,128 and the accumulated depreciation is \$87,565. This amount represents the costs of the replacements as of June 30, 2024.

The following is a schedule of the future long-term minimum finance purchase payments required under the notes payable - finance purchase agreement and the present value of the future minimum finance purchase payments as of June 30, 2024:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 37,752
2026	37,752
2027	<u>9,439</u>
Total minimum finance purchase payments	84,943
Less: amount representing interest	<u>(2,893)</u>
Total	<u>\$ 82,050</u>

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 12 - LONG-TERM OBLIGATIONS - (Continued)**

*Debt Margin:*

The overall debt margin of the School District as of June 30, 2024, was \$0 with an unvoted debt margin of \$346,152. The Ohio Revised Code further provides that when a Board of Education declares a resolution that the student population is not adequately served by existing facilities, and that insufficient capacity exists within the nine percent limit to finance additional facilities, the Ohio Department of Education and Workforce may declare that school district a “special needs” school district. This permits the incurrence of additional debt based upon projected 5-year growth of the school district’s assessed valuation. The Maple Heights City School District was determined to be a “special needs” school district by the State Superintendent.

**NOTE 13 - CONTINGENCIES**

**A. School Foundation**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional school districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the School District, which can extend past the fiscal year-end. As of the date of this report, ODEW has finalized the impact of enrollment adjustments to the June 30, 2024.

**B. Grants**

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2024, if applicable, cannot be determined at this time.

**C. Litigation**

The School District was not a party to legal proceedings as of June 30, 2024.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 14 - EMPLOYEE BENEFITS**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees who work 260 days a year earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators at the school buildings do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 330 days for all certified and 207 days for classified personnel. Upon retirement, payment is made for one-third of accrued, but unused sick leave credit to a maximum of 110 days for certified personnel and 69 days for classified personnel.

**NOTE 15 - SET-ASIDES**

The School District is required by State statute to annually set-aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the year must be held in cash at fiscal 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 fiscal year end set-aside amounts for textbooks and capital acquisitions. Disclosure of this information is required by State statute.

	<u>Capital Improvements</u>
Set-aside balance June 30, 2023	\$ -
Current year set-aside requirement	667,160
Current year qualifying expenditures	(132,356)
Current year offsets	(649,252)
Total	<u>\$ (114,448)</u>
Balance carried forward to fiscal year 2025	\$ -
Set-aside balance June 30, 2024	<u>\$ -</u>

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set- aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

**NOTE 16 - COMMITMENTS**

**A. Other Commitments**

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year-end may be reported as part of restricted, committed, or assigned classifications of fund balance. At year end, the School District's commitments for encumbrances in the governmental funds were as follows:

	<u>Year-End Encumbrances</u>
Fund ESSER	<u>\$ 2,647,516</u>
Total	<u>\$ 2,647,516</u>

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 16 - COMMITMENTS - (Continued)**

**B. Contractual Commitments**

As of June 30, 2024, the School District had the following contractual commitments outstanding:

<u>Vendor</u>	<u>Total</u>	<u>Amount</u>	<u>Remaining Commitment</u>
	<u>Contract</u>	<u>Paid</u>	<u>June 30, 2024</u>
Action Contractors, LLC	\$ 3,543,778	\$ (3,220,500)	\$ 323,278
SCG Fields, LLC	409,070	(396,750)	12,320
Glaus, Pyle, Schomer, Burns & Dehaven, Inc	<u>19,700</u>	<u>(17,943)</u>	<u>1,757</u>
Total	<u>\$ 3,972,548</u>	<u>\$ (3,635,193)</u>	<u>\$ 337,355</u>

**NOTE 17 - COVID-19**

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

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## REQUIRED SUPPLEMENTARY INFORMATION

