



**CLARK SCHAEFER HACKETT**  
BUSINESS ADVISORS

## **NEW MIAMI LOCAL SCHOOL DISTRICT BUTLER COUNTY**

SINGLE AUDIT

YEAR ENDED JUNE 30, 2024





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Board of Education  
New Miami Local School District  
600 Seven Mile Ave  
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We have reviewed the *Independent Auditors' Report* of the New Miami Local School District, Butler County, prepared by Clark, Schaefer, Hackett & Co., 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 New Miami Local School District is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

January 21, 2025

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Education  
New Miami Local School District:

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

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Miami Local School District (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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the New Miami Local School District as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

#### ***Auditors' 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 auditors' 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 New Miami Local 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 New Miami Local School District's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedules of proportionate share of net pension liability, schedules of pension contributions, schedules of proportionate share of net OPEB liability (asset) and schedules of OPEB contributions, as listed in the table of contents, 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 GAAS, 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 New Miami Local School District's basic financial statements. The accompanying 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 GAAS. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 16, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

This discussion and analysis provides key information from management highlighting the overall financial performance of the New Miami Local School District (the "School District") for the fiscal year ended June 30, 2024. This is meant to be an easily readable summary of the most important financial information regarding the accompanying financial statements. Please read it in conjunction with the School District's financial statements.

### Financial Highlights

Major financial highlights for fiscal year 2024 are listed below:

- The assets and deferred outflows of resources the School District exceeded its liabilities and deferred inflows of resources at year-end by \$3.6 million. Of this amount, \$9.6 million is invested in capital assets, net of accumulated depreciation and related debt. The School District also reported an unrestricted deficit net position balance of \$7.0 million due to its recognition of its proportionate share of the state-wide retirement systems' unfunded liabilities.
- In total, net position decreased by approximately \$347,000.
- The School District had \$12.9 million in expenses related to governmental activities; only \$2.8 million of these expenses were offset by program specific charges for services, grants or contributions. General revenue of \$9.8 million, made up primarily of property and income taxes and State Foundation payments, provided the majority of funding for these programs.
- The General Fund balance decreased by \$574,179, from \$3,505,754 at June 30, 2023 to \$2,931,575 at June 30, 2024.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. The School District's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

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The statement of activities presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the School District include instruction, support services, administration, operation and maintenance of plant, and extracurricular activities. The School District has no business-type activities.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for government activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between government funds and governmental activities.

The School District accounts for its activities using many individual funds. The most significant funds are reported in separate columns in the governmental fund financial statements. These statements provide detailed information about the individual major funds – unlike the government-wide financial statements, which report on the School District as a whole. Some funds are required to be established by State law. Also, the School District may also establish separate funds to show that it is meeting legal requirements for using grants or other money.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs.

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

**Other information.** In addition to basic financial statements and accompanying notes, this report also contains required supplementary information regarding the budget of the General Fund and required pension and other postemployment benefit information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**A. Net Position at Fiscal Year-End**

The following table presents a condensed summary of the School District's overall financial position at June 30, 2024 and 2023:

	<u><b>FY2024</b></u>	<u><b>FY2023</b></u>
Assets:		
Current and other assets	\$ 6,792,292	6,955,417
Capital assets	<u>10,388,709</u>	<u>10,125,739</u>
Total assets	<u>17,181,001</u>	<u>17,081,156</u>
Deferred outflows of resources	<u>2,486,197</u>	<u>2,905,913</u>
Liabilities:		
Long-term liabilities:		
Due more than one year:		
Net pension liability	9,778,505	10,108,613
Net OPEB liability	668,003	542,914
Other long-term liabilities	973,980	1,085,520
Other liabilities	<u>1,445,578</u>	<u>1,104,704</u>
Total liabilities	<u>12,866,066</u>	<u>12,841,751</u>
Deferred inflows of resources	<u>3,153,162</u>	<u>3,150,139</u>
Net position:		
Net investment in capital assets	9,645,748	9,300,611
Restricted:		
For capital purposes	56,315	94,538
For debt service	-	28,047
For other purposes	916,323	499,100
Unrestricted (deficit)	<u>(6,970,416)</u>	<u>(5,927,117)</u>
Total net position	<u>\$ 3,647,970</u>	<u>3,995,179</u>

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The net pension liability is reported pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27*. The net other postemployment benefits (OPEB) asset and liability are reported pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and net OPEB liability to the reported net position and subtracting net OPEB assets and deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board (GASB) standards are national and apply to all government financial reports prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Prior accounting for pensions (GASB Statement No. 27) and OPEB (GASB Statement No. 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB Statement Nos. 68 and 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio statewide pension and OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

As required by GASB Statement Nos. 68 and 75, the required net pension liability and the net OPEB asset and liability equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension 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 this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require, the retirement systems to provide health care to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e., sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension or 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 part for the unfunded portion. Due to the unique nature of how the net pension and net OPEB liabilities are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

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

The largest portion of the School District's net position (\$9.6 million) is in net investment in capital assets. The School District uses these capital assets to provide educational services to its students. Accordingly, these assets are not available for future spending. An additional portion of the School District's net position (\$972,638) represents resources that are subject to external restrictions on how they may be used.

Due to the recognition of its proportionate share of the net pension and net OPEB liabilities, the School District's unrestricted net position ended the fiscal year with a deficit balance of \$7.0 million. However, if the components of recording the net pension and OPEB liabilities and net OPEB asset are removed from the statement of net position, the School District's unrestricted net position would be a positive \$2.2 million. We feel this is important to mention as the management of the School District has no control over the management of the state-wide retirement plans or the benefits offered; both of which control the net pension and OPEB liabilities and net OPEB asset that significantly impact the School District's financial statements.

Total assets and liabilities were relatively consistent with the prior year, with both balances fluctuating less than 1%.

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**B. Governmental Activities During Fiscal Year 2024**

The following table presents a condensed summary of the School District's activities during fiscal year 2024 and 2023 and the resulting change in net position:

	<u><b>FY2024</b></u>	<u><b>FY2023</b></u>
<b>Revenues:</b>		
Program revenues:		
Charges for services and sales	\$ 335,171	297,213
Operating grants and contributions	<u>2,495,821</u>	<u>2,209,149</u>
Total program revenues	<u>2,830,992</u>	<u>2,506,362</u>
General revenues:		
Property and income taxes	1,703,363	2,356,927
Grants and entitlements	7,865,913	7,334,943
Investment earnings	143,332	111,710
Miscellaneous	<u>48,114</u>	<u>58,845</u>
Total general revenues	<u>9,760,722</u>	<u>9,862,425</u>
<b>Total revenues</b>	<u>12,591,714</u>	<u>12,368,787</u>
<b>Expenses:</b>		
Instruction	7,217,892	7,081,719
Support services:		
Pupil	968,871	889,214
Instructional staff	452,467	341,625
Board of Education	78,408	95,789
Administration	1,123,092	1,097,034
Fiscal	287,772	228,074
Business	25,991	24,372
Operation and maintenance of plant	1,166,911	1,081,781
Pupil transportation	771,970	616,330
Central	62,121	72,569
Non-instructional services	262,608	245,755
Interest and fiscal charges	27,877	31,623
Food services	<u>492,943</u>	<u>514,574</u>
<b>Total expenses</b>	<u>12,938,923</u>	<u>12,320,459</u>
Change in net position	(347,209)	48,328
Beginning net position	<u>3,995,179</u>	<u>3,946,851</u>
<b>Ending net position</b>	<u>\$ 3,647,970</u>	<u>3,995,179</u>

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Of the total governmental activities revenues of \$12,591,714, \$2,830,992 (22.5%) is from program revenue. This means that the School District relied on general revenues to fund the majority of the cost of services provided to the citizens. Of those general revenues, 17.5% (\$1,703,363) comes from property and income taxes and 80.6% (\$7,865,913) is from state funding. The School District's operations are reliant upon its property and income taxes and the State's foundation program.

In total, net position of the School District decreased by \$347,209. Total revenues grew by only 1.8% as increases in grants and contributions were offset by a decrease in property and income taxes. The increase in grants and contributions was due to utilizing Federal American Recovery Plan Act funds on facility improvements, including an ongoing HVAC project. The decrease in property taxes was attributable to swings in the amount of property tax collections available from the Butler County Auditor between fiscal year ends. These cash flow timing differences have continued to fluctuate based on recent changes in the housing market and related property valuations. Total expenses increased by 5%, due to general inflationary increases.

