

# **MIDVIEW LOCAL SCHOOL DISTRICT**

**LORAIN COUNTY, OHIO**

**SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2024**





65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Board of Education  
Midview Local School District  
13050 Durkee Road  
Grafton, Ohio 44044

We have reviewed the *Independent Auditor's Report* of the Midview Local School District, Lorain County, prepared by Julian & Grube, Inc., 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 Midview Local School District is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

February 26, 2025

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**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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## **Independent Auditor's Report**

Midview Local School District  
Lorain County  
13050 Durkee Road  
Grafton, OH 44044

To the Members of the Board of Education:

### **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 Midview Local School District, Lorain County, Ohio, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Midview Local 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 Midview Local School District, as of June 30, 2024, and the respective changes in financial position thereof for the fiscal 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Midview 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 Midview 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.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Midview 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 the Midview 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, schedules of net pension and other postemployment benefit assets and liabilities and pension and other postemployment benefit contributions, and budgetary comparison information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Midview 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024 on our consideration of the Midview Local 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 Midview Local 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 Midview Local School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
December 23, 2024

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**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

**Financial Highlights**

Key financial highlights for 2024 are as follows:

- In total, net position of governmental activities increased \$2,531,901 which represents an 8.66% increase from 2023's net position.
- General revenues accounted for \$38,478,826 in revenue or 84.79% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,901,108 or 15.21% of total revenues of \$45,379,934.
- The District had \$42,848,033 in expenses related to governmental activities. Only \$6,901,108 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$38,478,826 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and the permanent improvement fund. The general fund had \$37,293,703 in revenues and \$38,287,473 in expenditures and other financing uses. During fiscal year 2024, the general fund's fund balance decreased \$993,770 from \$30,212,796 to a balance of \$29,219,026.
- The permanent improvement fund had \$5,474,346 in revenues and other financing sources and \$4,068,771 in expenditures. During fiscal year 2024, the permanent improvement fund's fund balance increased \$1,405,575 from \$4,738,342 to a balance of \$6,143,917.

**Using the Basic Financial Statements**

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

The *statement of net position* and *statement of activities* provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of the District, the general fund and the permanent improvement fund are by far the most significant funds and the only governmental funds reported as major funds.

**Reporting the District as a Whole**

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

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

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

***Fund Financial Statements***

The analysis of the District's major governmental fund begins on page 12. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and the permanent improvement fund.

***Governmental Funds***

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

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

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

***Required Supplementary Information***

The required supplementary information provides detailed information regarding the general fund budgetary activity, the District's proportionate share of the net pension liability and net OPEB liability/asset of the retirement systems and a ten year schedule of District's contributions to the retirement systems to fund pension and OPEB obligations.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

**The District as a Whole**

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

	<b>Net Position</b>	
	Governmental Activities 2024	Governmental Activities 2023
<b><u>Assets</u></b>		
Current and other assets	\$ 72,799,873	\$ 67,288,264
Capital assets, net	37,553,026	38,324,438
Total assets	<u>110,352,899</u>	<u>105,612,702</u>
<b><u>Deferred Outflows of Resources</u></b>	<u>8,535,254</u>	<u>9,373,334</u>
<b><u>Liabilities</u></b>		
Current liabilities	5,220,711	4,660,806
Long-term liabilities:		
Due within one year	1,628,574	1,711,793
Due in more than one year:		
Net pension liability	32,996,523	33,722,786
Net OPEB liability	2,034,625	1,744,608
Other amounts	17,459,374	18,984,857
Total liabilities	<u>59,339,807</u>	<u>60,824,850</u>
<b><u>Deferred Inflows of Resources</u></b>	<u>27,784,159</u>	<u>24,928,900</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	20,274,609	19,937,387
Restricted	12,180,348	9,968,279
Unrestricted (deficit)	<u>(690,770)</u>	<u>(673,380)</u>
Total net position	<u>\$ 31,764,187</u>	<u>\$ 29,232,286</u>

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2024 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The District also adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

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

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

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

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

In accordance with GASB 68 and GASB 75, the 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.