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
Budgetary revenues and other financing sources	\$ 47,324,057	\$ 47,324,057	\$ 55,249,182	\$ 7,925,125
Budgetary expenditures and other financing uses	<u>45,400,849</u>	<u>50,215,775</u>	<u>50,598,336</u>	<u>382,561</u>
Net change in fund balance	1,923,208	(2,891,718)	4,650,846	7,542,564
<b>Budgetary fund balance at beginning of year</b>	9,861,821	9,861,821	9,861,821	-
<b>Prior year encumbrances appropriated</b>	<u>535,056</u>	<u>535,056</u>	<u>535,056</u>	<u>-</u>
<b>Budgetary fund balance at end of year</b>	<u><u>\$ 12,320,085</u></u>	<u><u>\$ 7,505,159</u></u>	<u><u>\$ 15,047,723</u></u>	<u><u>\$ 7,542,564</u></u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
Budgetary revenues and other financing sources	\$ 18,000,000	\$ 18,000,000	\$ 15,242,121	\$ (2,757,879)
Budgetary expenditures and other financing uses	15,660,061	15,086,675	18,776,967	3,690,292
Net change in fund balance	2,339,939	2,913,325	(3,534,846)	(6,448,171)
<b>Budgetary fund balance at beginning of year</b>	-	-	-	-
<b>Prior year encumbrances appropriated</b>	3,534,846	3,534,846	3,534,846	-
<b>Budgetary fund balance at end of year</b>	<u>\$ 5,874,785</u>	<u>\$ 6,448,171</u>	<u>\$ -</u>	<u>\$ (6,448,171)</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>School District's Proportion of the Net Pension Liability</b>	<b>School District's Proportionate Share of the Net Pension Liability</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.181762700%	\$ 10,043,324	\$ 7,029,743	142.87%	76.06%
2023	0.177447400%	9,597,736	6,846,686	140.18%	75.82%
2022	0.174843100%	6,451,203	6,046,186	106.70%	82.86%
2021	0.191935300%	12,695,005	6,703,529	189.38%	68.55%
2020	0.190548700%	11,400,863	6,613,489	172.39%	70.85%
2019	0.195523300%	11,197,981	5,993,348	186.84%	71.36%
2018	0.163385200%	9,761,905	5,559,750	175.58%	69.50%
2017	0.160749900%	11,765,409	4,983,307	236.10%	62.98%
2016	0.160468600%	9,156,493	4,800,893	190.72%	69.16%
2015	0.174363000%	8,824,412	4,920,038	179.36%	71.70%

<b>Fiscal Year</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>		<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 1,119,871	\$ (1,119,871)	\$ -	\$ 7,999,079	14.00%
2023	984,164	(984,164)	-	7,029,743	14.00%
2022	958,536	(958,536)	-	6,846,686	14.00%
2021	846,466	(846,466)	-	6,046,186	14.00%
2020	938,494	(938,494)	-	6,703,529	14.00%
2019	892,821	(892,821)	-	6,613,489	13.50%
2018	809,102	(809,102)	-	5,993,348	13.50%
2017	778,365	(778,365)	-	5,559,750	14.00%
2016	697,663	(697,663)	-	4,983,307	14.00%
2015	632,758	(632,758)	-	4,800,895	13.18%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>School District's Proportion of the Net Pension Liability</b>	<b>School District's Proportionate Share of the Net Pension Liability</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.154059690%	\$ 33,176,657	\$ 20,839,071	159.20%	80.02%
2023	0.157677020%	35,051,801	21,842,229	160.48%	78.88%
2022	0.153108206%	19,576,260	18,786,364	104.20%	87.78%
2021	0.153483280%	37,137,493	18,609,621	199.56%	75.48%
2020	0.154108710%	34,080,215	17,981,479	189.53%	77.40%
2019	0.154262390%	33,918,836	17,657,407	192.09%	77.31%
2018	0.152859790%	36,312,171	17,014,571	213.42%	75.30%
2017	0.148490200%	49,704,146	15,655,786	317.48%	66.80%
2016	0.146942410%	40,610,585	14,902,064	272.52%	72.10%
2015	0.161242360%	39,219,723	16,408,879	239.02%	74.70%