The following table presents the total cost of each of the government's primary services, and the comparative net cost after deducting the revenues generated by each function. Approximately 22% of the cost of the general government programs was recouped in program revenues. Instruction costs were \$7,217,892 but program revenue contributed to fund 24% of those costs. Thus, general revenues of \$5,498,511 were needed to support the remainder of the instruction costs.

<b>Governmental Activities</b>				
	<b>Total Cost of Services</b>	<b>Program Revenue</b>	<b>Revenues as a % of Total Costs</b>	<b>Net Cost of Services</b>
Instruction	\$ 7,217,892	1,719,381	24%	5,498,511
Support services	4,937,603	642,843	13%	4,294,760
Non-instructional services	262,608	61,340	23%	201,268
Food services	492,943	407,428	83%	85,515
Interest and fiscal charges	<u>27,877</u>	<u>-</u>	0%	<u>27,877</u>
<b>Total</b>	<b>\$ <u>12,938,923</u></b>	<b><u>2,830,992</u></b>	<b><u>22%</u></b>	<b><u>10,107,931</u></b>



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**FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S INDIVIDUAL FUNDS**

**Governmental funds**

The School District has one major fund: the General Fund. Assets of the General Fund comprise 90% of total governmental fund assets.

**General Fund.** Fund balance at June 30, 2024 was \$2,931,575, with a fund balance of \$2,912,274 assigned to next year's budget, public school support and encumbered purchases. The General Fund experienced a \$574,179 decrease in fund balance compared to last fiscal year's increase of \$96,801. Revenue remained relatively unchanged. Expenditure growth stemmed from negotiated salary step increases, higher insurance premiums and general inflationary increases.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The schedule comparing the School District's original and final budgets and actual results is included in the required supplementary information. Overall, General Fund expenditures came in \$957,399 under the final budget. The variances among the functions was mainly due to conservative budgeting.

Significant differences between the actual and final budgets exist due to the School District's budget methodology. The School District's budget is passed with expenditures and other uses equal to the estimated available resources. Thus, the School District "over budgets" expenditures and budgets for contingencies.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** At June 30, 2024, the School District had \$10,388,709 invested in a broad range of capital assets, including land, construction in progress, buildings, equipment and right-to-use leased assets. During fiscal year 2024, the School District added approximately \$746,000 of new capital assets, including an ongoing HVAC project. After factoring in depreciation expense, capital assets increased approximately \$263,000. See Note 5 to the financial statements for more detail.

<b>Capital Assets at Year-End (Net of Depreciation)</b>			
		<b>FY2024</b>	<b>FY2023</b>
Land	\$	428,932	428,932
Construction in progress		469,114	-
Buildings and improvements		8,694,364	8,904,439
Equipment and furniture		796,299	792,368
Total	\$	<u>10,388,709</u>	<u>10,125,739</u>

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**Debt**

At June 30, 2024, the School District had \$742,961 outstanding on loans and a lease liability. See Note 11 to the financial statements for more detail.

**REQUESTS FOR ADDITIONAL INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, 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 questions about this report or need additional financial information, contact the Treasurer's office at the New Miami Local School District, 600 Seven Mile Avenue, Hamilton, Ohio 45011.

## NEW MIAMI LOCAL SCHOOL DISTRICT

### Statement of Net Position

June 30, 2024

	Governmental Activities
<b>Assets:</b>	
Equity in pooled cash and investments	\$ 3,924,315
Receivables:	
Taxes	1,844,191
Accounts	860
Intergovernmental	312,422
Interest	377
Supplies inventory	26,467
Net OPEB asset	683,660
Nondepreciable capital assets	898,046
Depreciable capital assets, net	9,490,663
<b>Total assets</b>	<b>17,181,001</b>
<b>Deferred Outflows of Resources:</b>	
Pension	2,078,429
OPEB	407,768
<b>Total deferred outflows of resources</b>	<b>2,486,197</b>
<b>Liabilities:</b>	
Accounts payable	198,596
Accrued wages and benefits	1,119,933
Intergovernmental payable	121,283
Accrued interest payable	2,130
Unearned revenue	3,636
Noncurrent liabilities:	
Due within one year	142,612
Due within more than one year:	
Net pension liability	9,778,505
Net OPEB liability	668,003
Other amounts due more than one year	831,368
<b>Total liabilities</b>	<b>12,866,066</b>
<b>Deferred Inflows of Resources:</b>	
Property taxes levied for next fiscal year	1,291,776
Pension	709,873
OPEB	1,151,513
<b>Total deferred inflows of resources</b>	<b>3,153,162</b>
<b>Net Position:</b>	
Net investment in capital assets	9,645,748
Restricted for:	
Capital projects	56,315
Post-retirement benefits	683,660
Other purposes	232,663
Unrestricted (deficit)	(6,970,416)
<b>Total net position</b>	<b>\$ 3,647,970</b>

See accompanying notes to the basic financial statements.

# NEW MIAMI LOCAL SCHOOL DISTRICT

## Statement of Activities

Fiscal Year Ended June 30, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	
	Expenses			Governmental Activities
<b>Governmental Activities:</b>				
Current:				
Instruction:				
Regular	\$ 5,067,248	\$ 252,716	\$ 896,327	\$ (3,918,205)
Special education	1,857,433	-	372,541	(1,484,892)
Other	293,211	-	197,797	(95,414)
Support services:				
Pupil	968,871	-	173,700	(795,171)
Instructional staff	452,467	-	283,547	(168,920)
Board of Education	78,408	-	-	(78,408)
Administration	1,123,092	-	11,254	(1,111,838)
Fiscal	287,772	-	-	(287,772)
Business	25,991	-	-	(25,991)
Operation and maintenance of plant	1,166,911	-	72,512	(1,094,399)
Pupil transportation	771,970	-	101,830	(670,140)
Central	62,121	-	-	(62,121)
Non-instructional services:				
Extracurricular activities	261,693	61,340	-	(200,353)
Community services	915	-	-	(915)
Food service	492,943	21,115	386,313	(85,515)
Interest on long-term debt	27,877	-	-	(27,877)
Total Governmental Activities	<u>\$ 12,938,923</u>	<u>\$ 335,171</u>	<u>\$ 2,495,821</u>	<u>(10,107,931)</u>

### General Revenues:

Property taxes, levied for general purposes	882,994
Income taxes	820,369
Grants and entitlements not restricted to specific programs	7,865,913
Investment earnings	143,332
Miscellaneous	48,114
Total general revenues	<u>9,760,722</u>
Change in net position	(347,209)
Net position beginning of year	<u>3,995,179</u>
Net position end of year	<u>\$ 3,647,970</u>

See accompanying notes to the basic financial statements.

# NEW MIAMI LOCAL SCHOOL DISTRICT

Balance Sheet

Governmental Funds

June 30, 2024

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 3,561,913	\$ 362,402	\$ 3,924,315
Receivables:			
Taxes	1,844,191	-	1,844,191
Accounts	345	515	860
Accrued interest	377	-	377
Intergovernmental	50,995	261,427	312,422
Materials and supplies inventory	3,306	23,161	26,467
Interfund receivable	180,099	-	180,099
<b>Total assets</b>	<u>\$ 5,641,226</u>	<u>\$ 647,505</u>	<u>\$ 6,288,731</u>
<b>Liabilities:</b>			
Accounts payable	\$ 93,393	\$ 105,203	\$ 198,596
Accrued wages and benefits	992,583	127,350	1,119,933
Intergovernmental payable	99,778	21,505	121,283
Interfund payable	-	180,099	180,099
Unearned Revenue	-	3,636	3,636
Compensated absences payable	15,258	-	15,258
<b>Total liabilities</b>	<u>1,201,012</u>	<u>437,793</u>	<u>1,638,805</u>
<b>Deferred Inflows of Resources:</b>			
Property taxes levied for next fiscal year	1,291,776	-	1,291,776
Unavailable revenue	216,863	75,276	292,139
<b>Total deferred inflows of resources</b>	<u>1,508,639</u>	<u>75,276</u>	<u>1,583,915</u>
<b>Fund Balances:</b>			
Nonspendable	3,306	23,161	26,467
Restricted	-	190,541	190,541
Assigned	2,912,274	-	2,912,274
Unassigned	15,995	(79,266)	(63,271)
<b>Total fund balances</b>	<u>2,931,575</u>	<u>134,436</u>	<u>3,066,011</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 5,641,226</u>	<u>\$ 647,505</u>	<u>\$ 6,288,731</u>

See accompanying notes to the basic financial statements.