At year-end, capital assets represented 34.03% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use assets. Net investment in capital assets as of June 30, 2024, was \$20,274,609. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$12,180,348 represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit balance of (\$690,770).

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

	<b>Change in Net Position</b>	
	Governmental Activities 2024	Governmental Activities 2023
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 2,054,972	\$ 2,101,022
Operating grants and contributions	4,257,281	5,593,489
Capital grants and contributions	588,855	383,523
General revenues:		
Property taxes	21,483,024	22,802,174
Payment in lieu of taxes	757,909	639,954
Grants and entitlements	14,284,731	14,149,035
Investment earnings and fair value adjustment	1,913,218	555,396
Other	39,944	46,793
Total revenues	<u>\$ 45,379,934</u>	<u>\$ 46,271,386</u>

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**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

	<b>Change in Net Position (Continued)</b>	
	Governmental Activities 2024	Governmental Activities 2023
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	\$ 17,299,707	\$ 16,703,727
Special	6,567,704	4,427,288
Vocational	333,801	175,586
Other	255,399	183,758
Support services:		
Pupil	2,950,735	3,085,629
Instructional staff	1,973,073	1,344,590
Board of education	258,575	156,414
Administration	3,086,929	2,647,594
Fiscal	1,033,117	948,501
Business	70,371	45,608
Operations and maintenance	3,261,663	2,991,451
Pupil transportation	2,542,831	2,415,467
Central	87,012	75,364
Operation of non-instructional services:		
Other non-instructional services	74,985	2,760
Food service operations	1,240,790	985,049
Extracurricular activities	1,373,648	1,131,801
Interest and fiscal charges	<u>437,693</u>	<u>491,714</u>
Total expenses	<u>42,848,033</u>	<u>37,812,301</u>
Change in net position	2,531,901	8,459,085
Net position at beginning of year	<u>29,232,286</u>	<u>20,773,201</u>
Net position at end of year	<u><u>\$ 31,764,187</u></u>	<u><u>\$ 29,232,286</u></u>

**Governmental Activities**

Net position of the District's governmental activities increased \$2,531,901. Total governmental expenses of \$42,848,033 were offset by program revenues of \$6,901,108 and general revenues of \$38,478,826. Program revenues supported 16.11% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, payments in lieu of taxes and unrestricted grants and entitlements from the State. These revenue sources represent 94.92% of total governmental revenue.

The largest expense of the District is for instructional programs. Instruction expenses totaled \$24,456,611 or 57.08% of total governmental expenses for fiscal year 2024.