<b>Fiscal Year</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>		<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 3,003,188	\$ (3,003,188)	\$ -	\$ 21,451,343	14.00%
2023	2,917,470	(2,917,470)	-	20,839,071	14.00%
2022	3,057,912	(3,057,912)	-	21,842,229	14.00%
2021	2,630,091	(2,630,091)	-	18,786,364	14.00%
2020	2,605,347	(2,605,347)	-	18,609,621	14.00%
2019	2,517,407	(2,517,407)	-	17,981,479	14.00%
2018	2,472,037	(2,472,037)	-	17,657,407	14.00%
2017	2,382,040	(2,382,040)	-	17,014,571	14.00%
2016	2,191,810	(2,191,810)	-	15,655,786	14.00%
2015	2,086,289	(2,086,289)	-	14,902,064	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>School District's Proportion of the Net OPEB Liability</b>	<b>School District's Proportionate Share of the Net OPEB Liability</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
2024	0.178783900%	\$ 2,945,366	\$ 7,029,743	41.90%	30.02%
2023	0.173983700%	2,442,749	6,846,686	35.68%	30.34%
2022	0.170353400%	3,224,078	6,703,529	48.10%	24.08%
2021	0.186086200%	4,044,262	6,703,529	60.33%	18.17%
2020	0.191714100%	4,821,207	6,613,489	72.90%	15.57%
2019	0.196524800%	5,452,129	5,993,348	90.97%	13.57%
2018	0.166358300%	4,464,620	5,559,750	80.30%	12.46%
2017	0.161329700%	4,649,800	4,983,307	93.31%	11.49%

<b>Fiscal Year</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>			<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
	<b>Contractually Required Contributions</b>	<b>Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>			
2024	\$ 102,195	\$ (102,195)	\$ -	\$ 7,999,079		1.00%
2023	86,184	(86,184)	-	7,029,743		1.23%
2022	75,477	(75,477)	-	6,846,686		1.10%
2021	63,576	(63,576)	-	6,046,186		1.05%
2020	57,658	(57,658)	-	6,703,529		0.86%
2019	133,395	(133,395)	-	6,613,489		2.02%
2018	127,995	(127,995)	-	5,993,348		2.14%
2017	93,260	(93,260)	-	5,559,750		1.68%
2016	83,520	(83,520)	-	4,983,307		1.68%
2015	115,935	(115,935)	-	4,800,895		2.41%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

**SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION**

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

**LAST EIGHT AND TEN FISCAL YEARS**

<b>Fiscal Year (1) (2)</b>	<b>School District's Proportion of the Net OPEB Liability/(Asset)</b>	<b>School District's Proportionate Share of the Net OPEB Liability/(Asset)</b>	<b>School District's Covered Payroll</b>	<b>School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)</b>
2024	0.154059690%	\$ (2,996,248)	\$ 20,837,071	14.38%	168.52%
2023	0.157677020%	(4,082,782)	21,842,229	18.69%	230.73%
2022	0.153108206%	(3,228,161)	18,786,364	17.18%	174.73%
2021	0.153483280%	(2,697,466)	18,609,621	14.50%	182.10%
2020	0.154108710%	(2,552,410)	17,981,479	14.19%	174.74%
2019	0.154262390%	(2,478,840)	17,657,407	14.04%	176.00%
2018	0.152859790%	5,964,024	17,014,571	35.05%	47.10%
2017	0.148490200%	7,941,295	15,655,786	50.72%	37.30%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>School District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ -	\$ -	\$ -	\$ 21,451,343	0.00%
2023	-	-	-	20,839,071	0.00%
2022	-	-	-	21,842,229	0.00%
2021	-	-	-	18,786,364	0.00%
2020	-	-	-	18,609,621	0.00%
2019	-	-	-	17,981,479	0.00%
2018	-	-	-	17,657,407	0.00%
2017	-	-	-	17,014,571	0.00%
2016	-	-	-	15,655,786	0.00%
2015	-	-	-	14,902,064	0.00%

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

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

Additional years will be displayed as they become available.

**SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 1 - BUDGETARY PROCESS**

While 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 and disbursements.

The schedule of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund and any major special revenue fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>	<u>ESSER Fund</u>
Budget basis	\$ 4,650,846	\$ (3,534,846)
Net adjustment for revenue accruals	(187,210)	70,671
Net adjustment for expenditure accruals	(19,485)	(75,118)
Net adjustment for other sources/uses	(1,163,898)	1,814,088
Funds budgeted elsewhere	38,663	-
Adjustments for encumbrances	<u>392,483</u>	<u>3,690,292</u>
GAAP Basis	<u>\$ 3,711,399</u>	<u>\$ 1,965,087</u>

As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the special trust fund, uniform school supplies fund, public school support fund, special trust fund, rotary fund, foundation fund, and latchkey fund.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**PENSION**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