Reconciliation of Total Governmental Fund Balances to  
Net Position of Governmental Activities  
June 30, 2024

<b>Total Governmental Fund Balances</b>	<b>\$</b>	<b>3,066,011</b>
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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.		10,388,709
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:

Compensated absences	(215,761)	
Lease liability	(22,961)	
HB264 loan obligations	(720,000)	
Accrued interest payable	(2,130)	(960,852)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		292,139
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The net pension and net OPEB liabilities are not due and payable in the current period. The net OPEB assets are not available to pay for current period expenditures. Therefore, the assets, liabilities and related deferred outflows and inflows of resources are not reported in the governmental funds:

Deferred outflows - pension and OPEB	2,486,197	
Deferred inflows - pension and OPEB	(1,861,386)	
Net OPEB asset	683,660	
Net pension liability	(9,778,505)	
Net OPEB liability	(668,003)	(9,138,037)

<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>3,647,970</u></b>
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See accompanying notes to the basic financial statements.

# NEW MIAMI LOCAL SCHOOL DISTRICT

## Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Funds

Fiscal Year Ended June 30, 2024

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$ 1,709,593	\$ -	\$ 1,709,593
Tuition and fees	252,716	-	252,716
Investment income	143,332	-	143,332
Intergovernmental	8,044,972	2,262,463	10,307,435
Charges for services	-	40,156	40,156
Other local revenues	14,346	84,530	98,876
<b>Total revenues</b>	<u>10,164,959</u>	<u>2,387,149</u>	<u>12,552,108</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	4,176,104	658,093	4,834,197
Special education	1,674,506	207,685	1,882,191
Other instruction	176,440	122,108	298,548
Support services:			
Pupil	874,981	116,687	991,668
Instructional staff	206,567	277,981	484,548
Board of Education	79,614	-	79,614
Administration	1,128,794	7,723	1,136,517
Fiscal	304,391	-	304,391
Business	25,991	-	25,991
Operation and maintenance of plant	1,044,304	578,588	1,622,892
Pupil transportation	685,168	81,750	766,918
Central	62,121	-	62,121
Non-instructional services:			
Extracurricular activities	195,290	76,706	271,996
Community services	-	915	915
Food services	-	493,810	493,810
Debt Service:			
Principal	19,167	63,000	82,167
Interest and fiscal charges	816	27,247	28,063
<b>Total expenditures</b>	<u>10,654,254</u>	<u>2,712,293</u>	<u>13,366,547</u>
Excess of expenditures over revenues	<u>(489,295)</u>	<u>(325,144)</u>	<u>(814,439)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	84,884	84,884
Transfers out	(84,884)	-	(84,884)
<b>Total other financing sources (uses):</b>	<u>(84,884)</u>	<u>84,884</u>	<u>-</u>
Net change in fund balance	(574,179)	(240,260)	(814,439)
Fund balance, beginning of year	3,505,754	374,696	3,880,450
Fund balance, end of year	<u>\$ 2,931,575</u>	<u>\$ 134,436</u>	<u>\$ 3,066,011</u>

See accompanying notes to the basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Fiscal Year Ended June 30, 2024

**Net Change in Fund Balances - Total Governmental Funds** **\$ (814,439)**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense:

Capital asset additions	746,157
Depreciation and amortization expense	(474,724)
Loss on disposal of capital assets	(8,463)

Repayment of loan and lease liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	82,167
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	186
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Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	44,631
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Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows in the funds.	48,069
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Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	
Pension	879,288
OPEB	22,839

Except for amounts reported as deferred outflows or deferred inflows of resources, changes in the net pension and OPEB assets and liabilities are reported as pension and OPEB expenses in the statement of activities.	
Pension	(931,902)
OPEB	58,982

**Change in Net Position of Governmental Activities** **\$ (347,209)**

See accompanying notes to the basic financial statements.



## NEW MIAMI LOCAL SCHOOL DISTRICT

Statement of Net Position

Fiduciary Funds

June 30, 2024

	Private Purpose Trusts
<b>ASSETS</b>	
Equity in pooled cash and cash equivalents	<u>\$ 141,776</u>
<b>LIABILITIES</b>	
Accounts payable	<u>4,231</u>
<b>NET POSITION</b>	
Held in trust	<u><u>\$ 137,545</u></u>

See accompanying notes to the basic financial statements.

## NEW MIAMI LOCAL SCHOOL DISTRICT

Statement of Changes in Net Position

Fiduciary Funds

Fiscal Year Ended June 30, 2024

	Private Purpose Trusts
<b>Additions:</b>	
Contributions	<u>\$ 14,814</u>
<b>Deductions:</b>	
Community gifts, awards and scholarships	<u>7,724</u>
Change in net position	7,090
Net position, beginning of year	<u>130,455</u>
Net position, end of year	<u><u>\$ 137,545</u></u>

See accompanying notes to the basic financial statements.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The School District provides education for New Miami, City View Heights, Overpeck and Williamsdale. The School District was chartered in 1937 and currently operates one elementary school (K-6) and one junior-senior high school (7-12) with a total enrollment of approximately 600 students. The School District operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four-year terms. The School District provides educational services as authorized by state statute and/or federal guidelines.

The reporting entity is comprised of the primary government. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. This includes general operations, food service, and student related activities of the School District.

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

The School District is associated with three organizations; two of which are defined as a jointly governed organizations and one is an insurance purchasing pool. These organizations include the Butler Technology and Career Development Schools, the Southwest Ohio Computer Association, and the Butler Health Plan. These organizations are presented in Notes 13 and 14 to the basic financial statements.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued***

**B. Basis of Presentation**

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The School District has no business-type activities.

The government-wide statements are prepared using the economic resources measurement focus, which differs from the manner in which the governmental fund financial statements are prepared. Therefore, the governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses for each function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

***Fund Financial Statements*** Fund financial statements report detailed information about the School District. The focus of governmental financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, current liabilities and deferred inflows of resources are generally included on the balance sheet. Operating statements of these funds present sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued***

**C. Fund Accounting**

The School District uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are grouped into the categories governmental and fiduciary.

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

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

**Fiduciary funds** report on net position and changes in net position. The School District's fiduciary funds consist of private-purpose trust funds. The School District's private-purpose trust funds account for scholarship programs for students.

**D. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and relates to the timing of the measurements made. The modified accrual basis of accounting is used by the governmental funds. On a modified accrual basis, revenues are recorded when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end. Under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, income taxes, interest, tuition, student fees, and grants.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued***

**D. Basis of Accounting – *continued***

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 except for unmatured principal and interest on general long-term debt as well as expenditures related to compensated absences which are recognized when due. Allocations of cost, such as depreciation, are not recognized in the governmental funds.

Government-wide financial statements are prepared using the accrual basis of accounting. Also, fiduciary funds utilize accrual accounting. Revenues are recognized when earned and expenses are recognized when incurred.

***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.

Non-exchange transactions, in which the School District receives value without directly giving value in return, include property and income taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes were levied.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the 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 non-exchange transactions must also be available before it can be recognized.

***Deferred inflows of resources.*** 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 apply to a future period(s) and so will not be recognized as an inflow of resources until that time. For the School District, deferred inflows of resources include property taxes, unavailable revenue, pension and other postemployment benefits (OPEB). Receivables for property taxes represent amounts that are measurable as of June 30, 2024, but are intended to finance fiscal year 2025 operations. These amounts have been recorded as deferred inflows of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental fund financial statements and represents receivables that will not be collected within the available period (sixty days after fiscal year-end). Deferred inflows of resources from pension and OPEB are reported on the government-wide statement of net position (see Notes 8 and 9).

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued***

**D. Basis of Accounting – *continued***

***Deferred outflows of resources.*** In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net asset that apply to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. For the School District, deferred outflows of resources include pension and OPEB. Deferred outflows of resources from pension and OPEB are reported on the government-wide statement of net position (see Notes 8 and 9)

**E. Cash**

To improve cash management, all cash received by the School District is pooled in a central bank account. Monies for all funds are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Investments" on the balance sheet.

The Governmental Accounting Standards Board Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, requires that investments be recorded at their fair value and that changes in the fair value be reported in the operating statement.

Under existing Ohio statutes, all investment earnings accrue to the general fund except those specifically related to certain trust funds, and those other funds individually authorized by Board resolution. Interest earnings are allocated to these funds based on average monthly cash balance.

**F. Inventory**

All inventories are valued at cost determined on a first-in, first-out basis. Inventory in governmental funds are recorded as expenditures in the governmental fund types when used.

**G. Capital Assets**

Capital assets, which include property, plant and equipment, and right-to-use leased assets, are reported in the government-wide financial statements. The School District defines capital assets as those with an individual cost of more than \$250 and an estimated useful life in excess of one year. All capital assets are capitalized at cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their acquisition values as of the date received. 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.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued***

**G. Capital Assets – *continued***

When capital assets are purchased, they are capitalized and depreciated in the government-wide statements. Capital assets are reported as expenditures of the current period in the governmental fund financial statements.