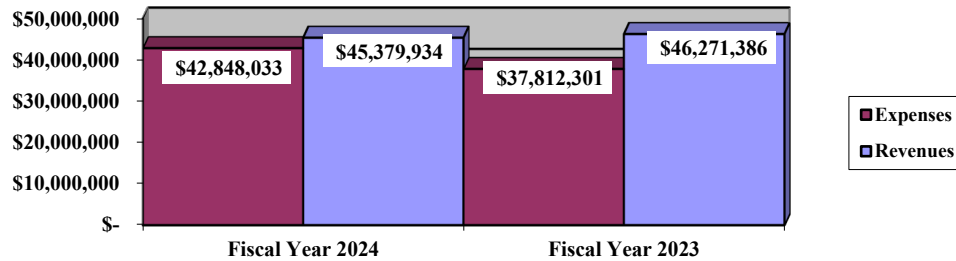


**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

**Governmental Activities**

	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
<b>Program expenses</b>				
Instruction:				
Regular	\$ 17,299,707	\$ 15,799,827	\$ 16,703,727	\$ 14,783,631
Special	6,567,704	4,546,616	4,427,288	2,324,992
Vocational	333,801	200,691	175,586	5,373
Other	255,399	255,399	183,758	171,411
Support services:				
Pupil	2,950,735	2,354,988	3,085,629	2,022,747
Instructional staff	1,973,073	1,829,810	1,344,590	1,208,225
Board of education	258,575	258,575	156,414	156,414
Administration	3,086,929	2,938,669	2,647,594	2,393,182
Fiscal	1,033,177	1,033,117	948,501	947,740
Business	70,371	70,371	45,608	45,608
Operations and maintenance	3,261,663	2,864,571	2,991,451	2,534,883
Pupil transportation	2,542,831	2,316,784	2,415,467	2,255,835
Central	87,012	75,968	75,364	67,494
Operations of non-instructional services:				
Other non-instructional services	74,985	(52,902)	2,760	2,760
Food service operations	1,240,790	219,996	985,049	(147,746)
Extracurricular activities	1,373,648	796,752	1,131,801	470,004
Interest and fiscal charges	437,693	437,693	491,714	491,714
<b>Total expenses</b>	<u>\$ 42,848,093</u>	<u>\$ 35,946,925</u>	<u>\$ 37,812,301</u>	<u>\$ 29,734,267</u>

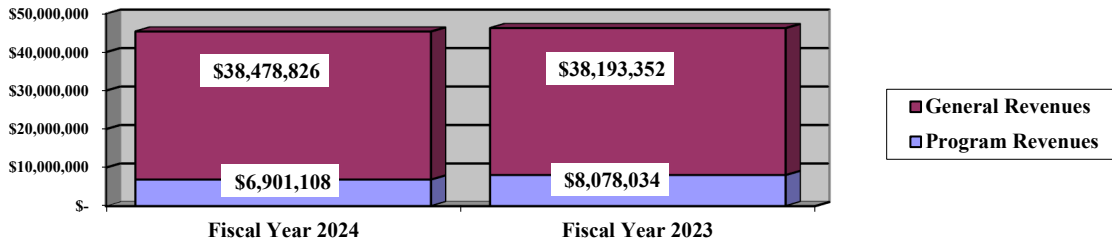
The dependence upon tax and other general revenues for governmental activities is apparent, 85.06% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 83.89%. The District's taxpayers and unrestricted grants and entitlements from the state, are the primary support for District's students.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

**Governmental Activities - General and Program Revenues**



**The District's Funds**

The District's governmental funds reported a combined fund balance of \$38,807,195 which is \$458,900 less than last year's total of \$39,266,095. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2024 and 2023.

	<u>Fund Balance June 30, 2024</u>	<u>Fund Balance June 30, 2023</u>	<u>Change</u>
General	\$ 29,219,026	\$ 30,212,796	\$ (993,770)
Permanent Improvement	6,143,917	4,738,342	1,405,575
Other Governmental	<u>3,444,252</u>	<u>4,314,957</u>	<u>(870,705)</u>
Total	<u>\$ 38,807,195</u>	<u>\$ 39,266,095</u>	<u>\$ (458,900)</u>

**General Fund**

The District's general fund balance decreased \$993,770. The table that follows assists in illustrating the financial activities of the general fund.

	<u>2024 Amount</u>	<u>2023 Amount</u>	<u>Percentage Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 17,855,216	\$ 19,483,764	(8.36) %
PILOTs	757,909	639,954	18.43 %
Tuition	827,870	993,063	(16.63) %
Earnings on investments/fair value adjustment	1,889,699	543,504	247.69 %
Intergovernmental	15,616,709	15,398,145	1.42 %
Other revenues	<u>346,300</u>	<u>392,234</u>	<u>(11.71) %</u>
Total	<u>\$ 37,293,703</u>	<u>\$ 37,450,664</u>	<u>(0.42) %</u>
<b><u>Expenditures</u></b>			
Instruction	\$ 21,403,627	\$ 20,338,561	5.24 %
Support services	12,942,073	12,318,227	5.06 %
Operation of non-instructional services	1,007	2,760	(63.51) %
Extracurricular activities	973,065	824,659	18.00 %
Capital outlay	-	288,160	100.00 %
Facilities acquisition and construction	-	1,640	100.00 %
Debt service	<u>102,701</u>	<u>241,290</u>	<u>(57.44) %</u>
Total	<u>\$ 35,422,473</u>	<u>\$ 34,015,297</u>	<u>4.14 %</u>