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

*Change in assumptions:*

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

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

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

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Change in benefit terms:*

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

*Changes in assumptions:*

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

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

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

*Change in benefit terms:*

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

*Change in assumptions:*

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

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

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

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

*Change in benefit terms:*

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

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY, OHIO**

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

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

*Change in assumptions:*

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

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**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <i>Program / Cluster Title</i>	<b>Federal AL Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b> <i>Passed Through Ohio Department of Education &amp; Workforce</i>		
<i>Child Nutrition Cluster:</i>		
<i>Cash Assistance</i>		
School Breakfast Program	10.553	\$615,103
National School Lunch Program	10.555	1,610,801
COVID-19 National School Lunch Program	10.555	89,682
Fresh Fruit and Vegetable Program	10.582	98,303
<i>Non-Cash Assistance</i>		
National School Lunch Program- Donated Commodities	10.555	118,349
Total Child Nutrition Cluster		<u>2,532,238</u>
Total U.S. Department of Agriculture		<u>2,532,238</u>
<b>U.S. DEPARTMENT OF EDUCATION</b> <i>Passed Through Ohio Department of Education &amp; Workforce</i>		
Title I- Grants to Local Educational Agencies- 2023	84.010	720,223
Title I- Grants to Local Educational Agencies- 2024	84.010	1,638,489
Title I- Grants to Local Educational Agencies Supplemental School Improvement- 2023	84.010	16,524
Title I- Grants to Local Educational Agencies Supplemental School Improvement- 2024	84.010	41,239
Title I- Grants to Local Educational Agencies School Quality Improvement- 2023	84.010	21,481
Title I- Grants to Local Educational Agencies Expanding Opportunities for Each Child- 2023	84.010	59,668
Title I- Grants to Local Educational Agencies Expanding Opportunities for Each Child- 2024	84.010	21,500
Total Title I		<u>2,519,124</u>
<i>Special Education Cluster (IDEA):</i>		
COVID-19 Special Education Grants to States- American Rescue Plan	84.027	169,393
Special Education Grants to States - IDEA Part B	84.027	838,500
COVID-19 Special Education Preschool Grants- American Rescue Plan	84.173	26,742
Total Special Education Cluster (IDEA)		<u>1,034,635</u>
Twenty-First Century Community Learning Centers- 2023	84.287	18,879
Twenty-First Century Community Learning Centers- 2024	84.287	<u>411,877</u>
Total Twenty-First Century Community Learning Centers		<u>430,756</u>
Supporting Effective Instruction State Grants- 2023	84.367	14,218
Supporting Effective Instruction State Grants- 2024	84.367	<u>121,731</u>
Total Supporting Effective Instruction		<u>135,949</u>
Student Support and Academic Enrichment Program- 2023	84.424	16,452
Student Support and Academic Enrichment Program- 2024	84.424	147,410
Stronger Connections	84.424F	23,697
Total Student Support and Academic Enrichment		<u>187,559</u>
Career and Technical Education - Basic Grants to States- 2023	84.048	11,997
Career and Technical Education - Basic Grants to States- 2024	84.048	<u>57,625</u>
Total Career and Technical Education		<u>69,622</u>
COVID-19 Education Stabilization Fund- ARP ESSER	84.425U	9,872,700
COVID-19 Education Stabilization Fund- Homeless Children and Youth	84.425W	26,995
Total Education Stabilization Fund		<u>9,899,695</u>
Total U.S. Department of Education		<u>14,277,340</u>
<b>Total Expenditures of Federal Awards</b>		<b><u>\$16,809,578</u></b>

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

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

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

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



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800-282-0370

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

Maple Heights City School District  
Cuyahoga County  
5740 Lawn Avenue  
Maple Heights, Ohio 44137

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Maple Heights City School District, Cuyahoga County, Ohio (the District) as of and for the 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 December 24, 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings as item 2024-001 that we consider to be a significant deficiency.

Maple Heights City School District  
Cuyahoga 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*.

***District's Response to Findings***

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

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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  
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 24, 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**

Maple Heights City School District  
Cuyahoga County  
5740 Lawn Avenue  
Maple Heights, Ohio 44137

To the Board of Education:

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

***Qualified and Unmodified Opinions***

We have audited Maple Heights City School District's, Cuyahoga County, Ohio (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 Maple Heights City School District's major federal programs for the year ended June 30, 2024. Maple Heights City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

***Qualified Opinion on the Child Nutrition Cluster***

In our opinion, except for the noncompliance described in the *Basis for Qualified and Unmodified Opinions* section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Child Nutrition Cluster for the year ended June 30, 2024.