Right-to-use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset. All other reported capital assets except land are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Buildings	50 years
Building improvements	20 - 25 years
Equipment and furniture	7 - 20 years

**H. 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. Sick leave benefits are accrued as a liability using the vesting method.

The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, a liability is recorded only for the portion of unpaid compensated absences that has matured, for example, as a result of employee resignations and retirements.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, 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 and OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension and OPEB plans' fiduciary net position is not sufficient for payment of those benefits.

**J. Interfund Transactions**

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



**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued***

**K. Pensions/ OPEB**

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

**L. Fund Balance**

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

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

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

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

***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. The Board of Education has authorized the Treasurer to assign fund balance for purchases on order provided those amounts have been lawfully appropriated.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued***

**L. Fund Balance – *continued***

***Unassigned*** – Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**M. Net Position**

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

**N. 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.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—*continued***

**O. Fund Deficits**

At June 30, 2024, the following funds have a deficit fund balance:

Other Governmental Funds:	
Early Childhood Education	\$ 18,083
School Emergency Relief	3,635
Special Education	40,926
Title I School Improvement	16,267
Miscellaneous Federal Grants	355

The deficit fund balances were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**2. DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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 two-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 that 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 pass book accounts. Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies are permitted to be deposited or invested in the following securities:

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

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**2. DEPOSITS AND INVESTMENTS—continued**

2. Bonds, notes, debentures, or any other obligations or securities issued by the 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, Government National Mortgage Association, and Student Loan Marketing 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 that 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 that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions; and
6. The State Treasurer's investment pool (STAR Ohio).

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.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, *Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements*, and amended by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

Deposits

*Custodial Credit Risk*

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a custodial credit risk policy. At fiscal year-end, \$783,503 of the School District's bank balance of \$1,033,503 was exposed to custodial credit risk since it was uninsured and collateralized with securities under the Ohio Treasurer's Ohio Pooled Collateral System, but not in the School District's name.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**2. DEPOSITS AND INVESTMENTS—*continued***

Investments

The School District's investments at June 30, 2024 are summarized as follows:

	Measurement Value at 6/30/24	Average Maturity (Years)	Concentration
U.S. Treasuries	\$ 3,081,471	0.16	100%
U.S. Money Markets	751	0.08	0%
	<u>\$ 3,082,222</u>		<u>100%</u>

*Credit Risk.* It is the School District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings by nationally recognized statistical rating organizations.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a failure of a counter party, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District's investment securities are registered in the name of the School District.

*Interest Rate Risk.* In accordance with the investment policy, the School District manages its exposure to declines in fair value by limiting the maturity of its investment portfolio to five years, unless they are matched to a specific obligation or debt of the School District.

*Fair Value Measurements.* The School District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. At June 30, 2024, the School District's investment in U.S. Treasuries were in Level 1 of the fair value hierarchy, which are valued using quoted prices in active markets. U.S. money market investments are excluded from fair value measurement requirements, but are valued at amortized cost at June 30, 2024 which approximates fair value.

**3. INCOME TAXES**

Effective in 1990, the voters of the School District passed a 1% school income tax on wages earned by residents of the School District. The taxes are collected by the State Department of Taxation in the same manner as the state income tax. In the fiscal year ended June 30, 2024, the School District recorded income tax revenue of \$820,369 in the entity-wide financials and a receivable as of June 30, 2024 of \$336,197.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**4. PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of the prior January 1, 2023, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property taxes revenue received in calendar year 2024 represent collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien on December 31, 2022, were levied after April 1, 2023 and are collected in calendar year 2024 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Butler 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 represents delinquent taxes outstanding and real property and public utility taxes, which became measurable as of June 30, 2024. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2024 in the General Fund was \$52,424.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

**4. PROPERTY TAXES—continued**

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

		2023 Second- Half Collections Amount	Percent	2024 First- Half Collections Amount	Percent
Agricultural/Residential and Other Real Estate	\$	51,400,460	90.66%	66,560,760	91.81%
Public Utilities Personal		<u>5,296,000</u>	9.34%	<u>5,939,330</u>	8.19%
Total Assessed Value	\$	<u><u>56,696,460</u></u>	100.00%	<u><u>72,500,090</u></u>	100.00%

**5. CAPITAL ASSETS**

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

	Balance 7/1/23	Additions	Disposals	Balance 6/30/24
<b>Governmental Activities</b>				
<b>Nondepreciable:</b>				
Land	\$ 428,932	-	-	428,932
Construction in progress	<u>-</u>	<u>469,114</u>	<u>-</u>	<u>469,114</u>
Subtotal	<u>428,932</u>	<u>469,114</u>	<u>-</u>	<u>898,046</u>
<b>Depreciable:</b>				
Buildings and improvements	14,726,097	4,573	-	14,730,670
Equipment and furniture	2,945,865	272,470	(20,211)	3,198,124
Right-to-use equipment	<u>75,092</u>	<u>-</u>	<u>-</u>	<u>75,092</u>
Subtotal	<u>17,747,054</u>	<u>277,043</u>	<u>(20,211)</u>	<u>18,003,886</u>
Totals at historical cost	<u>18,175,986</u>	<u>746,157</u>	<u>(20,211)</u>	<u>18,901,932</u>
Less accumulated depreciation:				
Buildings and improvements	5,821,658	214,648	-	6,036,306
Equipment and furniture	2,194,622	241,096	(11,748)	2,423,970
Right-to-use equipment	<u>33,967</u>	<u>18,980</u>	<u>-</u>	<u>52,947</u>
Total accumulated depreciation	<u>8,050,247</u>	<u>474,724</u>	<u>(11,748)</u>	<u>8,513,223</u>
Capital assets, net	\$ <u>10,125,739</u>	<u>271,433</u>	<u>(8,463)</u>	<u>10,388,709</u>

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**5. CAPITAL ASSETS—continued**

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

Instruction:		
Regular	\$	389,069
Special		3,811
Support services:		
Pupil		1,583
Instructional staff		1,440
Administration		3,432
Fiscal		349
Operation and maintenance of plant		67,477
Extracurricular activities		3,138
Food services		<u>4,425</u>
Total depreciation and amortization expense	\$	<u>474,724</u>

**6. INTERFUND TRANSACTIONS**

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

	Interfund		Transfers	
	Receivable	Payable	In	Out
General fund	\$ 180,099	-	-	84,884
Other governmental funds	<u>-</u>	<u>180,099</u>	<u>84,884</u>	<u>-</u>
	<u>\$ 180,099</u>	<u>180,099</u>	<u>84,884</u>	<u>84,884</u>

The interfund loans were made to provide operating capital. Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them or (2) use unrestricted revenues collected in the general fund to finance various programs and debt service accounted for in other funds in accordance with budgetary authorizations.



**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**7. RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the School District maintained comprehensive insurance coverage with private carriers for real property, building contents, vehicles and general liability coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There was no significant reduction in coverage from the prior year.

For fiscal year 2024, the School District participated in the Butler Health Plan, a group insurance purchasing pool, in order to provide dental, life, medical, and disability benefits to employees, their dependents and designated beneficiaries and to set aside funds for such purposes. The Plan provides insurance policies in whole or in part through one or more group insurance policies.

**8. PENSION PLANS**

***Net Pension Liability***

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

The net pension liability represents the School District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability 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 this estimate 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 are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including pension.

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**8. PENSION PLANS—continued**

***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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

Benefits	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; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

*Funding Policy* – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% 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% for plan members and 14% 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 14% was allocated to only three of the funds (Pension Trust Fund, Death Benefit Fund and Medicare B Fund).

The School District's contractually required contribution to SERS was \$182,091 for fiscal year 2024.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**8. PENSION PLANS—continued**

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. For members who were eligible to retire on July 1, 2015, the annual benefit is the greater of the benefit amount calculated upon retirement under the new benefit formula or the frozen benefit amount as of July 1, 2015. Effective August 1, 2021 to July 1, 2023, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age; or 29 years of service credit and age 55; or 5 years of service credit and age 60. Effective August 1, 2023 to July 1, 2028, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit at age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age; or 29 years of service credit and age 55; or 5 years of service credit and age 60. Effective on or after August 1, 2028, any member can retire with unreduced benefits with 35 years of service credit at any age or 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age or 5 years of service credit and age 60.