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

Property taxes decreased during fiscal year 2024 due to the timing of tax receipts which resulted in an decrease in taxes available for advance. Earnings on investments increased due to market fluctuations and the timing of investment purchases. The District holds investments until maturity, so market gains/losses are only realized when the investments mature.

The fluctuation in instruction and support service expenditures was primarily due to the salary and fringe benefit increases that are part of negotiated agreements. The capital outlay in the prior year was related to a new capital lease in 2023. The District did not have any new leases in 2024.

***General Fund Budgeting Highlights***

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

The District amended the budgeted revenues for the general fund during the year. For the general fund, original budgeted revenues and other financings sources were \$36,167,271 and final budgeted revenues and other financings sources were \$38,317,633. The actual revenues and other financing sources for fiscal year 2024 totaled \$38,488,822 which were \$171,189 higher than the final budgeted revenues.

General fund original appropriations (appropriated expenditures including other financing uses) were \$37,222,518. The actual budget basis expenditures and other financing uses for fiscal year 2024 totaled \$39,268,636 which was \$520,773 lower than the final budgeted appropriations of \$39,789,409.

***Permanent Improvement Fund***

The District's permanent improvement fund balance increased \$1,405,575. The table that follows assists in illustrating the financial activities of the permanent improvement fund.

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>			
Taxes	\$ 2,113,310	\$ 2,285,271	(7.52) %
Classroom materials and fees	23,340	25,970	(10.13) %
Rental income	185,004	185,004	- %
Other	32,655	5,850	458.21 %
Intergovernmental	<u>298,418</u>	<u>288,262</u>	3.52 %
Total	<u>\$ 2,652,727</u>	<u>\$ 2,790,357</u>	(4.93) %
<b><u>Expenditures</u></b>			
Instruction	\$ 322,749	\$ 272,506	18.44 %
Support services	840,784	1,008,134	(16.60) %
Extracurricular activities	37,743	5,260	617.55 %
Facilities acquisition and construction	919,582	210,632	336.58 %
Debt service	<u>1,947,913</u>	<u>1,950,788</u>	(0.15) %
Total	<u>\$ 4,068,771</u>	<u>\$ 3,447,320</u>	18.03 %

The overall decrease in revenue was the result of property tax decrease of 7.52%. As explained above in the general fund, the timing of tax collections by the County resulted in a decrease in the amount of tax available for advance at June 30<sup>th</sup>. The increase of 336.58% in facilities acquisition and construction was due to on-going construction projects.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2024, the District had \$37,553,026 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use: leased equipment and software. This entire amount is reported in governmental activities.

The following table shows fiscal year 2024 balances compared to 2023:

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

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Land	\$ 2,283,610	\$ 2,287,550
Construction in progress	1,198,853	379,673
Land improvements	1,563,257	2,061,005
Building and improvements	28,699,825	29,524,106
Furniture and equipment	2,422,589	2,619,325
Vehicles	1,139,979	1,107,033
Intangible right to use: leased equipment	201,712	259,345
Intangible right to use: software	<u>43,201</u>	<u>86,401</u>
Total	<u>\$ 37,553,026</u>	<u>\$ 38,324,438</u>

The overall decrease in capital assets of \$771,412 is due to depreciation/amortization of \$2,157,266 exceeding capital outlays expense of \$1,581,070 in the fiscal year.