***Unmodified Opinion Each of the Other Major Federal Programs***

In our opinion, the 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 other major federal programs identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings for the year ended June 30, 2024.

***Basis for Qualified and Unmodified Opinions***

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.

Maple Heights City School District

Cuyahoga 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

Page 2

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 qualified and unmodified opinions 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.

*Matter Giving Rise to Qualified Opinion on the Child Nutrition Cluster*

As described in finding 2024-002 in the accompanying schedule of findings, the District did not comply with requirements regarding procurement and suspension and debarment applicable to its Child Nutrition Cluster major federal program.

Compliance with such requirements is necessary, in our opinion, for the District to comply with requirements applicable to that program.

***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.

Maple Heights City School District

Cuyahoga 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

Page 3

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.

#### **Other Matter**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2024-002 to be a material weakness.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and corrective action plan. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Maple Heights City School District

Cuyahoga 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

Page 4

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  
Ohio Auditor of State



Tiffany L Ridenbaugh, CPA, CFE, CGFM  
Chief Deputy Auditor

December 24, 2025

MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA 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)?	Yes
(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?	Yes
(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	Qualified on Child Nutrition Cluster, Unmodified on Special Education Cluster and COVID-19 Education Stabilization Fund
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
(d)(1)(vii)	Major Programs (list):	AL #84.425 – COVID-19 Education Stabilization Fund  Child Nutrition Cluster  Special Education Cluster
(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?	No

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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

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

**FINDING NUMBER 2024-001**

**Cash Reconciliation Process Errors – Significant Deficiency**

Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records.

The reconciliation of cash (bank) balances to accounting system records (book) is the most basic and primary control process performed. Lack of completing an accurate and timely reconciliation may allow for accounting errors, theft and fraud to occur without timely detection.

The Treasurer is responsible for reconciling the book (fund) balance to the total bank balance on a monthly basis, and the School Board is responsible for reviewing the reconciliations and related support.

Due to deficiencies in its reconciliation process, the District did not complete accurate, supported monthly bank reconciliations during the audit period. As of June 30, 2024, the District had \$22,043 in unsupported reconciling items included on its bank reconciliation, in which the District's bank balance exceeds its book balance.

Failure to accurately and fully reconcile monthly increases the possibility that the District will not be able to identify, assemble, analyze, classify, and record its transactions correctly or to document compliance with finance related legal and contractual requirements. Further, the lack of accurate monthly reconciliations increases the risk of theft/fraud over the cash cycle and could lead to inaccurate reporting in the annual financial statements.

The District should ensure cash reconciliations are prepared on a monthly-basis and all variances are investigated, documented and corrected promptly. In addition, the Board should review the monthly cash reconciliation including the related support (such as reconciling items) and document their reviews.

**Officials' Response:** See Corrective Action Plan

MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2024  
(Continued)

3. FINDINGS FOR FEDERAL AWARDS

Procurement Documentation

Finding Number:	2024-002
Assistance Listing Number and Title:	Child Nutrition Cluster: AL # 10.553, 10.555, 10.582
Federal Award Identification Number / Year:	2024
Federal Agency:	U.S. Department of Agriculture
Compliance Requirement:	Procurement and Suspension and Debarment
Pass-Through Entity:	Ohio Department of Education and Workforce
Repeat Finding from Prior Audit?	Yes
Prior Audit Finding Number:	2023-002

Noncompliance and Material Weakness

**2 CFR § 400.1** gives regulatory effect to the Department of Agriculture for **2 CFR § 200.318 through 200.327** which describe specific procedures non-Federal entities must follow when entering into procurement transactions using Federal funds. **2 CFR § 200.318(a)** indicates that a non-Federal entity must use its own documented procurement procedures which reflect applicable State and local laws and regulations, provided that such procurements conform to applicable Federal law and standards.

**2 CFR § 200.320** indicates the non-Federal entity must use one of the following methods of procurement: (a) procurement by micro-purchases, which are acquisitions of supplies or services for which the aggregate dollar amount does not exceed the micro-purchase threshold; (b) procurement by small purchase procedures, which are relatively simple and informal procurements that do not exceed the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources; (c) procurement by sealed bids, which are purchases made through publicly solicited bids and result in a firm fixed-price contract (lump-sum or unit price) awarded to the lowest responsive and responsible bidder whose bid conforms to all material terms and conditions of the invitation for bids. This method is appropriate when a complete, adequate, and realistic specification or purchase description is available, two or more responsible bidders are willing and able to compete effectively for the business, and the procurement lends itself to a firm fixed-price contract with the selection of the successful bidder made principally on price; (d) procurement by competitive proposals, which is appropriate when purchases are large and competitive bidding is not appropriate; or (e) procurement by noncompetitive proposals, which are appropriate when the item is available only from a single source, the noncompetitive procurement is expressly authorized in the Federal award, competition is deemed inadequate after solicitation of multiple sources, or the item must be purchased without delay due to a public emergency or exigent circumstances.