The DC Plan allows members to place all their member contributions and 11.09% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 2.91% of the 14% employer rate is allocated to the defined benefit unfunded liabilities. 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 CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO Plan payment is payable to a member on or after age 60 with 5 years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**8. PENSION PLANS—continued**

New members who choose the DC Plan or CO 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 Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

A DB or CO 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 10 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. For the fiscal year ended June 30, 2024, plan members were required to contribute 14% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2024 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$697,197 for fiscal year 2024. Of this amount, \$98,444 is recorded as an intergovernmental payable.

***Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources for 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 projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$ 2,208,516	\$ 7,569,989	\$ 9,778,505
Proportion of the Net Pension Liability	0.03997%	0.03515%	
Change in Proportion	0.00171%	-0.00101%	
Pension Expense	\$ 164,738	\$ 767,164	\$ 931,902

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

**8. PENSION PLANS—continued**

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 94,928	\$ 275,986	\$ 370,914
Change in assumptions	15,644	623,430	639,074
Change in proportionate share and difference between employer contributions	14,155	174,998	189,153
School District's contributions subsequent to the measurement date	182,091	697,197	879,288
<b>Total Deferred Outflows of Resources</b>	<b>\$ 306,818</b>	<b>\$ 1,771,611</b>	<b>\$ 2,078,429</b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 16,798	\$ 16,798
Net difference between projected and actual earnings on pension plan investments	31,043	22,688	53,731
Change in assumptions	-	469,264	469,264
Change in proportionate share and difference between employer contributions	6,070	164,010	170,080
<b>Total Deferred Inflows of Resources</b>	<b>\$ 37,113</b>	<b>\$ 672,760</b>	<b>\$ 709,873</b>

\$879,288 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 net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$ 16,731	\$ 3,957	\$ 20,688
2026	(77,683)	(231,611)	(309,294)
2027	146,921	710,907	857,828
2028	1,645	(81,599)	(79,954)
	<b>\$ 87,614</b>	<b>\$ 401,654</b>	<b>\$ 489,268</b>

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**8. PENSION PLANS—continued**

***Actuarial Assumptions - SERS***

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will consider the employee's entire career with the employer and 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	2.40%
Future Salary Increases, including Inflation	3.25% to 13.58%
COLA or Ad Hoc COLA	2.00%, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following retirement
Investment Rate of Return	7.00% net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

Mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Health Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Mortality among contingent survivors were based upon the PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. The PUB-2010 General Amount Weighted Below Median Employee mortality table was used for active members. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**8. PENSION PLANS—continued**

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2015 to June 30, 2020 adopted by the Board on April 15, 2021.

The long-term return expectation for the Pension Plan Investments has been determined 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 a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	2.00%	0.75%
U.S. Equity	24.75%	4.82%
Non-U.S. Equity Developed	13.50%	5.19%
Non-U.S. 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%
	100.00%	

**Discount Rate** – Total pension liability was calculated using the discount rate of 7.00%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.00%). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
School District's proportionate share of the net pension liability	\$3,259,657	\$2,208,516	\$1,323,130

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
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**8. PENSION PLANS—continued**

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Varies by service from 2.5% to 8.5%
Payroll increases	3.00%
Investment rate of return	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%
Cost-of-living adjustments (COLA)	0%

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

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

The actuarial assumptions used in the June 30, 2023 valuation are based on the results of the latest available actual 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:

<b>Asset Class</b>	<b>Target Allocation*</b>	<b>Long-Term Expected Rate of Return**</b>
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%
	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%, and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.



**NEW MIAMI LOCAL SCHOOL DISTRICT**  
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**8. PENSION PLANS—continued**

**Discount Rate** – The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes 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% 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%, 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%) or one-percentage-point higher (8.00%) 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	\$11,640,967	\$7,569,989	\$4,127,055

**Social Security System**

All employees not otherwise covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2024, members of the Board of Education have elected social security. The School District's liability is 6.2% of wages paid.

**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS**

**Net OPEB Liability (Asset)**

The net OPEB liability (asset) reported on the statement of net position represents a liability to (or assets for) employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
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**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued***

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 OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* or fully-funded benefits as a long-term *net OPEB asset* on the accrual basis of accounting. Any liability for contractually-required OPEB contributions outstanding at the end of the fiscal year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

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

*Health Care Plan Description*—SERS' Health Care program provides health care 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.

*Funding Policy*—State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, there was no portion allocated 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, the minimum compensation amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$22,839.

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**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued***

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

*Plan Description*—The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS Board to offer this plan.

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS health care plans include creditable prescription drug coverage. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

*Funding Policy*—Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2024, no employer allocation was made to the health care fund.

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

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

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

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability/(Asset)	\$ 668,003	\$ (683,660)	\$ (15,657)
Proportion of the Net OPEB Liability/(Asset)	0.04055%	0.03515%	
Change in Proportion	0.00188%	-0.00101%	
OPEB (Negative) Expense	\$ (38,200)	\$ (20,782)	\$ (58,982)

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
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**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—continued**

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 1,392	\$ 1,065	\$ 2,457
Net difference between projected and actual earnings on OPEB plan investments	5,178	1,221	6,399
Change in assumptions	225,870	100,712	326,582
Change in proportionate share and difference between employer contributions	39,490	10,001	49,491
School District's contributions subsequent to the measurement date	22,839	-	22,839
<b>Total Deferred Outflows of Resources</b>	<b>\$ 294,769</b>	<b>\$ 112,999</b>	<b>\$ 407,768</b>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ 344,514	\$ 104,275	\$ 448,789
Change in assumptions	189,718	451,068	640,786
Change in proportionate share and difference between employer contributions	47,785	14,153	61,938
<b>Total Deferred Inflows of Resources</b>	<b>\$ 582,017</b>	<b>\$ 569,496</b>	<b>\$ 1,151,513</b>

\$22,839 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 addition to the net OPEB asset in the year ending June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$ (101,597)	\$ (210,861)	\$ (312,458)
2026	(93,462)	(89,153)	(182,615)
2027	(61,537)	(34,248)	(95,785)
2028	(38,024)	(47,040)	(85,064)
2029	(22,306)	(43,064)	(65,370)
2030-2031	6,839	(32,131)	(25,292)
	<b>\$ (310,087)</b>	<b>\$ (456,497)</b>	<b>\$ (766,584)</b>

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
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**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued***

***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 consider the employee's entire career with the employer and 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, prepared as of June 30, 2023, are presented below:

Investment Rate of Return	7.00% net of investment expense, including inflation
Wage Inflation	2.40%
Future Salary Increases, including Inflation	3.25% to 13.58%
Municipal Bond Index Rate:	
Current measurement period	3.86%
Prior measurement period	3.69%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Current measurement period	4.27%
Prior measurement period	4.08%
Medical Trend Assumption	6.75% - 4.40%

Mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Health Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
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**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued***

Mortality among contingent survivors were based upon the PUB-2010 General Amount Weighed Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. The PUB-2010 General Amount Weighed Below Median Employee mortality table was used for active members. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2015 to June 30, 2020 adopted by the Board on April 15, 2021.

The long-term return expectation for the Pension Plan Investments has been determined 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 a weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	2.00%	0.75%
U.S. Equity	24.75%	4.82%
Non-U.S. Equity Developed	13.50%	5.19%
Non-U.S. 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%
	<u>100.00%</u>	

**Discount Rate** – The discount rate used to measure the total OPEB liability at June 30, 2023 was 4.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and SERS at the state statute contribution rate of 1.5% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and no contributions from basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2048 and the Municipal Bond Index rate of 3.86% as of June 30, 2023 (i.e., municipal bond rate) was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—continued**

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and 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 calculated using the discount rate of 4.27%, as well as what the School District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27%) and one percentage point higher (5.27%) 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	\$853,899	\$668,003	\$521,416

The following table presents the net OPEB liability calculated using current health care cost trend rates, as well as what the School District's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (5.75% decreasing to 3.40%) and one percentage point higher (7.75% decreasing to 5.40%) than the current rates.

	1% Decrease (5.75% decreasing to 3.40%)	Current Cost 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	\$490,759	\$668,003	\$902,875

**Actuarial Assumptions – STRS**

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases	Varies by service from 2.5% to 8.5%	
Payroll increases	3.0%	
Investment rate of return	7.0%, net of investment expenses, including inflation	
Discount rate of return	7.0%	
Health care cost trends	<u>Initial</u>	<u>Ultimate</u>
Medical		
Pre-Medicare	7.50%	4.14%
Medicare	-10.94%	4.14%
Prescription Drug		
Pre-Medicare	-11.95%	4.14%
Medicare	1.33%	4.14%

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
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**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—*continued***

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

The actuarial assumptions used in the June 30, 2023 valuation are based on the results of the latest available actual 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:

<b>Asset Class</b>	<b>Target Allocation*</b>	<b>Long-Term Expected Rate of Return*</b>
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%
	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%, and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** – The discount rate used to measure the total OPEB liability was 7.0% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes STRS Ohio 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 of current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on OPEB plan assets of 7.0% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.



