



**MARIETTA CITY SCHOOL DISTRICT
WASHINGTON COUNTY**

**SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2024**



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Columbus, Ohio 43215
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Board of Education
Marietta City School District
111 Academy Dr.
Marietta, OH 45750

We have reviewed the *Independent Auditor's Report* of the Marietta City School District, Washington County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Keith Faber
Auditor of State
Columbus, Ohio

April 16, 2025

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WASHINGTON COUNTY, OHIO**

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WASHINGTON COUNTY, OHIO**

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INDEPENDENT AUDITOR'S REPORT

Marietta City School District
Washington County
111 Academy Drive
Marietta, Ohio 45750

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 **Marietta City School District**, Washington County, Ohio (School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis*, and schedules of net pension and other post-employment benefit liabilities and pension and other post-employment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic

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

Supplementary information

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

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule 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 January 31, 2025, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

January 31, 2025

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

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

Financial Highlights

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

- Total net position of the School District increased \$6,002,524.
- General revenues accounted for \$28,739,818 in revenues. Program specific revenues in the form of charges for services and sales, operating and capital grants, contributions, and investment earnings/interest accounted for \$9,590,594 of total revenues of \$38,330,412.
- The School District had \$32,327,888 in expenses related to governmental activities; only \$9,590,594 of these expenses were offset by program specific charges for services and sales, grants, contributions, and investment earnings/interest. General revenues were adequate to provide for these programs.

Using this Annual Financial Report

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

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

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial

Marietta City School District, Ohio
Management's Discussion and Analysis
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position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, all of the School District's programs and services are reported as Governmental Activities including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

Reporting the School District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and Permanent Improvement Capital Projects Fund.

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

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The School District's only fund of this type is the Self-Insurance Internal Service Fund. However, the activity of this fund is combined with the Governmental Activities on the entity wide financial statements.

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The School District as a Whole

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

Table 1 - Net Position

	2024	2023	Change
Assets			
Current and Other Assets	\$44,589,298	\$41,358,895	\$3,230,403
Net OPEB Asset	1,629,192	2,212,138	(582,946)
Capital Assets, Net	16,334,916	14,626,079	1,708,837
<i>Total Assets</i>	<u>62,553,406</u>	<u>58,197,112</u>	<u>4,356,294</u>
Deferred Outflows of Resources			
Pension	4,781,461	5,629,665	(848,204)
OPEB	944,615	565,399	379,216
Asset Retirement Obligation	14,800	12,800	2,000
<i>Total Deferred Outflows of Resources</i>	<u>5,740,876</u>	<u>6,207,864</u>	<u>(466,988)</u>
Liabilities			
Current and Other Liabilities	5,103,952	4,465,473	638,479
Long-term Liabilities:			
Due within One Year	234,869	128,874	105,995
Due in More Than One Year:			
Net Pension Liability	23,310,476	24,463,930	(1,153,454)
Net OPEB Liability	1,622,728	1,454,964	167,764
Other Amounts	2,218,472	2,127,678	90,794
<i>Total Liabilities</i>	<u>32,490,497</u>	<u>32,640,919</u>	<u>(150,422)</u>
Deferred Inflows of Resources			
Property Taxes	19,257,483	19,428,746	(171,263)
Pension	3,258,215	4,253,638	(995,423)
OPEB	3,140,351	3,933,991	(793,640)
Leases	0	2,470	(2,470)
<i>Total Deferred Inflows of Resources</i>	<u>25,656,049</u>	<u>27,618,845</u>	<u>(1,962,796)</u>
Net Position			
Net Investment in Capital Assets	15,700,819	13,903,676	1,797,143
Restricted	5,170,823	4,064,764	1,106,059
Unrestricted (Deficit)	(10,723,906)	(13,823,228)	3,099,322
<i>Total Net Position</i>	<u>\$10,147,736</u>	<u>\$4,145,212</u>	<u>\$6,002,524</u>

The net pension liability is the largest single liability reported by the School District at June 30, 2024. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute.

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A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets of governmental activities increased \$4,356,294. Equity in pooled cash and cash equivalents increased by \$3,858,387 along with the capital assets by \$1,708,837. Offsetting these increases were property taxes receivable by \$286,354 due to a slight decrease in assessed values; intergovernmental receivables by \$408,476, and the OPEB asset by \$582,946.

Total liabilities decreased \$150,422. Decreasing liabilities were accounts payable, contracts payable, retainage payable, unearned revenue, and matured compensated absences payable. Offsetting those decreases include increases in accrued wages and benefits payable by \$337,065, intergovernmental payables by \$578,516, and claims payable by \$132,520. The largest change in long-term liabilities was experienced by the net pension liability of \$1,153,454.

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

Marietta City School District, Ohio
Management's Discussion and Analysis
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Table 2
Changes in Net Position

	2024	2023	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$1,306,125	\$1,196,071	\$110,054
Operating Grants, Contributions, and Interest	7,218,020	6,865,711	352,309
Capital Grants and Contributions	1,066,449	1,252,964	(186,515)
Total Program Revenues	9,590,594	9,314,746	275,848
General Revenues:			
Property Taxes	17,877,597	17,108,121	769,476
Grants and Entitlements	9,519,933	9,801,244	(281,311)
Investment Earnings/Interest	799,728	250,528	549,200
Gain on Sale of Capital Assets	0	7,158	(7,158)
Miscellaneous	542,560	363,092	179,468
Total General Revenues	28,739,818	27,530,143	1,209,675
Total Revenues	38,330,412	36,844,889	1,485,523
Program Expenses			
Instruction:			
Regular	12,529,482	10,667,334	1,862,148
Special	4,601,298	4,337,554	263,744
Vocational	91,702	77,502	14,200
Student Intervention	317,036	172,524	144,512
Support Services:			
Pupils	1,784,230	1,350,792	433,438
Instructional Staff	2,191,184	2,616,519	(425,335)
Board of Education	192,812	184,737	8,075
Administration	2,138,707	2,060,335	78,372
Fiscal	682,735	808,321	(125,586)
Business	196,103	196,247	(144)
Operation and Maintenance of Plant	3,031,028	2,625,184	405,844
Pupil Transportation	1,537,413	1,498,682	38,731
Central	393,561	368,086	25,475
Operation of Non-Instructional Services:			
Food Service Operations	1,166,278	1,324,085	(157,807)
Community Services	193,758	213,109	(19,351)
Extracurricular Activities	1,266,420	965,685	300,735
Interest	14,141	679	13,462
Total Expenses	32,327,888	29,467,375	2,860,513
Change in Net Position	6,002,524	7,377,514	(1,374,990)
Net Position (Deficit) Beginning of Year	4,145,212	(3,232,302)	7,377,514
Net Position End of Year	\$10,147,736	\$4,145,212	\$6,002,524

Total revenues increased \$1,485,523. Total program revenues increased \$275,848 from fiscal year 2023; the category not increasing was capital grants and contributions due to receiving less ESSER dollars in response to COVID-19 pandemic. General revenues increased \$1,209,675 primarily due to increases in property taxes of \$769,476 and investment earnings/interest of \$549,200.

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The DeRolph III decision has not eliminated the dependence on property taxes. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. Inflation alone will not increase the amount of funds generated by a tax levy. The mills collected decreases as the property valuation increases, thus generating about the same revenue unless new construction or growth are a factor. Property taxes made up approximately 62% of general revenues for governmental activities for the School District in fiscal year 2024.

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

Table 3
Cost of Services
Governmental Activities

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2024	2024	2023	2023
Program Expenses				
Instruction:				
Regular	\$12,529,482	\$10,449,948	\$10,667,334	\$8,462,580
Special	4,601,298	1,509,113	4,337,554	1,728,280
Vocational	91,702	9,676	77,502	(1,052)
Student Intervention	317,036	298,210	172,524	152,568
Support Services:				
Pupils	1,784,230	1,380,121	1,350,792	1,080,972
Instructional Staff	2,191,184	1,508,039	2,616,519	748,660
Board of Education	192,812	192,812	184,737	184,737
Administration	2,138,707	2,024,666	2,060,335	1,843,952
Fiscal	682,735	655,629	808,321	796,936
Business	196,103	193,633	196,247	190,527
Operation and Maintenance of Plant	3,031,028	1,973,998	2,625,184	2,532,495
Pupil Transportation	1,537,413	1,383,363	1,498,682	1,365,085
Central	393,561	385,773	368,086	361,228
Operation of Non-Instructional Services:				
Food Service Operations	1,166,278	(57,679)	1,324,085	183,780
Community Services	193,758	(7,886)	213,109	(1,742)
Extracurricular Activities	1,266,420	823,737	965,685	522,944
Interest	14,141	14,141	679	679
Total	\$32,327,888	\$22,737,294	\$29,467,375	\$20,152,629

The dependence upon tax revenues and state subsidies for governmental activities is apparent 70% of program expenses are supported through taxes, unrestricted grants and entitlements, and other general revenues.