See Note 9 to the basic financial statements for detail on the District's capital assets.

***Debt Administration***

At June 30, 2024, the District had \$15,611,452 in certificates of participation, lease obligations, and SBITA obligations outstanding. Of this total, \$1,498,636 is due within one year and \$14,112,816 is due in more than one year. The following table summarizes the certificates of participation, leases obligations, and SBITA obligations outstanding. See Note 13 to the basic financial statements for detail on the District's debt obligations.

**Outstanding Debt, at Year End**

	<u>Governmental Activities 2024</u>	<u>Governmental Activities 2023</u>
Certificate of participation	\$ 15,395,000	\$ 16,745,000
SBITA obligation	43,164	84,228
Lease obligation	<u>173,288</u>	<u>226,588</u>
Total	<u>\$ 15,611,452</u>	<u>\$ 17,055,816</u>

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

**Current Financial Related Activities**

Consistent with many school districts in Ohio, the Midview Local School District is faced with the challenge of maintaining a high standard of education for our students and services to our community, while striving to remain financially stable. The District relies heavily upon property taxes and state funding as the major sources of revenue. The District continues to exercise careful financial planning and prudent fiscal management in order to manage the resources.

The District combined two expiring emergency levies into one substitute levy, which the community approved in May of 2023, for another ten-year period. The District is very appreciative of the community's support and is dedicated to stretching these funds for years into the future.

Due to the unsettled issues in the school funding formula, management is required to plan carefully and prudently to provide the resources to meet student needs over the foreseeable future.

The Midview community has a long history of taking pride in its schools. The Board, administration, and staff are dedicated to working with the community in order to maintain the high standard of education in a safe, effective, and efficient manner. Ultimately the continued success of the District is dependent on the support of the community.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Mike Resar, Treasurer, Midview Local Schools, 13050 Durkee Road, Grafton, Ohio 44044.

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**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2024

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 42,130,894
Receivables:	
Property taxes	27,547,395
Payment in lieu of taxes	69,091
Accounts	19,018
Accrued interest	160,409
Intergovernmental	186,285
Prepayments	296,786
Materials and supplies inventory	16,099
Net OPEB asset	2,373,896
Capital assets:	
Nondepreciable capital assets	3,482,463
Depreciable capital assets, net	34,070,563
Capital assets, net	<u>37,553,026</u>
Total assets	<u>110,352,899</u>
<b>Deferred outflows of resources:</b>	
Unamortized deferred charges on debt refunding	431,394
Pension	6,826,154
OPEB	1,277,706
Total deferred outflows of resources	<u>8,535,254</u>
<b>Liabilities:</b>	
Accounts payable	261,827
Contracts payable	618,978
Accrued wages and benefits payable	3,417,445
Intergovernmental payable	86,864
Pension and postemployment benefits payable	732,771
Accrued interest payable	97,016
Unearned revenue	5,810
Long-term liabilities:	
Due within one year	1,628,574
Due in more than one year:	
Net pension liability	32,996,523
Net OPEB liability	2,034,625
Other amounts due in more than one year	17,459,374
Total liabilities	<u>59,339,807</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	21,664,942
Payment in lieu of taxes levied for the next fiscal year	69,091
Pension	2,176,747
OPEB	3,873,379
Total deferred inflows of resources	<u>27,784,159</u>
<b>Net position:</b>	
Net investment in capital assets	20,274,609
Restricted for:	
Capital projects	7,183,112
OPEB	2,373,896
Classroom facilities maintenance	1,644,882
Debt service	2,700
State funded programs	216,329
Food service operations	286,323
Student activities	258,801
Other purposes	242,284
Unrestricted (deficit)	(718,749)
Total net position	<u>\$ 31,764,187</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Total
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 17,299,707	\$ 813,353	\$ 686,527	\$ -	\$ (15,799,827)
Special	6,567,704	134,633	1,627,929	258,526	(4,546,616)
Vocational	333,801	-	133,110	-	(200,691)
Other	255,399	-	-	-	(255,399)
Support services:					
Pupil	2,950,735	497	448,235	147,015	(2,354,988)
Instructional staff	1,973,073	-	143,263	-	(1,829,810)
Board of education	258,575	-	-	-	(258,575)
Administration	3,086,929	61	148,199	-	(2,938,669)
Fiscal	1,033,117	-	-	-	(1,033,117)
Business	70,371	-	-	-	(70,371)
Operations and maintenance	3,261,663	253,088	690	143,314	(2,864,571)
Pupil transportation	2,542,831	-	186,047	40,000	(2,316,784)
Central	87,012	4,447	6,597	-	(75,968)
Operation of non-instructional services:					
Food service operations	1,240,790	277,633	743,161	-	(219,996)
Other non-instructional services	74,985	-	127,887	-	52,902
Extracurricular activities	1,373,648	571,260	5,636	-	(796,752)
Interest and fiscal charges	437,693	-	-	-	(437,693)
<b>Totals</b>	<u>\$ 42,848,033</u>	<u>\$ 2,054,972</u>	<u>\$ 4,257,281</u>	<u>\$ 588,855</u>	<u>(35,946,925)</u>