**NEW MIAMI LOCAL SCHOOL DISTRICT**  
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**9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS—continued**

***Sensitivity of the School District's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate and the Health Care Cost Trend Rates*** – The following table presents the School District's proportionate share of the net OPEB (asset) calculated using the current period discount rate assumption of 7.00%, as well as what the School District's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) and one percentage point higher (8.00%) than the current rate. Also shown is the net OPEB (asset) as if it were calculated using health care cost trend rates that are one percentage point lower and 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)	\$ (578,629)	\$ (683,660)	\$ (775,131)
	1% Decrease	Current Cost Trend Rates	1% Increase
School District's proportionate share of the net OPEB (asset)	\$ (779,376)	\$ (683,660)	\$ (568,372)

**10. EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave are derived from negotiated agreements and State laws. Classified employees earn 10 to 20 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. All employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to maximum of 200 days for classified employees and teachers, and 253 days for administrators. Upon retirement, classified employee can receive payment for 25% of accrued, but unused sick leave up to a maximum of 50 days; teachers and administrators can receive payment for 30% of accrued, but unused sick leave up to a maximum of 55 days.

**11. LONG-TERM OBLIGATIONS**

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

	Balance Outstanding 7/1/23	Additions	Deletions	Balance Outstanding 6/30/24	Due Within One Year
Loan from direct borrowings	\$ 783,000	\$ -	\$ (63,000)	\$ 720,000	\$ 65,000
Lease liability	42,128	-	(19,167)	22,961	19,640
Compensated absences	260,391	104,969	(134,341)	231,019	57,972
	<u>\$ 1,085,519</u>	<u>104,969</u>	<u>(216,508)</u>	<u>973,980</u>	<u>142,612</u>

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
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**11. LONG-TERM OBLIGATIONS—*continued***

In April 2019, the School District entered into a direct borrowing installment loan agreement in the amount of \$1,010,000 for HB264 energy conservation improvements. The loan matures on December 1, 2033 and bears an interest rate of 3.55%. The loan agreement contains a provision that in an event of default, outstanding amounts become immediately due if the School District is unable to make the payment. This loan will be retired from the debt service fund.

In 2020, the School District entered into a lease agreement for the right-to-use copiers used throughout the district. The lease agreement is for a five-year term and expires in August 2025 with an interest rate of 2.443% and will be retired from the general fund.

All general obligation debt is supported by the full faith and credit of the School District. Compensated absences will be paid from the fund from which the employees' salaries are paid, typically the General Fund. The School District's voted legal debt margin was \$6,525,008 with an unvoted debt margin of \$72,500 at June 30, 2024.

Principal and interest requirements to retire the direct borrowing installment loan at June 30, 2024 are:

<u>Fiscal Year Ending June 30,</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$	65,000	24,992	89,992
2026		67,000	22,667	89,667
2027		70,000	20,253	90,253
2028		72,000	17,750	89,750
2029		75,000	15,176	90,176
2030-2034		371,000	33,690	404,690
Total	\$	<u>720,000</u>	<u>134,528</u>	<u>854,528</u>

Principal and interest requirements to retire the lease liability at June 30, 2024 are:

<u>Fiscal Year Ending June 30,</u>		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$	19,640	342	19,982
2026		3,321	10	3,331
Total	\$	<u>22,961</u>	<u>352</u>	<u>23,313</u>

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

**12. FUND BALANCES**

Fund balance is classified as nonspendable, restricted, 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 the governmental funds. The constraints placed on fund balance for the major governmental fund and all other governmental funds are presented below:

<u>Fund Balances</u>	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><i>Nonspendable</i></b>			
Inventory	\$ 3,306	23,161	26,467
<b><i>Restricted for</i></b>			
Food Service Operations	-	84,727	84,727
Private Grants and Donations	-	18,799	18,799
Classroom Facilities Maintenance	-	44,956	44,956
Athletics and student activities	-	30,015	30,015
State Grant Programs	-	685	685
Capital Improvements	-	11,359	11,359
<b><i>Total Restricted</i></b>	<b>-</b>	<b>190,541</b>	<b>190,541</b>
<b><i>Assigned to</i></b>			
Public School Support	29,865	-	29,865
General government	89,970	-	89,970
Budget Resource	2,792,439	-	2,792,439
<b><i>Total Assigned</i></b>	<b>2,912,274</b>	<b>-</b>	<b>2,912,274</b>
<b><i>Unassigned (Deficit)</i></b>	<b>15,995</b>	<b>(79,266)</b>	<b>(63,271)</b>
<b><i>Total Fund Balance</i></b>	<b>\$ 2,931,575</b>	<b>134,436</b>	<b>3,066,011</b>

**Encumbrances**

The School District utilizes encumbrance accounting to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At June 30, 2024, the amount of encumbrances expected to be honored upon performance by the respective vendors in the next fiscal year were as follows:

General Fund	\$ 183,283
Other Governmental Funds	149,098
	<u>\$ 332,381</u>

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**13. INSURANCE PURCHASING POOL**

*Butler Health Plan*

The School District participates in the Butler Health Plan, an insurance purchasing pool, formed to provide affordable and desirable dental, life, medical, and other disability group insurance for member's employees, eligible dependents and designated beneficiaries. The Board of Directors consists of one representative from each of the participating members and is elected by the vote of a majority of the member school districts. Financial information can be obtained from Butler Health Plan at P. O. Box 526, Middletown, Ohio 45042.

**14. JOINTLY GOVERNED ORGANIZATIONS**

*Butler Technology and Career Development Schools*

The Butler Technology and Career Development Schools (Butler Tech), a jointly governed organization, 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 participating school districts' elected board. The Board possesses its own budgeting and taxing authority as a separate body politic and corporate, established by the Ohio Revised Code. Butler Tech was formed for the purpose of providing vocational education opportunities to the students of the member school districts which includes the students of the School District. The School District has no ongoing financial interest in nor responsibility for Butler Tech. To obtain financial information, write to Butler Tech, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

*Southwest Ohio Computer Association*

The Southwest Ohio Computer Association (SWOCA) was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the member schools of the three county consortiums supports SWOCA based upon per pupil charge dependent upon the software package utilized. SWOCA is governed by a board of directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating School District is limited to its representation on the Board. To obtain financial information, write to SWOCA, at 3603 Hamilton-Middletown, Hamilton, Ohio 45011.

**15. CONTINGENCIES**

**Litigation**

The School District's attorney estimates that potential claims against the School District from legal proceedings would not materially affect the financial statements of the School District.

**State and Federal Funding**

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2024, if applicable, cannot be determined at this time.

**NEW MIAMI LOCAL SCHOOL DISTRICT**  
**Notes to the Basic Financial Statements**  
**Fiscal Year Ended June 30, 2024**

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**15. CONTINGENCIES—*continued***

School District Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2024 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2024 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

**16. REQUIRED SET-ASIDES**

The School District is required by State statute to annually set aside in the general fund an amount based on the statutory formula for the acquisition, maintenance, and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The following cash basis information describes the change in the year-end set aside amounts for capital acquisition. Disclosure of this information is required by State statute.