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

The School District Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$38,278,549 and expenditures of \$34,903,216. Although the revenues only increased \$1,348,099, expenditures increased \$2,178,546 from the prior fiscal year with a focus on monitoring expenditures while allowing for slight personnel staffing level increases.

The General Fund had an increase in its fund balance of \$3,632,775, which includes making a transfer to the District Managed Student Activities Special Revenue Fund for \$206,000.

The Permanent Improvement Capital Projects Fund decreased its fund balance only by \$27,546.

General Fund Budgeting Highlights

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

During the course of fiscal year 2024, the School District did not amend its General Fund estimated revenues. The School District also did not amend its appropriations but rather moved appropriations among functions to accurately align them with actual expenditures. The School District uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, cash basis revenues were above estimates mainly in property taxes. Original appropriations expenditures were increased in every category. Actual expenditures were \$1,304,666 under final appropriations. The General Fund's ending fund balance was \$17,797,048.

Capital Assets and Long-term Obligations

Capital Assets

At the end of fiscal year 2024, the School District had \$15,700,819 invested in capital assets, net of liabilities. See Note 9 for more detailed information. Table 4 shows fiscal year 2024 balances compared to 2023.

Marietta City School District, Ohio
Management's Discussion and Analysis
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Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	2024	2023
Land	\$1,755,605	\$1,755,605
Construction in Progress	561,000	604,424
Intangible Right to Use Leases	210,177	135,000
Land Improvements	849,879	872,120
Buildings and Improvements	10,446,415	9,353,270
Furniture and Equipment	1,429,791	662,289
Vehicles	1,082,049	1,243,371
Totals	<u>\$16,334,916</u>	<u>\$14,626,079</u>

Long-term Obligations

During fiscal year 2024, the School District had the following changes in long-term obligations:

	2024	2023
Lease Payable	\$220,873	\$142,500
Asset Retirement Obligation	43,000	40,000
Totals	<u>\$263,873</u>	<u>\$182,500</u>

See Note 14 to the basic financial statements for more information on long-term obligations.

Current Issues

The Marietta City School District is considered a mid-wealth school district. The School District is financially stable. With the receipt of ESSER dollars in prior fiscal years, this gave the School District some flexibility. The ESSER dollars allowed the School District to employ new teachers and staff and install new roofs throughout the School District. A new funding formula was in place for fiscal years 2022 and 2023 and provided some additional funding for the School District even though the School District is on the “guarantee”. The School District anticipates the current funding formula for next three fiscal years to be remain consistent.

The School District is dedicated in providing a professional teaching staff and support staff for all students along with a healthy and sound environment. The School District is also dedicated in providing a competitive salary and benefit package for employees to provide a quality education for every student every day. A new facilities plan was placed in front of voters in November 2019 and was defeated. Since the defeat, the School District is using ESSER funds and permanent improvement levy funds to make necessary upgrades to existing buildings as well as employ staff to address learning loss.

Consolidation of buildings occurred in the summer of 2021 and the School District is now composed of two K-2 buildings at Phillips and Washington, one 3-6 building now called Marietta Elementary School, and one 7-12 building at the Marietta High School. Enrollment is also a challenge for the School District as parents and students have more choices for education than in the past. Enrollment continues to decline for the School District.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Frank Antill, Treasurer at Marietta City School District, 11 Academy Drive, Marietta, Ohio 45750-8053.

Marietta City School District, Ohio

Statement of Net Position

June 30, 2024

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$23,073,231
Accounts Receivable	77,764
Intergovernmental Receivable	996,468
Prepaid Items	146,107
Materials and Supplies Inventory	121,386
Inventory Held for Resale	9,616
Property and Other Taxes Receivable	20,164,726
Net OPEB Asset	1,629,192
Nondepreciable Capital Assets	2,316,605
Depreciable Capital Assets, Net	<u>14,018,311</u>
<i>Total Assets</i>	<u>62,553,406</u>
Deferred Outflows of Resources	
Pension	4,781,461
OPEB	944,615
Asset Retirement Obligation	<u>14,800</u>
<i>Total Deferred Outflows of Resources</i>	<u>5,740,876</u>
Liabilities	
Accounts Payable	234,549
Accrued Wages and Benefits Payable	2,672,182
Contracts Payable	369,311
Retainage Payable	49,935
Intergovernmental Payable	1,121,069
Matured Compensated Absences Payable	53,531
Claims Payable	603,375
Long-Term Liabilities:	
Due Within One Year	234,869
Due In More Than One Year:	
Net Pension Liability	23,310,476
Net OPEB Liability	1,622,728
Other Amounts	<u>2,218,472</u>
<i>Total Liabilities</i>	<u>32,490,497</u>
Deferred Inflows of Resources	
Property Taxes	19,257,483
Pension	3,258,215
OPEB	<u>3,140,351</u>
<i>Total Deferred Inflows of Resources</i>	<u>25,656,049</u>
Net Position	
Net Investment in Capital Assets	15,700,819
Restricted for:	
Capital Projects	2,137,764
Food Service	755,426
Student Activities	179,869
Federal Grant Programs	376,726
Local Programs	71,666
OPEB	1,629,192
Unclaimed Monies	15,828
Debt Service	4,352
Unrestricted (Deficit)	<u>(10,723,906)</u>
<i>Total Net Position</i>	<u><u>\$10,147,736</u></u>

See accompanying notes to the basic financial statements

Marietta City School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	
	Expenses				Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$12,529,482	\$346,380	\$1,698,154	\$35,000	(10,449,948)
Special	4,601,298	177,466	2,914,719	0	(1,509,113)
Vocational	91,702	0	82,026	0	(9,676)
Student Intervention	317,036	0	18,826	0	(298,210)
Support Services:					
Pupils	1,784,230	16,450	387,659	0	(1,380,121)
Instructional Staff	2,191,184	0	683,145	0	(1,508,039)
Board of Education	192,812	0	0	0	(192,812)
Administration	2,138,707	32,421	81,620	0	(2,024,666)
Fiscal	682,735	27,106	0	0	(655,629)
Business	196,103	2,470	0	0	(193,633)
Operation and Maintenance of Plant	3,031,028	0	25,581	1,031,449	(1,973,998)
Pupil Transportation	1,537,413	50,641	103,409	0	(1,383,363)
Central	393,561	0	7,788	0	(385,773)
Operation of Non-Instructional Services:					
Food Service Operations	1,166,278	214,304	1,009,653	0	57,679
Community Services	193,758	3,534	198,110	0	7,886
Extracurricular Activities	1,266,420	435,353	7,330	0	(823,737)
Interest	14,141	0	0	0	(14,141)
<i>Total Governmental Activities</i>	<u>\$32,327,888</u>	<u>\$1,306,125</u>	<u>\$7,218,020</u>	<u>\$1,066,449</u>	<u>(22,737,294)</u>
General Revenues					
Property Taxes Levied for:					
General Purposes					16,610,965
Capital Improvements					1,266,632
Grants and Entitlements not Restricted to Specific Programs					9,519,933
Investment Earnings/Interest					799,728
Miscellaneous					<u>542,560</u>
<i>Total General Revenues</i>					<u>28,739,818</u>
<i>Change in Net Position</i>					6,002,524
<i>Net Position Beginning of Year</i>					<u>4,145,212</u>
<i>Net Position End of Year</i>					<u><u>\$10,147,736</u></u>

See accompanying notes to the basic financial statements

Marietta City School District, Ohio

Balance Sheet

Governmental Funds

June 30, 2024

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$18,636,247	\$2,078,454	\$1,112,335	\$21,827,036
Receivables:				
Property Taxes	18,742,987	1,421,739	0	20,164,726
Accounts	72,778	0	4,986	77,764
Intergovernmental	81,934	0	914,534	996,468
Interfund	37,317	0	3,640	40,957
Prepaid Items	34,822	0	111,285	146,107
Inventory Held for Resale	0	0	9,616	9,616
Materials and Supplies Inventory	118,147	0	3,239	121,386
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	15,828	0	0	15,828
<i>Total Assets</i>	<u>\$37,740,060</u>	<u>\$3,500,193</u>	<u>\$2,159,635</u>	<u>\$43,399,888</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$122,285	\$2,904	\$109,360	\$234,549
Contracts Payable	0	120,503	248,808	369,311
Accrued Wages and Benefits Payable	2,184,184	0	487,998	2,672,182
Retainage Payable	0	22,958	26,977	49,935
Matured Compensated Absences Payable	53,531	0	0	53,531
Interfund Payable	3,640	0	37,317	40,957
Intergovernmental Payable	962,866	0	158,203	1,121,069
<i>Total Liabilities</i>	<u>3,326,506</u>	<u>146,365</u>	<u>1,068,663</u>	<u>4,541,534</u>
Deferred Inflows of Resources				
Property Taxes	17,897,958	1,359,525	0	19,257,483
Unavailable Revenue	627,919	38,410	229,834	896,163
<i>Total Deferred Inflows of Resources</i>	<u>18,525,877</u>	<u>1,397,935</u>	<u>229,834</u>	<u>20,153,646</u>
Fund Balances				
Nonspendable	168,797	0	114,524	283,321
Restricted	0	1,955,893	992,030	2,947,923
Committed	518,863	0	0	518,863
Assigned	205,990	0	0	205,990
Unassigned (Deficit)	14,994,027	0	(245,416)	14,748,611
<i>Total Fund Balance</i>	<u>15,887,677</u>	<u>1,955,893</u>	<u>861,138</u>	<u>18,704,708</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$37,740,060</u>	<u>\$3,500,193</u>	<u>\$2,159,635</u>	<u>\$43,399,888</u>