**General revenues:**

Property taxes levied for:

General purposes	19,030,482
Capital outlay	2,207,884
Classroom facilities maintenance	244,658
Payments in lieu of taxes	757,909
Grants and entitlements not restricted to specific programs	14,284,731
Investment earnings and fair value adjustment	1,913,218
Miscellaneous	39,944
<b>Total general revenues</b>	<u>38,478,826</u>

Change in net position 2,531,901

**Net position at beginning of year** 29,232,286

**Net position at end of year** \$ 31,764,187

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	<u>General</u>	<u>Permanent Improvement</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 31,716,377	\$ 6,391,500	\$ 4,023,017	\$ 42,130,894
Receivables:				
Property taxes	24,809,288	2,738,107	-	27,547,395
Payment in lieu of taxes	69,091	-	-	69,091
Accounts	3,851	-	15,167	19,018
Accrued interest	160,409	-	-	160,409
Intergovernmental	93,146	-	93,139	186,285
Prepayments	270,044	25,832	910	296,786
Materials and supplies inventory	-	-	16,099	16,099
Due from other funds	4,681	-	-	4,681
Total assets	<u>\$ 57,126,887</u>	<u>\$ 9,155,439</u>	<u>\$ 4,148,332</u>	<u>\$ 70,430,658</u>
<b>Liabilities:</b>				
Accounts payable	\$ 116,646	\$ 123,628	\$ 21,553	\$ 261,827
Contracts payable	-	298,755	320,223	618,978
Accrued wages and benefits payable	3,203,457	-	213,988	3,417,445
Compensated absences payable	23,802	-	-	23,802
Intergovernmental payable	84,294	-	2,570	86,864
Pension and postemployment benefits payable	678,211	-	54,560	732,771
Due to other funds	-	-	4,681	4,681
Unearned revenue	3,731	-	2,079	5,810
Total liabilities	<u>4,110,141</u>	<u>422,383</u>	<u>619,654</u>	<u>5,152,178</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	19,415,594	2,249,348	-	21,664,942
Payment in lieu of taxes levied for the next fiscal year	69,091	-	-	69,091
Delinquent property tax revenue not available	4,196,559	339,791	-	4,536,350
Intergovernmental revenue not available	71,115	-	84,426	155,541
Accrued interest not available	45,361	-	-	45,361
Total deferred inflows of resources	<u>23,797,720</u>	<u>2,589,139</u>	<u>84,426</u>	<u>26,471,285</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory	-	-	16,099	16,099
Prepays	270,044	25,832	910	296,786
Unclaimed funds	27,979	-	-	27,979
Restricted:				
Debt service	-	-	2,700	2,700
Capital improvements	-	6,118,085	793,425	6,911,510
Classroom facilities maintenance	-	-	1,644,882	1,644,882
Food service operations	-	-	381,227	381,227
Non-public schools	-	-	54,200	54,200
State funded programs	-	-	162,129	162,129
Extracurricular	-	-	258,801	258,801
Other purposes	-	-	214,305	214,305
Committed:				
Student and staff support	80,052	-	-	80,052
Student instruction	33,780	-	-	33,780
Assigned:				
Student instruction	63,266	-	-	63,266
Student and staff support	412,502	-	-	412,502
Extracurricular activities	12	-	-	12
Subsequent year's appropriations	167,920	-	-	167,920
Other purposes	25,494	-	-	25,494
Unassigned (deficit)	<u>28,137,977</u>	<u>-</u>	<u>(84,426)</u>	<u>28,053,551</u>
Total fund balances	<u>29,219,026</u>	<u>6,143,917</u>	<u>3,444,252</u>	<u>38,807,195</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 57,126,887</u>	<u>\$ 9,155,439</u>	<u>\$ 4,148,332</u>	<u>\$ 70,430,658</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