		Capital Improvements
Set-aside reserve balance as of June 30, 2023	\$	-
Current year set-aside requirement		121,075
Current year qualifying expenditures		<u>(475,139)</u>
Total	\$	<u>(354,064)</u>
Balance carried forward to fiscal year 2025	\$	<u>-</u>

Excess qualified expenditures for capital improvements do not carry forward.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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# NEW MIAMI LOCAL SCHOOL DISTRICT

Schedule of Revenues, Expenditures and Changes in Fund

Balance - Budget and Actual (Non-GAAP Budgetary Basis)

General Fund

Fiscal Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Taxes	\$ 2,041,700	\$ 2,031,588	\$ 2,031,588	\$ -
Tuition and fees	232,000	249,353	249,353	-
Interest	10,000	141,035	143,332	2,297
Intergovernmental	7,711,952	7,993,977	7,993,977	-
Other local revenues	1,100	4,970	4,970	-
<b>Total revenues</b>	<u>9,996,752</u>	<u>10,420,923</u>	<u>10,423,220</u>	<u>2,297</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	4,261,527	4,276,527	4,083,785	192,742
Special education	1,575,130	1,796,130	1,650,057	146,073
Other instruction	155,450	236,550	197,033	39,517
Support services:				
Pupil	941,250	948,250	862,124	86,126
Instructional staff	223,100	224,300	208,855	15,445
Board of Education	105,109	113,809	95,429	18,380
Administration	1,297,058	1,328,058	1,079,354	248,704
Fiscal	271,112	299,012	280,889	18,123
Business	25,000	26,000	25,991	9
Operation and maintenance of plant	1,070,187	1,186,687	1,144,706	41,981
Pupil transportation	734,000	796,000	690,142	105,858
Central	80,738	80,738	62,071	18,667
Non-instructional services:				
Extracurricular activities	213,500	233,100	207,326	25,774
<b>Total expenditures</b>	<u>10,953,161</u>	<u>11,545,161</u>	<u>10,587,762</u>	<u>957,399</u>
Excess of expenditures over revenues	(956,409)	(1,124,238)	(164,542)	959,696
<b>Other financing sources (uses):</b>				
Transfers out	(95,000)	(95,000)	(84,884)	10,116
Advances in	-	151,830	151,830	-
Advances out	-	(157,000)	(156,909)	91
Other uses	(2,541,382)	(2,368,383)	(5,550)	2,362,833
Other sources	5,805	5,805	5,805	-
<b>Total other financing sources (uses):</b>	<u>(2,630,577)</u>	<u>(2,462,748)</u>	<u>(89,708)</u>	<u>2,373,040</u>
Net change in fund balance	(3,586,986)	(3,586,986)	(254,250)	\$ 3,332,736
Fund balance, beginning of year	3,486,848	3,486,848	3,486,848	
Prior year encumbrances appropriated	100,138	100,138	100,138	
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,332,736</u>	

See accompanying notes to required supplementary information.

**NEW MIAMI LOCAL SCHOOL DISTRICT**

Required Supplementary Information

 Schedules of School District's Proportionate Share of the Net Pension Liability  
 and School District Pension Contributions  
 School Employees Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.02983%	\$ 1,509,477	\$ 875,426	172.43%	71.70%
2016	0.03459%	1,973,882	1,137,003	173.60%	69.16%
2017	0.03480%	2,546,951	1,031,771	246.85%	62.98%
2018	0.03748%	2,239,545	1,108,964	201.95%	69.50%
2019	0.03970%	2,273,710	1,202,630	189.06%	71.36%
2020	0.03961%	2,370,090	1,336,948	177.28%	70.85%
2021	0.04132%	2,732,839	1,199,893	227.76%	68.55%
2022	0.03800%	1,402,244	1,438,121	97.51%	82.86%
2023	0.03826%	2,069,606	1,192,614	173.54%	75.82%
2024	0.03997%	2,208,516	1,071,179	206.18%	76.06%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 149,857	\$ (149,857)	\$ -	\$ 1,137,003	13.18%
2016	144,448	(144,448)	-	1,031,771	14.00%
2017	155,255	(155,255)	-	1,108,964	14.00%
2018	162,355	(162,355)	-	1,202,630	13.50%
2019	180,488	(180,488)	-	1,336,948	13.50%
2020	167,985	(167,985)	-	1,199,893	14.00%
2021	201,337	(201,337)	-	1,438,121	14.00%
2022	166,966	(166,966)	-	1,192,614	14.00%
2023	149,965	(149,965)	-	1,071,179	14.00%
2024	182,091	(182,091)	-	1,300,650	14.00%

See Notes to Required Supplementary Information.



**NEW MIAMI LOCAL SCHOOL DISTRICT**

Required Supplementary Information

 Schedules of School District's Proportionate Share of the Net Pension Liability  
 and School District Pension Contributions  
 State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.03062%	\$ 7,448,688	\$ 3,369,554	221.06%	74.7%
2016	0.03066%	8,472,438	3,475,986	243.74%	72.1%
2017	0.03038%	10,168,533	3,593,664	282.96%	66.8%
2018	0.03366%	7,996,244	3,603,986	221.87%	75.3%
2019	0.03141%	6,905,466	3,881,186	177.92%	77.3%
2020	0.03360%	7,429,691	4,312,443	172.28%	77.4%
2021	0.03464%	8,381,263	4,358,471	192.30%	75.5%
2022	0.03506%	4,482,373	4,547,929	98.56%	87.8%
2023	0.03616%	8,039,007	4,244,814	189.38%	78.9%
2024	0.03515%	7,569,989	4,770,443	158.69%	80.0%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 486,638	\$ (486,638)	\$ -	\$ 3,475,986	14.0%
2016	503,113	(503,113)	-	3,593,664	14.0%
2017	504,558	(504,558)	-	3,603,986	14.0%
2018	543,366	(543,366)	-	3,881,186	14.0%
2019	603,742	(603,742)	-	4,312,443	14.0%
2020	610,186	(610,186)	-	4,358,471	14.0%
2021	636,710	(636,710)	-	4,547,929	14.0%
2022	594,274	(594,274)	-	4,244,814	14.0%
2023	667,862	(667,862)	-	4,770,443	14.0%
2024	697,197	(697,197)	-	4,979,979	14.0%

See Notes to Required Supplementary Information.

# **NEW MIAMI LOCAL SCHOOL DISTRICT**

## Required Supplementary Information

### Schedules of School District's Proportionate Share of the Net OPEB Liability

#### and School District OPEB Contributions

#### School Employees Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability	School District's Proportionate Share of the Net OPEB Liability	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.03473%	\$ 989,978	\$ 1,031,771	95.95%	11.49%
2018	0.03744%	1,004,891	1,108,964	90.62%	12.46%
2019	0.03980%	1,104,250	1,202,630	91.82%	13.57%
2020	0.04011%	1,008,689	1,336,948	75.45%	15.57%
2021	0.04120%	895,389	1,199,893	74.62%	18.17%
2022	0.03882%	734,648	1,438,121	51.08%	24.08%
2023	0.03867%	542,914	1,192,614	45.52%	30.34%
2024	0.04055%	668,003	1,071,179	62.36%	30.02%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year (3)	Contractually Required Contributions (4)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 15,286	\$ (15,286)	\$ -	\$ 1,031,771	1.48%
2017	17,664	(17,664)	-	1,108,964	1.59%
2018	25,417	(25,417)	-	1,202,630	2.11%
2019	28,896	(28,896)	-	1,336,948	2.16%
2020	18,539	(18,539)	-	1,199,893	1.55%
2021	23,228	(23,228)	-	1,438,121	1.62%
2022	22,919	(22,919)	-	1,192,614	1.92%
2023	26,508	(26,508)	-	1,071,179	2.47%
2024	22,839	(22,839)	-	1,300,650	1.76%

(3) The School District elected not to present information prior to 2016. The School District will continue to present information for years available until a full ten-year trend is compiled.

(4) Includes Surcharge.

See Notes to Required Supplementary Information.

**NEW MIAMI LOCAL SCHOOL DISTRICT**

Required Supplementary Information

Schedules of School District's Proportionate Share of the Net OPEB Liability/(Asset)

and School District OPEB Contributions

State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability/ (Asset)	School District's Proportionate Share of the Net OPEB Liability/ (Asset)	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.03038%	\$ 1,624,639	\$ 3,593,664	45.21%	37.3%
2018	0.03366%	1,313,328	3,603,986	36.44%	47.1%
2019	0.03141%	(504,662)	3,881,186	(13.00%)	176.0%
2020	0.03360%	(556,440)	4,312,443	(12.90%)	174.7%
2021	0.03464%	(608,768)	4,358,471	(13.97%)	182.1%
2022	0.03506%	(739,153)	4,547,929	(16.25%)	174.7%
2023	0.03616%	(936,373)	4,244,814	(22.06%)	230.7%
2024	0.03515%	(683,660)	4,770,443	(14.33%)	168.5%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year (3)	Contractually Required Contributions (4)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ -	\$ -	\$ -	\$ 3,593,664	0.00%
2017	-	-	-	3,603,986	0.00%
2018	-	-	-	3,881,186	0.00%
2019	-	-	-	4,312,443	0.00%
2020	-	-	-	4,358,471	0.00%
2021	-	-	-	4,547,929	0.00%
2022	-	-	-	4,244,814	0.00%
2023	-	-	-	4,770,443	0.00%
2024	-	-	-	4,979,979	0.00%

(3) The School District elected not to present information prior to 2016. The School District will continue to present information for years available until a full ten-year trend is compiled.

(4) STRS allocated the entire 14% employer contribution rate towards pension benefits.

See Notes to Required Supplementary Information.