See accompanying notes to the basic financial statements

Marietta City School District, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2024*

Total Governmental Fund Balances	\$18,704,708
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*Amounts reported for governmental activities in the statement of
net position are different because*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	16,334,916
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Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds:

Delinquent Property Taxes	576,534	
Intergovernmental Revenues	217,639	
Tuition and Fees	89,266	
Charges for Services and Sales	4,056	
Miscellaneous Revenues	8,668	896,163

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal fund are included in governmental activities in the statement of net position.	626,992
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The asset retirement obligation, net pension liability, and net OPEB liability/asset are not due and payable in the current period; therefore, the liabilities, asset, and related deferred inflows/outflows are not reported in the funds:

Deferred Outflows - Asset Retirement Obligation	14,800	
Deferred Outflows - Pension	4,781,461	
Deferred Inflows - Pension	(3,258,215)	
Net Pension Liability	(23,310,476)	
Deferred Outflows - OPEB	944,615	
Deferred Inflows - OPEB	(3,140,351)	
Net OPEB Asset	1,629,192	
Net OPEB Liability	(1,622,728)	(23,961,702)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Asset Retirement Obligation	(43,000)	
Leases Payable	(220,873)	
Compensated Absences Payable	(2,189,468)	(2,453,341)

<i>Net Position of Governmental Activities</i>	\$10,147,736
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See accompanying notes to the basic financial statements

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

	General	(Formerly Major) ESSER	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	\$16,667,300		\$1,271,182	\$0	\$17,938,482
Intergovernmental	11,203,660		117,881	6,374,688	17,696,229
Investment Earnings/Interest	799,728		0	8,079	807,807
Tuition and Fees	339,884		0	166,745	506,629
Leases	2,470		0	0	2,470
Extracurricular Activities	67,172		0	209,542	276,714
Charges for Services and Sales	27,106		0	467,059	494,165
Gifts and Donations	15,256		0	6,905	22,161
Miscellaneous	526,422		0	7,470	533,892
<i>Total Revenues</i>	<u>29,648,998</u>		<u>1,389,063</u>	<u>7,240,488</u>	<u>38,278,549</u>
Expenditures					
Current:					
Instruction:					
Regular	10,729,505		412,440	1,892,408	13,034,353
Special	3,206,918		0	1,389,803	4,596,721
Vocational	104,754		0	0	104,754
Student Intervention	312,314		0	18,167	330,481
Support Services:					
Pupils	1,472,528		0	373,842	1,846,370
Instructional Staff	1,563,480		0	665,055	2,228,535
Board of Education	177,754		0	0	177,754
Administration	2,285,578		2,671	76,594	2,364,843
Fiscal	661,205		277,722	0	938,927
Business	219,446		0	0	219,446
Operation and Maintenance of Plant	2,712,304		710,049	995,346	4,417,699
Pupil Transportation	1,446,979		13,727	29,626	1,490,332
Central	394,248		0	7,990	402,238
Operation of Non-Instructional Services:					
Food Service Operations	0		0	1,174,708	1,174,708
Community Services	1,249		0	201,656	202,905
Extracurricular Activities	598,693		0	710,364	1,309,057
Debt Service:					
Principal Retirement	49,952		0	0	49,952
Interest	14,141		0	0	14,141
<i>Total Expenditures</i>	<u>25,951,048</u>		<u>1,416,609</u>	<u>7,535,559</u>	<u>34,903,216</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,697,950</u>		<u>(27,546)</u>	<u>(295,071)</u>	<u>3,375,333</u>
Other Financing (Use) Sources					
Inception of Lease	128,325		0	0	128,325
Proceeds from Sale of Capital Assets	12,500		0	0	12,500
Transfers In	0		0	206,000	206,000
Transfers Out	(206,000)		0	0	(206,000)
<i>Total Other Financing (Use) Sources</i>	<u>(65,175)</u>		<u>0</u>	<u>206,000</u>	<u>140,825</u>
<i>Net Change in Fund Balances</i>	<u>3,632,775</u>		<u>(27,546)</u>	<u>(89,071)</u>	<u>3,516,158</u>
<i>Fund Balances (Deficit) Beginning of Year</i>					
As Previously Reported	12,254,902	(27,419)	1,983,439	977,628	15,188,550
Adjustment:					
Changes from Major Fund to Nonmajor Fund - See Note 3	<u>0</u>	<u>27,419</u>	<u>0</u>	<u>(27,419)</u>	<u>0</u>
<i>Adjusted Fund Balances Beginning of Year</i>	<u>12,254,902</u>	<u>-</u>	<u>1,983,439</u>	<u>950,209</u>	<u>15,188,550</u>
<i>Fund Balances End of Year</i>	<u>\$15,887,677</u>	<u></u>	<u>\$1,955,893</u>	<u>\$861,138</u>	<u>\$18,704,708</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds		\$3,516,158
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period:		
Capital Outlay	2,401,808	
Current Year Depreciation/Amortization	<u>(677,991)</u>	1,723,817
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal:		
Proceeds from Sale of Capital Assets	(12,500)	
Loss on Disposal of Capital Assets	<u>(2,480)</u>	(14,980)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	(60,885)	
Intergovernmental Revenues	42,933	
Tuition and Fees	26,633	
Charges for Services and Sales	(486)	
Miscellaneous	<u>8,668</u>	16,863
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Lease		49,952
Inception of a lease increases long-term liabilities on the statement of activities.		(128,325)
Amortization of deferred inflows related to the asset retirement obligation is reported as interest.		(1,000)
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	2,370,501	
OPEB	<u>79,779</u>	2,450,280
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities:		
Pension	(1,069,828)	
OPEB	<u>342,367</u>	(727,461)
Expenses resulting from compensated absences in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(115,416)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. The net change of the internal service fund is reported with governmental activities.		<u>(767,364)</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$6,002,524</u></u>
See accompanying notes to the basic financial statements		

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

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property Taxes	\$16,075,000	\$16,075,000	\$16,717,386	\$642,386
Intergovernmental	11,153,000	11,153,000	11,291,587	138,587
Interest	500,000	500,000	799,698	299,698
Tuition and Fees	190,000	190,000	233,335	43,335
Leases	2,500	2,500	2,500	0
Gifts and Donations	0	0	100	100
Customer Sales and Services	0	0	5,106	5,106
Miscellaneous	340,000	340,000	436,010	96,010
<i>Total Revenues</i>	<u>28,260,500</u>	<u>28,260,500</u>	<u>29,485,722</u>	<u>1,225,222</u>
Expenditures				
Current:				
Instruction:				
Regular	10,097,776	10,438,545	10,100,423	338,122
Special	3,253,770	3,331,770	3,148,106	183,664
Vocational	89,200	94,500	87,547	6,953
Student Intervention Services	202,800	279,000	266,094	12,906
Support Services:				
Pupils	1,431,602	1,620,352	1,453,114	167,238
Instructional Staff	1,194,920	1,541,795	1,500,738	41,057
Board of Education	161,160	208,960	159,021	49,939
Administration	2,217,210	2,218,310	2,170,097	48,213
Fiscal	617,200	670,707	661,282	9,425
Business	242,000	246,500	201,649	44,851
Operation and Maintenance of Plant	2,561,092	2,790,092	2,619,775	170,317
Pupil Transportation	1,515,901	1,562,176	1,376,895	185,281
Central	370,800	403,625	382,662	20,963
Extracurricular Activities	581,200	653,000	627,263	25,737
<i>Total Expenditures</i>	<u>24,536,631</u>	<u>26,059,332</u>	<u>24,754,666</u>	<u>1,304,666</u>
<i>Excess of Revenues Over Expenditures</i>	<u>3,723,869</u>	<u>2,201,168</u>	<u>4,731,056</u>	<u>2,529,888</u>
Other Financing Source (Uses)				
Proceeds from Sale of Capital Assets	12,500	12,500	12,500	0
Other Financing Uses	(2,963,369)	(1,440,668)	0	1,440,668
Transfers Out	(500,000)	(500,000)	(406,000)	94,000
<i>Total Other Financing Source (Uses)</i>	<u>(3,450,869)</u>	<u>(1,928,168)</u>	<u>(393,500)</u>	<u>1,534,668</u>
<i>Net Change in Fund Balance</i>	<u>273,000</u>	<u>273,000</u>	<u>4,337,556</u>	<u>4,064,556</u>
<i>Fund Balance Beginning of Year</i>	<u>13,338,790</u>	<u>13,338,790</u>	<u>13,338,790</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>120,702</u>	<u>120,702</u>	<u>120,702</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$13,732,492</u></u>	<u><u>\$13,732,492</u></u>	<u><u>\$17,797,048</u></u>	<u><u>\$4,064,556</u></u>