**2 CFR § 200.318(i)** indicates the non-Federal entity must maintain records sufficient to detail the history of procurement. Such records must include, but are not necessarily limited to, the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

**MAPLE HEIGHTS CITY SCHOOL DISTRICT  
CUYAHOGA COUNTY**

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

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS  
(Continued)**

**FINDING NUMBER 2024-002  
(Continued)**

**Procurement Documentation - Noncompliance and Material Weakness (Continued)**

Maple Heights City School District Board Policy EAG – Administration of Federal Grant Funds requires that all purchases of property and services using federal funds be conducted in accordance with applicable federal, state, and local laws and regulations, the Uniform Guidance, and the District's written policies and procedures. The policy also requires the District to perform a cost or price analysis for every procurement exceeding the simplified acquisition threshold. In addition, purchasing records must be maintained in sufficient detail to document the history of each procurement, including at a minimum: the rationale for the method of procurement, the selection of contract type, the contractor selected or rejected, the basis for the contract price, and verification that the contractor is not suspended or debarred.

Although the District provided verbal justification for the four vendors selected during procurement testing for the Child Nutrition Cluster, it did not maintain written documentation sufficient to detail the history of the procurements, as required by federal regulations and District procurement policy. The procurements tested were below the simplified acquisition threshold; however, for three of the four procurements, required price or rate quotations from an adequate number of qualified sources were not documented. As a result, the District could not demonstrate compliance with federal procurement requirements.

Failure to follow Uniform Guidance requirements and district federal procurement policies could lead to reduced future federal funding and questioned costs.

The District should adopt and implement procedures to ensure that the history of each procurement is documented, including the rationale for the method of procurement, vendor selection, cost or price analysis, if applicable, and the justification for limiting competition, such as the use of a sole source provider or procurement due to emergency or exigent circumstances.

**Officials' Response:** See Corrective Action Plan



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**2 CFR § 200.511(b)**

**JUNE 30, 2024**

Finding Number	Finding Summary	Status
2023-001	<b>Bank Reconciliations- Significant Deficiency</b> The District did not complete accurate, monthly bank reconciliations during the audit period. As of June 30, 2023, the District had an unreconciled balance of \$6,612 on its bank reconciliation.	Reissued as of finding 2024-001
2023-002	<b>Procurement Documentation- Noncompliance and Material Weakness</b> For three out of five vendors, the District did not maintain written justification documenting the history of procurement.	Reissued as of finding 2024-002

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# Maple Heights

CITY SCHOOLS

*Maple Heights Board of Education*

*Alonzo Blackwell, President*

*HerBrina Shepard, Vice President*

*Rachel Cheeks*

*Sherria Granger*

*Rosalind Moore*

*Olympia Della Flora, Superintendent*  
*Connie Baldwin, Treasurer*

**5740 Lawn Ave., Maple Heights, Ohio 44137**  
**(216) 587-6100**

## CORRECTIVE ACTION PLAN

**2 CFR § 200.511(c)**

**JUNE 30, 2024**

**Finding Number:**

**Planned Corrective Action:**

**Anticipated Completion Date:**

**Responsible Contact Person:**

2024-001- Cash Reconciliation Process Errors

The District has obtained help with Lennon CPA to find and correct the unreconciled items.

June 2025

Taylor Friedrich/Connie Baldwin-Guinto

**Finding Number:**

**Planned Corrective Action:**

**Anticipated Completion Date:**

**Responsible Contact Person:**

2024-002- Procurement Documentation

The District's Business Manager will obtain quotes/bids when necessary.

June 2025

Taylor Friedrich/Connie Baldwin-Guinto

# OHIO AUDITOR OF STATE KEITH FABER



MAPLE HEIGHTS CITY SCHOOL DISTRICT

CUYAHOGA 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 12/30/2025

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

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