## NEW MIAMI LOCAL SCHOOL DISTRICT

Notes to Required Supplementary Information

Fiscal Year Ended June 30, 2024

### Note A Budgetary Basis of Accounting

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

Certain funds accounted for as separate funds internally with legally adopted budgets (budget basis) do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

Encumbrances are treated as expenditures for all funds (budget basis) rather than as an expenditure when liquidated (GAAP basis).

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

	<u>General</u>
Net change in fund balance - GAAP Basis	\$ (574,179)
Increase / (decrease):	
Due to inclusion of Uniform School Supply Fund	974
Due to inclusion of Rotary Fund	(8)
Due to inclusion of Public School Support Fund	(451)
Due to revenues	281,748
Due to expenditures	225,773
Due to other sources (uses)	(4,824)
Due to encumbrances	<u>(183,283)</u>
Net change in fund balance - Budget Basis	\$ <u>(254,250)</u>

Notes to Pension Information

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Changes of Benefit Terms

For measurement period 2017, the COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.50% with a floor of 0.0% beginning January 1, 2018. In addition, with the authority granted to the Board under Ohio House Bill 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

For measurement period 2018, with the authority granted to the Board under Ohio Senate Bill 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries and disabled members were updated.

For measurement period 2022, the cost of living adjustments was increased from 2.00% to 2.50%.

For measurement period 2023, cost-of-living adjustment was increased from 2.00% to 2.50%.

Notes to OPEB Information

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Changes of Benefit Terms

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

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries and disabled members were updated.

For measurement period 2022, the discount rate was increased from 2.27% to 4.08% and the health care trend rates were updated.

For measurement period 2023, the discount rate changes from 4.08% to 4.27%, health care trend rates were updated, assumption for percentage of pre-Medicare eligible retirees who choose the Wraparound plan was increased from 10% to 20%, health care trend assumption on retiree premiums was updated to not apply the trend to the \$35 surcharge, assumption was added to assume that 15% of pre-65 retirees who waive health care will elect coverage upon Medicare eligibility, and morbidity factors were updated based on the society of Actuaries' June 2013 research report, Health Care Costs-From Birth to Death by Dale Yamamoto, and from the Actuarial Standards of Practice (ASOP) 6 practice note developed by the American Academy of Actuaries.

Notes to Pension Information

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Changes of Benefit Terms

For measurement period 2017, the COLA was reduced to zero.

Changes of Assumptions

For the measurement period 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The health and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement period 2021, the discount rate was adjusted to 7.00% from 7.45%.

For measurement period 2022, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

Notes to OPEB Information

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Changes of Benefit Terms

For the measurement period 2017, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

For the measurement period 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For the measurement period 2019, there was no change to the claims cost process. Claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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

For measurement year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement year 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age-based to service-based.

For measurement year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

**New Miami Local School District**

Required Supplementary Information

Notes to Required Supplementary Information

State Teachers Retirement System of Ohio

(continued)

Notes to OPEB Information (continued)

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Changes of Assumptions

For measurement year 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trends were modified along with the portion of rebated prescription drug costs.

For measurement year 2018, the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74. Valuation year per capita health care costs were updated.

For measurement year 2021, the discount rate was adjusted to 7.00% from 7.45%.

For measurement year 2022, healthcare trends were updated to reflect emerging claims and recoveries experience.

**New Miami Local School District**  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

<u>Federal Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>		
<i>(Passed through Ohio Department of Education)</i>		
Nutrition Cluster:		
<i>Non-Cash Assistance (Food Distribution):</i>		
National School Lunch Program	10.555	\$ 51,031
<i>Cash Assistance:</i>		
School Breakfast Program	10.553	81,064
National School Lunch Program	10.555	242,045
<i>Cash Assistance Subtotal</i>		<u>323,109</u>
Nutrition Cluster Total		<u>374,140</u>
Total U.S. Department of Agriculture		<u>374,140</u>
<u>U.S. Department of Education:</u>		
<i>(Passed through Ohio Department of Education)</i>		
Title I Grants to Local Educational Agencies	84.010	248,526
Special Education Cluster:		
Special Education - Grants to States	84.027	150,922
Special Education - Preschool Grants	84.173	1,115
Special Education Cluster Total		<u>152,037</u>
Rural Education	84.358	23,868
Supporting Effective Instruction State Grant	84.367	39,851
Comprehensive Literacy Development	84.371	130,430
Student Support & Academic Enrichment	84.424A	11,565
Student Support & Academic Enrichment	84.424F	11,746
		<u>23,311</u>
COVID-19 Elementary and Secondary School and Emergency Relief (ESSER) Fund	84.425D	11,451
COVID-19 ARP - Elementary and Secondary School and Emergency Relief Fund (ARP ESSER)	84.425U	852,963
COVID-19 ARP - Elementary and Secondary School and Emergency Relief - Homeless Children and Youth	84.425W	14,136
		<u>878,550</u>
Total U.S. Department of Education		<u>1,496,573</u>
<u>U.S. Department of Treasury:</u>		
<i>(Passed through Ohio Office of Budget and Management)</i>		
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	44,600
Total U.S. Department of Treasury		<u>44,600</u>
Total Federal Awards		<u>\$ 1,915,313</u>



**New Miami Local School District**

Schedule of Expenditures of Federal Awards (continued)

Year Ended June 30, 2024

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:****NOTE A - BASIS OF PRESENTATION**

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

**NOTE B - 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are 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 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 AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Education  
New Miami Local School District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the New Miami Local School District ("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 December 16, 2024.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 16, 2024

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE UNIFORM  
GUIDANCE**

To the Board of Education  
New Miami Local School District:

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

We have audited New Miami Local School District's ("School District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2024. The School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

***Basis for Opinion on Each Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

## **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we considered to be a material weakness.

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

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

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

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

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

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
December 16, 2024

**New Miami Local School District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024**

**Section I - Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued:	unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	no
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

**Federal Awards**

Internal Control over major programs:	
• Material weakness(es) identified?	yes
• Significant deficiency(ies) identified not considered to be material weaknesses?	none reported
Type of auditors' report issued on compliance for major programs:	unmodified
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?	yes
Identification of major programs:	

**ALN 84.425 Education Stabilization Fund – Subprograms:**

*ALN 84.425D COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund*

*ALN 84.425U COVID-19 ARP – Elementary and Secondary School and Emergency Relief Fund (ARP ESSER)*

*ALN 84.425W COVID-19 ARP – Elementary and Secondary School and Emergency Relief – Homeless Children and Youth*

Dollar threshold to distinguish between Type A and Type B Programs:	\$750,000
Auditee qualified as low-risk auditee?	no

**Section II - Financial Statement Findings**

*None*

**New Miami Local School District  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2024  
(continued)**

**Section III – Federal Award Findings and Questioned Costs**

**2024-001: Special Tests and Provisions – Wage Rate Requirements – Material Weakness**

*ALN 84.425 – Education Stabilization Fund:*

*Subprogram: ALN 84.425U COVID-19 ARP Elementary and Secondary School Emergency Relief Fund (ARP ESSER)*

**Condition and Criteria:** In accordance with 29 CFR sections 5.5 and 5.6, contractors and subcontractors are required to submit to the School District, weekly, for each week in which any contract work is performed, a copy of the payroll and a statement of compliance (certified payrolls). During our audit of wage rate requirements, we noted the entity lacked a process to ensure certified payrolls that were required were in fact submitted, resulting in missing certified payroll submissions.

**Effect:** Failing to receive and review certified payrolls could result in contractors and subcontractors being non-compliant with wage rate requirements.

**Cause:** The School District lacked procedures to ensure its contractors and subcontractors were submitting weekly certified payrolls for each week work was performed.

**Recommendation:** We recommend the School District implement procedures to track contractor and subcontractor work and subsequent submission of required certified payroll documentation.

**Views of Responsible Officials:** See the School District's Corrective Action Plan

**Section IV – Schedule of Prior Year Findings**

*None*





**CORRECTIVE ACTION PLAN**  
**2 CFR § 200.511(c)**  
**June 30, 2024**

MS. RHONDA PARKER  
SUPERINTENDENT

MRS. ROBIN BONAR  
TREASURER

<b><u>Finding Number</u></b>	<b><u>Planned Corrective Action</u></b>	<b><u>Anticipated Completion</u></b>	<b><u>Responsible Contact Person</u></b>
<b>2024-001</b>	The School District will implement procedures to properly track contractor and subcontractor work to ensure the required certified payroll documentation is submitted to the School District,	6/30/2025	Robin Bonar, Treasurer

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# OHIO AUDITOR OF STATE KEITH FABER



**NEW MIAMI LOCAL SCHOOL DISTRICT**

**BUTLER 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 2/4/2025**

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

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