See accompanying notes to the basic financial statements

Marietta City School District, Ohio
Statement of Fund Net Position
Self-Insurance Internal Service Fund
June 30, 2024

	Medical & Vision Internal Service Fund
Current Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,230,367
Current Liabilities	
Claims Payable	603,375
Net Position	
Unrestricted	\$626,992

See accompanying notes to the basic financial statements

Marietta City School District, Ohio
*Statement of Revenues, Expenses
and Changes in Fund Net Position
Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2024*

	Medical & Vision Internal Service Fund
Operating Revenues	
Charges for Services	<u>\$4,449,935</u>
Operating Expenses	
Purchased Services	762,007
Claims	<u>4,469,969</u>
<i>Total Operating Expenses</i>	<u>5,231,976</u>
<i>Operating Loss</i>	(782,041)
Non-Operating Revenue	
Other	<u>14,677</u>
<i>Change in Net Position</i>	(767,364)
<i>Net Position Beginning of Year</i>	<u>1,394,356</u>
<i>Net Position End of Year</i>	<u><u>\$626,992</u></u>
See accompanying notes to the basic financial statements	

Marietta City School District, Ohio
Statement of Cash Flows
Self-Insurance Internal Service Fund
For the Fiscal Year Ended June 30, 2024

	Medical & Vision Internal Service Fund
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Transactions with Other Funds	\$4,449,935
Other Non-Operating Revenues	14,677
Cash Payments for Goods and Services	(762,007)
Cash Payments for Claims	<u>(4,337,449)</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(634,844)
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,865,211</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$1,230,367</u></u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$782,041)
Adjustments:	
Other Non-Operating Revenues	\$14,677
Increase in Claims Payable	<u>132,520</u>
<i>Net Cash Used for Operating Activities</i>	<u><u>(\$634,844)</u></u>
See accompanying notes to the basic financial statements	

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

Note 1 - Description of the School District and Reporting Entity

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

The School District operates under a locally elected five-member Board form of government and provides educational services as authorized by State statute and federal guidelines. This Board controls the School District's four instructional/support facilities, which are staffed by 103 classified employees and 175 certificated full-time teaching personnel who provide services to 2,087 students and other community members.

Reporting Entity

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

The following activities are included within the reporting entity:

Private Schools – The St. Mary Catholic School is a private school operated within the School District boundaries. Current State legislation provides funding to private schools. These monies are received and disbursed on behalf of the private school by the Treasurer of the School District, as directed by the private school. This activity is presented in a special revenue fund.

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

The School District participates in four jointly governed organizations and two insurance purchasing pools. These organizations are the Metropolitan Educational Technology Association, the Washington County Career Center, the Coalition of Rural and Appalachian Schools, the Ohio Coalition of Equity and Adequacy of School Funding, the Schools of Ohio Risk Sharing Authority, and the Ohio Association of School Business Officials Workers' Compensation Group Rating Program. These organizations are presented in Notes 18 and 19 to the basic financial statements.

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

Note 2 - Summary of Significant Accounting Policies

The financial statements of the Marietta City 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 aspects of the school district's accounting policies are described below.

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements usually distinguish between those activities of the School District that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The School District has no business-type activities.

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

Fund Financial Statements During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type. The School District has no fiduciary funds.

Fund Accounting

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

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

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

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

Permanent Improvement Fund This fund accounts for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

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

The Elementary and Secondary School Emergency Relief (ESSER) Fund is presented on the statement of revenues, expenditures, and changes in fund balances – governmental funds as a former major fund as it no longer meets the quantitative threshold to be a major fund. Other than the beginning fund balance, no amounts are presented in the column as the fund's 2024 activity is presented in the other governmental funds column. Information for the beginning balance is presented to reflect the movement from major to nonmajor. The adjusted balance beginning of year includes a “-“ to indicate this amount is included with the nonmajor fund.

Proprietary Fund Type Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The School District's only proprietary fund type is an Internal Service Fund.

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into the following four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial Funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District has no fiduciary funds.

Measurement Focus

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

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of recourse 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, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position.

For the proprietary fund, the statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activity.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and the statements presented for proprietary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, in the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

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

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

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, investment earnings/interest, tuition, grants, fees, and charges for services.

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for the asset retirement obligation, pension, and OPEB plans. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

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

For the School District, unavailable revenue includes delinquent property taxes, intergovernmental revenues, tuition and fees, charges for services and sales, and miscellaneous. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the reconciliation of total governmental fund balances to net position of governmental activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13)

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2024, the School District 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 its 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.

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

STAR Ohio reserves the right to limit participant transactions to \$250 million per day. Transactions in all of a participant's accounts will be combined for this purpose. Twenty-four hours advance notice to STAR Ohio is appreciated for purchases or redemptions of \$100 million or more. For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings/interest credited to the General Fund during 2024 amounted to \$799,728, which includes \$109,395 assigned from other School District funds.

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

Prepaid Items

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

Inventory

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

Capital Assets

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

All capital assets (except for intangible right-to-use lease assets, which are discussed below) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of certain 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 five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, except land and construction in progress, are depreciated/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:

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	20 - 150 years
Furniture and Equipment	5 - 25 years
Vehicles	15 years
Intangible Right To Use Assets	5 years

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

Leases

The School District serves as both lessee and lessor in noncancellable leases which are accounted for as follows:

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

Lessor At the commencement of a lease, the School District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Restricted Assets

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

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "interfund receivables/payables". These amounts are eliminated on the statement of net position.

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for vacation eligible employees. Due to vacation balance being cumulative at year end, the liability is reported on the government-wide financial statements.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees that 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 twenty years of current service with the School District.

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

Accrued and Long-term Liabilities

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

Internal Activity

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

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

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

Marietta City School District, Ohio

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes prepaid items for all governmental fund types.

Restricted The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. Fund balance is reported as restricted when constraints/ placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions. Under Ohio law, amounts paid into any fund, including by transfer, shall have the same constraints placed on the use of funds as those externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

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

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

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

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

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, 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. The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted Net Position for the OPEB plan represents the corresponding restricted asset amounts held in trust by the OPEB plan for future benefits.

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.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for 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. Revenues and expenses not meeting this definition are reported as non-operating.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

Estimates

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

Budgetary Process

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

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

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

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

Note 3 - Change in Accounting Principles and Change within Financial Reporting Entity

Change in Accounting Principles

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

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

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

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

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

Changes within the Financial Reporting Entity

For fiscal year 2024, the Secondary School Emergency Relief Special Revenue Fund (ESSER) presentation was adjusted from major to nonmajor due to it no longer meeting the quantitative threshold for a major fund.

The School District's accounting changes for changes within the financial reporting entity are presented on the following table:

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

		Changes to/within the Financial Reporting Entity	
	6/30/2023 As Previously Reported	Changes from Major to Other Governmental Funds	6/30/2023 As Restated/ Adjusted
Governmental Funds			
Major Funds:			
General	\$12,254,902	\$0	\$12,254,902
ESSER	(27,419)	27,419	0
Permanent Improvement	1,983,439	0	1,983,439
All Other Governmental Funds	977,628	(27,419)	950,209
Total Governmental Funds	\$15,188,550	\$0	\$15,188,550

Note 4 - Fund Deficits

As of June 30, 2024, the following funds had a deficit fund balance:

<u>Special Revenue Funds:</u>	<u>Deficits</u>
ESSER	\$17,159
State Grants	12,562
Federal Grants	108,259

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

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) presented for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP (modified accrual) basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as an assignment of fund balance (GAAP basis).
4. Prepaid items, unreported items, and negative cash interfund advances are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
5. Budgetary revenues and expenditures of the Public School Support Fund are reclassified to the General Fund for GAAP reporting.

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

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

Net Change in Fund Balance	
GAAP Basis	\$3,632,775
Revenue Accruals	170,394
Expenditure Accruals	779,629
Prepays Items:	
Beginning	35,406
Ending	(34,822)
End of Fiscal Year Unreported Items	(111,737)
Debt Principal	49,952
Advances to Other Funds for Cash Deficits	(37,317)
To reclassify excess of expenditures over revenues into financial statement fund types	(124,788)
Encumbrances	(21,936)
Budget Basis	<u><u>\$4,337,556</u></u>

Note 6 - Deposits and Investments

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

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

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

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

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

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

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

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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 moneys available for investment at the time of purchase.

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

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

Deposits

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, \$1,263,827 of the School District's total bank balance of \$23,154,127 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution.

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

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

Investments

As of June 30, 2024, the School District had the following investment:

	Measurement Amount	Maturity	Standard & Poor's Rating
Net Asset Value Per Share Star Ohio	\$3,427	Average 46.5 days	AAAm

Interest Rate Risk The School District’s investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sell negotiable instruments prior to maturity in accord with the law. 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 AAAm by Standard and Poor’s. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized statistical rating organization. The School District has no investment policy that would further limit its investment choices.

Note 7 - Property Taxes

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 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.

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

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

Accrued property taxes receivable includes real property and public utility 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 reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2024, was \$257,225 in the General Fund and \$23,804 in the Permanent Improvement Fund. The amount available as an advance at June 30, 2023, was \$302,888 in the General Fund and \$27,924 in the Permanent Improvement Fund.

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

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

	2023 Second-Half Collections		2024 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$466,589,250	67.63%	\$463,953,020	68.41%
Commerical/Industrial and Public Utility Real	166,294,860	24.10%	155,802,320	22.97%
Public Utility Personal	57,093,680	8.27%	58,446,220	8.62%
	<u>\$689,977,790</u>	<u>100.00%</u>	<u>\$678,201,560</u>	<u>100.00%</u>
Tax Rate per \$1,000 of assessed valuation		\$48.14		\$48.20

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

Tax Abatements

The School District property taxes were reduced by Community Reinvestment Area agreements entered into by Washington County as follows:

<u>Community Reinvestment Areas</u>	<u>Amount of Fiscal Year 2024 Taxes Abated</u>
Hipodrome/Colony Historical Theatre	\$10,067
Perry and Associates	15,619

Note 8 - Receivables

Receivables at June 30, 2024, consisted of property taxes, accounts (billings for user charged services and tuition and fees), interfund, and intergovernmental grants. All receivables, except for delinquent property taxes and leases, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The delinquent property taxes amounted to \$576,534.

A summary of principal items of intergovernmental receivables follows:

Governmental Activities	<u>Amounts</u>
ESSER Grant	\$590,653
ARPA Homeless Grant	4,310
Tech Credential Reimbursement	22,000
Stronger Connections Grant	83,953
IDEA B	63,696
Title I - Delinquent	772
Title II-A	984
Title I Improvement	158,220
Washington Library Donation	189
Medicaid Reimbursements	12,430
META Rebate	8,139
Foundation Adjustments	42,352
BMC Premium Refund	529
Juvenile Center Charges	3,807
Summer Work Program	4,434
	<u>\$996,468</u>

Leases Receivable

In the prior year, the School District reported a lease receivable in the General Fund. This amount represented the discounted future lease payments. The discount was amortized using the interest method. For fiscal year 2024, the School District recognized lease revenue of \$2,470 and interest revenue of \$30 related to lease payments received. These lease revenue amounts exclude short-term leases. A description of the School District's leasing arrangement is as follows:

On November 5, 2020, School District entered into a three-year lease agreement with Viasat for space on top of a building for a satellite. Based on this agreement, the School District received monthly payments through 2024. The lease was paid in full during fiscal year 2024.

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

Note 9 - Capital Assets

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

	Balance 6/30/2023	Additions	Deletions	Balance 06/30/2024
<i>Nondepreciable Capital Assets</i>				
Land	\$1,755,605	\$0	\$0	\$1,755,605
Construction in Progress	604,424	955,235	(998,659)	561,000
<i>Total Nondepreciable Capital Assets</i>	<u>2,360,029</u>	<u>955,235</u>	<u>(998,659)</u>	<u>2,316,605</u>
<i>Depreciable/Amortizable Capital Assets</i>				
<i>Tangible Assets</i>				
Land Improvements	1,715,098	17,981	0	1,733,079
Buildings and Improvements	13,894,589	1,374,643	0	15,269,232
Furniture and Equipment	2,294,854	924,283	0	3,219,137
Vehicles	2,887,046	0	(308,835)	2,578,211
<i>Total Tangible Assets</i>	<u>20,791,587</u>	<u>2,316,907</u>	<u>(308,835)</u>	<u>22,799,659</u>
<i>Intangible Right to Use</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Stadium	225,000	0	0	225,000
Intangible Right to Use - Copiers	0	128,325	0	128,325
<i>Total Intangible Assets</i>	<u>225,000</u>	<u>128,325</u>	<u>0</u>	<u>353,325</u>
<i>Total Depreciable/Amortizable Capital Assets</i>	<u>21,016,587</u>	<u>2,445,232</u>	<u>(308,835)</u>	<u>23,152,984</u>
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Land Improvements	(842,978)	(40,222)	0	(883,200)
Buildings and Improvements	(4,541,319)	(281,498)	0	(4,822,817)
Furniture and Equipment	(1,632,565)	(156,781)	0	(1,789,346)
Vehicles	(1,643,675)	(146,342)	293,855	(1,496,162)
<i>Total Depreciation</i>	<u>(8,660,537)</u>	<u>(624,843) *</u>	<u>293,855</u>	<u>(8,991,525)</u>
<i>Amortization</i>				
<i>Lease Assets</i>				
Intangible Right to Use - Stadium	(90,000)	(45,000)	0	(135,000)
Intangible Right to Use - Copiers	0	(8,148)	0	(8,148)
<i>Total Amortization</i>	<u>(90,000)</u>	<u>(53,148) *</u>	<u>0</u>	<u>(143,148)</u>
<i>Total Accumulated Depreciation/Amortization</i>	<u>(8,750,537)</u>	<u>(677,991) *</u>	<u>293,855</u>	<u>(9,134,673)</u>
<i>Depreciable/Amortizable Capital Assets, Net</i>	<u>12,266,050</u>	<u>1,767,241</u>	<u>(14,980)</u>	<u>14,018,311</u>
<i>Governmental Activities Capital Assets, Net</i>	<u>\$14,626,079</u>	<u>\$2,722,476</u>	<u>(\$1,013,639)</u>	<u>\$16,334,916</u>

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction:			
Regular	\$182,828	\$0	\$182,828
Special	30,936	0	30,936
Vocational	1,651	905	2,556
Student Services	1,951	0	1,951
Support Services:			
Pupils	15,505	905	16,410
Instructional Staff	49,405	0	49,405
Board of Education	15,058	0	15,058
Administration	21,476	4,527	26,003
Fiscal	13,315	0	13,315
Business	3,433	905	4,338
Operation and Maintenance of Plant	90,194	906	91,100
Pupil Transportation	144,681	0	144,681
Central	1,020	0	1,020
Food Service Operations	22,988	0	22,988
Extracurricular Activities	30,402	45,000	75,402
Total	<u>\$624,843</u>	<u>\$53,148</u>	<u>\$677,991</u>

Note 10 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the School District contracted with Peoples Insurance Agency through Schools of Ohio Risk Sharing Authority (SORSA) for insurance shown as follows:

Building and Contents-replacement cost (\$5,000 deductible)	\$350,000,000
Boiler and Machinery (\$10,000 deductible)	350,000,000
Inland Marine:	
Cameras and audio-visual equipment (\$1,000 deductible)	350,000,000
Signs (\$1,000 deductible)	350,000,000
Music Instruments (\$1,000 deductible)	350,000,000
Band Uniforms (\$1,000 deductible)	350,000,000
Computers per Building (\$1,000 deductible)	350,000,000
Miscellaneous School Equipment	
and Property (\$1,000 deductible)	350,000,000
Athletic Equipment (\$1,000 deductible)	350,000,000
Rented Equipment (\$1,000 deductible)	350,000,000
Crime (\$1,000 deductible) -	
Public Employee Dishonesty	1,000,000
Money and Securities -	
Inside Premises - Per Occurrence	1,000,000
Outside Premises - Per Messenger	1,000,000

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Forgery or Alteration	\$1,000,000
Automobile Liability (no deductible):	
Bodily Injury and Property Damage – combined single limit	15,000,000
Medical Payments – each person	10,000
Hired Car Physical Damage	15,000,000
General Liability (no deductible):	
Each Occurrence	15,000,000
Aggregate Limit	17,000,000
Medical Expense Limit – per person/accident	15,000,000
Employee Benefits Liability (\$0 deductible):	
Per Claim	15,000,000
Aggregate Limit	15,000,000
Educators Legal Liability (\$10,000 deductible):	
Per Claim	15,000,000
Aggregate Limit	15,000,000
Umbrella:	
Each Occurrence	15,000,000
Aggregate Limit	15,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from coverage in the prior fiscal year.

Worker's Compensation

During fiscal year 2024, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (Program), an insurance purchasing pool (Note 19). The intent of the Program is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the Program. The workers' compensation experience of the participating school districts is calculated as one experience, and a common premium rate is applied to all school districts in the Program. Each participant pays its workers' compensation premium to the State based on the rate for the Program rather than its individual rate. Participation in the Program is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley UniComp provides administrative, cost control, and actuarial services to the Program.

Health and Vision Insurance

Health and vision insurance are offered to employees through a self-insurance internal service fund. Monthly premiums for cost of claims are remitted to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of \$603,375 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 claims cost, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by the incremental claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for 2023 and 2024 were:

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

	Balance Beginning of Fiscal Year	Current Fiscal Year Claims	Claim Payments	Balance End of Fiscal Year
2023	\$428,505	\$3,751,900	\$3,709,550	\$470,855
2024	470,855	4,469,969	4,337,449	603,375

Note 11 - Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Vacation can be accumulated up to eight weeks. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers 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 260 days for all personnel. Upon retirement, classified employees receive payment for fifty percent of their accumulated sick days to a maximum of 170 days. Certified employees receive payment for thirty-three percent of their accumulated sick days up to a maximum of 260 days.

Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Grady Benefits in the amount of \$20,000. Dental coverage is also provided through Luminare. Premiums for this coverage are \$78.36 monthly for family and \$33.58 for single coverage. The School District also provides vision insurance through Luminare at rates of \$15.68 for family and \$7.26 for single coverage.

Note 12 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

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

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

Age and service requirements for retirement are as follows:

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

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

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

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

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

The School District's contractually required contribution to SERS was \$671,640 for fiscal year 2024. Of this amount, \$135,688 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age. Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

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

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

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

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

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

The School District's contractually required contribution to STRS was \$1,698,861 for fiscal year 2024. Of this amount, \$267,111 is reported as an intergovernmental payable.

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

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

	SERS	STRS	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.09539160%	0.08376898%	
Prior Measurement Date	0.10117130%	0.08543271%	
Change in Proportionate Share	-0.00577970%	-0.00166373%	
			Total
Proportionate Share of the Net			
Pension Liability	\$5,270,878	\$18,039,598	\$23,310,476
Pension Expense	\$222,013	\$847,815	\$1,069,828

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

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Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$226,554	\$657,686	\$884,240
Changes of assumptions	37,337	1,485,659	1,522,996
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	0	3,724	3,724
School District contributions subsequent to the measurement date	<u>671,640</u>	<u>1,698,861</u>	<u>2,370,501</u>
Total Deferred Outflows of Resources	<u>\$935,531</u>	<u>\$3,845,930</u>	<u>\$4,781,461</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$40,031	\$40,031
Changes of assumptions	0	1,118,274	1,118,274
Net difference between projected and actual earnings on pension plan investments	74,087	54,065	128,152
Changes in proportionate share and Difference between School District contributions and proportionate share of contributions	<u>439,911</u>	<u>1,531,847</u>	<u>1,971,758</u>
Total Deferred Inflows of Resources	<u>\$513,998</u>	<u>\$2,744,217</u>	<u>\$3,258,215</u>

\$2,370,501 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:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	(\$257,166)	(\$838,194)	(\$1,095,360)
2026	(280,758)	(1,289,536)	(1,570,294)
2027	283,890	1,709,576	1,993,466
2028	<u>3,927</u>	<u>(178,994)</u>	<u>(175,067)</u>
Total	<u>(\$250,107)</u>	<u>(\$597,148)</u>	<u>(\$847,255)</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 termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

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

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

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

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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	100.00 %	

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$7,779,545	\$5,270,878	\$3,157,802

Actuarial Assumptions - STRS

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

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

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

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

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

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

* Final target weights reflected at October 1, 2022.

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

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

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

Marietta City School District, Ohio
Notes to the Basic Financial Statements
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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$27,740,909	\$18,039,598	\$9,834,943

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2024, three Board Members have elected Social Security. The contribution rate is 6.2 percent of wages.

Note 13 - Defined Benefit OPEB Plans

See Note 12 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

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

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Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$79,779.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$79,779 for fiscal year 2024. Of this amount, \$79,779 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

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For the Fiscal Year Ended June 30, 2024

	SERS	STRS	
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.09849960%	0.08376898%	
Prior Measurement Date	0.10362930%	0.08543271%	
Change in Proportionate Share	<u>-0.00512970%</u>	<u>-0.00166373%</u>	
			<u>Total</u>
Proportionate Share of the:			
Net OPEB Liability	\$1,622,728	\$0	\$1,622,728
Net OPEB (Asset)	\$0	(\$1,629,192)	(\$1,629,192)
OPEB Expense	(\$213,549)	(\$128,818)	(\$342,367)

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
Deferred Outflows of Resources			
Differences between expected and actual experience	\$3,381	\$2,540	\$5,921
Changes of assumptions	548,692	240,004	788,696
Net difference between projected and actual earnings on OPEB plan investments	12,577	2,908	15,485
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	40,619	14,115	54,734
School District contributions subsequent to the measurement date	<u>79,779</u>	<u>0</u>	<u>79,779</u>
Total Deferred Outflows of Resources	<u>\$685,048</u>	<u>\$259,567</u>	<u>\$944,615</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$836,901	\$248,492	\$1,085,393
Changes of assumptions	460,870	1,074,916	1,535,786
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>514,022</u>	<u>5,150</u>	<u>519,172</u>
Total Deferred Inflows of Resources	<u>\$1,811,793</u>	<u>\$1,328,558</u>	<u>\$3,140,351</u>

\$79,779 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, or an increase in the net OPEB asset, in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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For the Fiscal Year Ended June 30, 2024

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	(\$324,085)	(\$478,836)	(\$802,921)
2026	(286,138)	(217,323)	(503,461)
2027	(206,206)	(82,098)	(288,304)
2028	(146,198)	(112,081)	(258,279)
2029	(120,441)	(102,091)	(222,532)
Thereafter	<u>(123,456)</u>	<u>(76,562)</u>	<u>(200,018)</u>
Total	<u>(\$1,206,524)</u>	<u>(\$1,068,991)</u>	<u>(\$2,275,515)</u>

Actuarial Assumptions - SERS

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

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

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

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

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

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

Marietta City School District, Ohio

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For the Fiscal Year Ended June 30, 2024

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

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

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$2,074,309	\$1,622,728	\$1,266,636

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$1,192,161	\$1,622,728	\$2,193,285

Actuarial Assumptions - STRS

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

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

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

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

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

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 12.

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

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

Marietta City School District, Ohio
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OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$1,378,897)	(\$1,629,192)	(\$1,847,171)
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$1,857,286)	(\$1,629,192)	(\$1,354,455)

Note 14 - Long-Term Obligations

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

	6/30/2023	Additions	Reductions	Outstanding 6/30/2024	Amounts Due in One Year
Net Pension Liability:					
SERS	\$5,472,132	\$0	\$201,254	\$5,270,878	\$0
STRS	18,991,798	0	952,200	18,039,598	0
Total Net Pension Liability	24,463,930	0	1,153,454	23,310,476	0
Net OPEB Liability - SERS	1,454,964	167,764	0	1,622,728	0
Lease Payable	142,500	128,325	49,952	220,873	61,881
Asset Retirement Obligation	40,000	3,000	0	43,000	0
Compensated Absences Payable	2,074,052	310,457	195,041	2,189,468	172,988
Total Governmental Activities Long-Term Obligations	\$28,175,446	\$609,546	\$1,398,447	\$27,386,545	\$234,869

All compensated absences will be paid from the General Fund and the State Grants Special Revenue Fund. There are no repayment schedules for the net pension and OPEB liabilities. However, employer pension contributions are made from the following funds: General Fund and the Food Service, Other Local Funds, District Managed Student Activity, State Grants, ESSER, and Federal Grants Special Revenue Funds. For additional information related to the net pension and OPEB liabilities, see Notes 12 and 13.

Lease Payable In prior years, the School District entered into an agreement to lease Don Drum Stadium. The lease will end in fiscal year 2026. During fiscal year 2024, the School District made \$45,000 in principal payments. The lease will be paid from the General Fund.

During fiscal year 2024, the School District entered into a lease agreement for copier equipment. The copier lease will end in fiscal year 2029. During fiscal year 2024, the School District made \$4,952 in principal and \$14,141 in interest payments. The lease will be paid from the General Fund.

A summary of the principal and interest amounts for the remaining leases is as follows:

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

Fiscal Year	Stadium	Copier Equipment		Total	
	Principal	Principal	Interest	Principal	Interest
2025	\$47,500	\$14,381	\$31,444	\$61,881	\$31,444
2026	50,000	18,755	27,069	68,755	27,069
2026	0	24,459	21,365	24,459	21,365
2026	0	31,899	13,925	31,899	13,925
2026	0	33,879	4,308	33,879	4,308
	<u>\$97,500</u>	<u>\$123,373</u>	<u>\$98,111</u>	<u>\$220,873</u>	<u>\$98,111</u>

The overall debt margin of the School District as of June 30, 2024, was \$61,023,539, with an unvoted debt margin of \$677,991.

Note 15 - Asset Retirement Obligation

The Governmental Accounting Standard Board's (GASB) Statement No. 83, *Certain Asset Retirement Obligations*, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks.

These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a School District classified as an "owner" or "operator," to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of \$43,000 associated with the School Districts' underground storage tank was estimated by the School District's Buildings and Grounds Director and a local contractor. The remaining useful life of this UST is 15 years. The School District maintains insurance related to any potential pollution remediation associated with the USTs.

Note 16 - Interfund Activity

Transfers

The General Fund made transfers to the District Managed Student Activities Special Revenue Fund for \$206,000 to use unrestricted revenues collected in the General Fund to finance student programs in accordance with budgetary authorizations.

Interfund Balances

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

	Receivables	Payables
General Fund	<u>\$37,317</u>	<u>\$3,640</u>
Nonmajor Special Revenue Funds:		
ESSER	0	37,317
Other Local Funds	<u>3,640</u>	<u>0</u>
Total All Funds	<u><u>\$40,957</u></u>	<u><u>\$40,957</u></u>

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

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

Note 17 - Fund Balances

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

Fund Balances	General Fund	Permanent Improvement Fund	Other Governmental Funds	Total
Nonspendable:				
Prepaid Items	\$34,822	\$0	\$111,285	\$146,107
Unclaimed Monies	15,828	0	0	15,828
Materials and Supplies Inventory	118,147	0	3,239	121,386
<i>Total Nonspendable</i>	<u>168,797</u>	<u>0</u>	<u>114,524</u>	<u>283,321</u>
Restricted for:				
Capital Projects	0	1,955,893	0	1,955,893
Food Service	0	0	739,992	739,992
Student Activities	0	0	62,028	62,028
Local Programs	0	0	185,658	185,658
Debt Service	0	0	4,352	4,352
<i>Total Restricted</i>	<u>0</u>	<u>1,955,893</u>	<u>992,030</u>	<u>2,947,923</u>
Committed:				
Underground Storage Tanks	11,000	0	0	11,000
Termination Benefits	507,863	0	0	507,863
<i>Total Committed</i>	<u>518,863</u>	<u>0</u>	<u>0</u>	<u>518,863</u>
Assigned to:				
Purchases on Order	19,601	0	0	19,601
Public School Support	186,389	0	0	186,389
<i>Total Assigned</i>	<u>205,990</u>	<u>0</u>	<u>0</u>	<u>205,990</u>
Unassigned (Deficit):	14,994,027	0	(245,416)	14,748,611
<i>Total Fund Balances</i>	<u>\$15,887,677</u>	<u>\$1,955,893</u>	<u>\$861,138</u>	<u>\$18,704,708</u>

Note 18 - Jointly Governed Organizations

Metropolitan Educational Technology Association (META)

The School District participates in the Metropolitan Educational Technology Association (META), formed from the merger of the Metropolitan Educational Council (MEC) and the Southeastern Ohio Voluntary Education Cooperative (SEOVEC) during fiscal year 2016, which is a jointly governed organization, created

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During 2024, the School District paid \$79,679 for services with META. Financial information can be obtained from Metropolitan Educational Technology Association at 100 Executive Drive, Marion, Ohio 43302.

Washington County Career Center

The Washington County Career Center, a joint vocational school, is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the six participating school districts' elected boards and one representative from the Ohio Valley Educational Service Center's Board. The Board possesses its own budgeting and taxing authority. To obtain financial information write to the Washington County Career Center, Joe Crone, Treasurer, at 21740 SR 676, Marietta, Ohio 45750.

Coalition of Rural and Appalachian Schools

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

Ohio Coalition of Equity and Adequacy of School Funding

The Ohio Coalition of Equity and Adequacy of School Funding is organized as a council of governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition was organized to challenge the constitutionality of the Ohio school funding system. The purpose of the Coalition is to bring about greater equity and adequacy of public school funding in Ohio. The Coalition is governed by a Steering Committee of school district representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The Committee exercised total control over the operations of the Coalition including budgeting, appropriating, contracting,

Marietta City School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2024

and designating management. Each participant's control is limited to its representation on the board. The membership of the coalition includes over 500 school districts throughout the State of Ohio. Member school districts, joint vocational schools, and educational service centers pay annual dues and supplemental dues based on their pupil enrollment. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest or financial responsibility for the Coalition. During fiscal year 2024, the School District paid \$1,069 to the Coalition. The fiscal agent for the Coalition is the Muskingum Valley Educational Service Center. Financial information may be obtained from the Ohio Coalition of Equity and Adequacy of School Funding at 50 South Young Street, Suite M-102, Columbus, Ohio 43215.

Note 19 - Insurance Purchasing Pools

Ohio School Boards Association Workers' Compensation Group Rating Program

The School District participates in the Ohio Association of School Business Officials Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The Program's business and affairs are conducted by a three-member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OASBO. The Executive Director of the OSBA, or designee, serves as the coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. During fiscal year 2024, the School District paid \$1250 membership dues.

Schools of Ohio Risk Sharing Authority

The School District participates in the Schools of Ohio Risk Sharing Authority (SORSA), a protected self-insurance purchasing pool under the authority of the Ohio Revised Code 2744. One hundred six school districts, educational service centers, and joint vocational school districts participate in the SORSA. SORSA is governed by a body elected by members. Members agree to jointly participate in coverages of losses and pay all contributions necessary for the specified insurance coverages provided by SORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, and public officials' errors and omissions liability insurance.

Note 20 - Set Asides

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements.

Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set-aside money for textbooks.

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirement for School Districts to establish and appropriate money for the budget stabilization was deleted from law. The School District may still establish reserve balance accounts consistent with Section 5705.13, Revised Code if it so chooses; however, the requirement is no longer mandatory.

In addition, any money on hand in a School District's budget reserve set-aside as of April 10, 2001, may at the discretion of the board be returned to the district's General Fund or may be left in the account and used by the board to offset any budget deficit the district may experience in future fiscal years. The bill placed special conditions on any Bureau of Workers' Compensation monies remaining in the budget reserve.

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

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

	Capital Improvements
Set-aside Balance as of July 1, 2023	\$0
Current Year Set-aside Requirement	472,590
Offsetting Credits	(1,070,833)
Qualifying Disbursements	(565,622)
Total	<u>(\$1,163,865)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>

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

Note 21 - Significant Commitments

Encumbrances

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

General Fund	\$21,936
Permanent Improvement Fund	640,727
Nonmajor Funds	1,429,159
Total	<u>\$2,091,822</u>

Contractual Commitments

As of June 30, 2024, the School District has contractual purchase commitments for the following projects:

Project	Funds	Contract Amount	Contract Expended	Balance at 6/30/24
Windows and Doors	General Fund and Miscellaneous			
	Federal Grants Fund	\$327,970	\$252,537	\$75,433
Various Building Roofing Project	ESSER Fund	959,523	308,463	651,060
Total	Total	<u>\$1,287,493</u>	<u>\$561,000</u>	<u>\$726,493</u>

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

Note 22 - Contingencies

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the 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, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2024.

Litigation

The School District is currently party to pending litigation seeking damages and/or injunctive relief. The possible outcome or impact on the financial statements cannot be determined at this time.

School Foundation

School Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. DEW adjustments for fiscal year 2024 were finalized in November 2024.

Note 23 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency ended in April 2023. During fiscal year 2024, the School District did not receive COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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

	2024	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.09539160%	0.10117130%	0.11292640%	0.11201440%	0.11575220%
School District's Proportionate Share of the Net Pension Liability	\$5,270,878	\$5,472,132	\$4,166,657	\$7,408,869	\$6,925,657
School District's Covered Payroll	\$3,938,386	\$3,773,107	\$3,755,671	\$3,930,264	\$3,981,874
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	133.83%	145.03%	110.94%	188.51%	173.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%	70.85%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015
0.11088350%	0.12016430%	0.11900220%	0.12013820%	0.11699200%
\$6,350,504	\$7,179,551	\$8,709,862	\$6,855,202	\$5,920,899
\$3,745,585	\$4,050,514	\$3,695,764	\$3,616,783	\$3,399,553
169.55%	177.25%	235.67%	189.54%	174.17%
71.36%	69.50%	62.98%	69.16%	71.70%

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

	2024	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.08376898%	0.08543271%	0.09216376%	0.09730607%	0.09696459%
School District's Proportionate Share of the Net Pension Liability	\$18,039,598	\$18,991,798	\$11,783,964	\$23,544,607	\$21,443,136
School District's Covered Payroll	\$11,358,436	\$11,060,429	\$11,306,379	\$11,769,836	\$11,484,807
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	158.82%	171.71%	104.22%	200.04%	186.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%	77.40%

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015
0.09631790%	0.09689448%	0.10254584%	0.10123166%	0.10286011%
\$21,178,145	\$23,017,491	\$34,325,183	\$27,977,470	\$25,019,139
\$10,929,800	\$10,713,314	\$10,789,793	\$10,561,829	\$10,509,462
193.77%	214.85%	318.13%	264.89%	238.06%
77.30%	75.30%	66.80%	72.10%	74.70%

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

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.09849960%	0.10362930%	0.11594910%	0.11594540%
School District's Proportionate Share of the Net OPEB Liability	\$1,622,728	\$1,454,964	\$2,194,431	\$2,519,873
School District's Covered Payroll	\$3,938,386	\$3,773,107	\$3,755,671	\$3,930,264
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.20%	38.56%	58.43%	64.11%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.11861460%	0.11248560%	0.12160910%	0.11994470%
\$2,982,906	\$3,120,655	\$3,263,668	\$3,418,868
\$3,981,874	\$3,745,585	\$4,050,514	\$3,695,764
74.91%	83.32%	80.57%	92.51%
15.57%	13.57%	12.46%	11.49%

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

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability (Asset)	0.08376898%	0.08543271%	0.09216376%	0.09730607%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$1,629,192)	(\$2,212,138)	(\$1,943,196)	(\$1,710,152)
School District's Covered Payroll	\$11,358,436	\$11,060,429	\$11,306,379	\$11,769,836
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.34%	-20.00%	-17.19%	-14.53%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.50%	230.70%	174.70%	182.10%

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.09696459%	0.09631790%	0.09689448%	0.10254584%
(\$1,605,967)	(\$1,547,731)	\$3,780,465	\$5,484,178
\$11,484,807	\$10,929,800	\$10,713,314	\$10,789,793
-13.98%	-14.16%	35.29%	50.83%
174.70%	176.00%	47.10%	37.30%

Marietta City School District, Ohio
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Net Pension Liability					
Contractually Required Contribution	\$671,640	\$551,374	\$528,235	\$525,794	\$550,237
Contributions in Relation to the Contractually Required Contribution	<u>(671,640)</u>	<u>(551,374)</u>	<u>(528,235)</u>	<u>(525,794)</u>	<u>(550,237)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$4,797,429	\$3,938,386	\$3,773,107	\$3,755,671	\$3,930,264
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability					
Contractually Required Contribution (2)	\$79,779	\$73,847	\$68,560	\$72,212	\$73,106
Contributions in Relation to the Contractually Required Contribution	<u>(79,779)</u>	<u>(73,847)</u>	<u>(68,560)</u>	<u>(72,212)</u>	<u>(73,106)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.66%</u>	<u>1.88%</u>	<u>1.82%</u>	<u>1.92%</u>	<u>1.86%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.66%</u>	<u>15.88%</u>	<u>15.82%</u>	<u>15.92%</u>	<u>15.86%</u>

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015
\$537,553	\$505,654	\$567,072	\$517,407	\$476,692
(537,553)	(505,654)	(567,072)	(517,407)	(476,692)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$3,981,874	\$3,745,585	\$4,050,514	\$3,695,764	\$3,616,783
<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>
\$92,267	\$79,473	\$64,754	\$57,900	\$89,668
(92,267)	(79,473)	(64,754)	(57,900)	(89,668)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>2.32%</u>	<u>2.12%</u>	<u>1.60%</u>	<u>1.57%</u>	<u>2.48%</u>
<u>15.82%</u>	<u>15.62%</u>	<u>15.60%</u>	<u>15.57%</u>	<u>15.66%</u>

Marietta City School District, Ohio
Required Supplementary Information
Schedule of the School District's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Net Pension Liability					
Contractually Required Contribution	\$1,698,861	\$1,590,181	\$1,548,460	\$1,582,893	\$1,647,777
Contributions in Relation to the Contractually Required Contribution	<u>(1,698,861)</u>	<u>(1,590,181)</u>	<u>(1,548,460)</u>	<u>(1,582,893)</u>	<u>(1,647,777)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$12,134,721	\$11,358,436	\$11,060,429	\$11,306,379	\$11,769,836
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Net OPEB Liability

Although the covered payroll for the net OPEB liability is the same as the net pension liability, there were no OPEB related required contributions for 2015-2024 as STRS did not allocate any employer contributions to postemployment health care. There is no required supplementary information to present related to the statutorily established employer contribution requirements for the net OPEB liability.

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015
\$1,607,873	\$1,530,172	\$1,499,864	\$1,510,571	\$1,478,656
(1,607,873)	(1,530,172)	(1,499,864)	(1,510,571)	(1,478,656)
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$11,484,807	\$10,929,800	\$10,713,314	\$10,789,793	\$10,561,829
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

Net Pension Liability

Changes in Benefit Terms/Assumptions – SERS

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

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

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

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

Changes in Assumptions - STRS

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

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

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

Investment rate of return:

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

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Changes in Benefit Term – STRS Pension

For fiscal year 2024, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

Municipal Bond Index Rate:

Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation

Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

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

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

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

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

Changes in Benefit Terms – STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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

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

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

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

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

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

**MARIETTA CITY SCHOOL DISTRICT
WASHINGTON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Federal Grantor/ Pass Through Grantor / Program Title	Grant Year	Federal AL Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through The Ohio Department of Education:</i>			
Child Nutrition Cluster:			
School Breakfast Program	2024	10.553	\$ 341,664
National School Lunch Program	2024	10.555	677,430
Non-Cash Assistance (Food Distribution)	2024	10.555	63,085
Total National School Lunch Program			<u>740,515</u>
Total Child Nutrition Cluster			<u>1,082,179</u>
Total U.S. Department of Agriculture			<u>1,082,179</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through The Ohio Department of Education:</i>			
Title I Grants to Local Education Agencies:			
Title I Grants to Local Educational Agencies	2023	84.010	152,953
Title I Grants to Local Educational Agencies	2024	84.010	1,042,775
Title I-D Neglected	2023	84.010	6,762
Title I-D Neglected	2024	84.010	24,071
Total Title I Grants to Local Education Agencies			<u>1,226,561</u>
Special Education Cluster (IDEA):			
Special Education - Grants to States (IDEA Part B)	2024	84.027	613,783
Special Education - Preschool Grants (IDEA Preschool)	2023	84.173	20,779
Total Special Education Cluster (IDEA)			<u>634,562</u>
Title II-A Supporting Effective Instruction:			
Title II-A Supporting Effective Instruction	2023	84.367	19,164
Title II-A Supporting Effective Instruction	2024	84.367	144,165
Total Title II-A Supporting Effective Instruction			<u>163,329</u>
Title IV-A Student Support and Academic Enrichment Program	2023	84.424	<u>101,640</u>
Education Stabilization Fund:			
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ARP-HCY)	2022	84.425W	44,868
COVID-19 American Rescue Plan Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth (ARP-HCY)	2023	84.425W	33,611
COVID-19 Elementary and Secondary School Emergency Relief Fund- ESSER II	2022	84.425D	310,159
COVID-19 Elementary and Secondary School Emergency Relief Fund - ARP ESSER	2023	84.425U	2,847,585
Total Education Stabilization Fund			<u>3,236,223</u>
Total – U.S. Department of Education			<u>5,362,315</u>
Total Federal Financial Assistance			<u>\$ 6,444,494</u>

**MARIETTA CITY SCHOOL DISTRICT
WASHINGTON COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

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

Marietta City School District
Washington County
111 Academy Drive
Marietta, Ohio 45750

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standard 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 **Marietta City School District**, Washington County, (the School District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated January 31, 2025.

Report on the Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

January 31, 2025



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

Marietta City School District
Washington County
111 Academy Drive
Marietta, Ohio 45750

To the Board of Education:

Report on Compliance for The Major Federal Program

Opinion on The Major Federal Program

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

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

Basis for Opinion on The Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

January 31, 2025

**MARIETTA CITY SCHOOL DISTRICT
WASHINGTON COUNTY, OHIO**

SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	COVID-19 Education Stabilization Fund (AL #84.425W, 84.425D, 84.425U)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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OHIO AUDITOR OF STATE KEITH FABER



MARIETTA CITY SCHOOL DISTRICT

WASHINGTON 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 5/8/2025

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