<b>Total governmental fund balances</b>		\$ 38,807,195
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		37,553,026
Other long-term assets are not available to pay for current period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 4,536,350	
Accrued interest receivable	45,361	
Intergovernmental receivable	155,541	
Total		4,737,252
Unamortized premiums on bonds issued are not recognized in the funds.		(1,479,381)
Unamortized amounts on refundings are not recognized in the funds.		431,394
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(97,016)
The net pension/OPEB assets & liabilities are not available nor are they due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	6,826,154	
Deferred inflows - pension	(2,176,747)	
Net pension liability	(32,996,523)	
Deferred outflows - OPEB	1,277,706	
Deferred inflows - OPEB	(3,873,379)	
Net OPEB asset	2,373,896	
Net OPEB liability	(2,034,625)	
Total		(30,603,518)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Certificates of Participation	(15,395,000)	
Lease obligations	(173,288)	
SBITA obligations	(43,164)	
Compensated absences	(1,958,313)	
Asset retirement obligations	(15,000)	
Total		(17,584,765)
<b>Net position of governmental activities</b>		<u><u>\$ 31,764,187</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 17,855,216	\$ 2,113,310	\$ 244,658	\$ 20,213,184
Intergovernmental	15,616,709	298,418	3,051,377	18,966,504
Investment earnings and fair value adjustment	1,889,699	-	114,467	2,004,166
Tuition and fees	827,870	23,340	-	851,210
Extracurricular	276,579	-	288,557	565,136
Rental income	12,089	185,004	-	197,093
Charges for services	17,688	-	277,633	295,321
Contributions and donations	-	27,001	18,659	45,660
Payment in lieu of taxes	757,909	-	-	757,909
Miscellaneous	39,944	5,654	115,500	161,098
Total revenues	<u>37,293,703</u>	<u>2,652,727</u>	<u>4,110,851</u>	<u>44,057,281</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	15,577,488	322,749	667,897	16,568,134
Special	5,269,596	-	910,186	6,179,782
Vocational	314,677	-	-	314,677
Other	241,866	-	57	241,923
Support services:				
Pupil	2,636,033	-	180,329	2,816,362
Instructional staff	1,235,456	453,664	146,867	1,835,987
Board of education	238,757	2,500	-	241,257
Administration	2,766,586	6,585	169,090	2,942,261
Fiscal	930,477	41,604	-	972,081
Business	65,889	-	-	65,889
Operations and maintenance	2,835,730	80,267	399	2,916,396
Pupil transportation	2,153,890	256,164	(1,100)	2,408,954
Central	79,255	-	7,757	87,012
Operation of non-instructional services:				
Food service operations	-	-	1,150,205	1,150,205
Other non-instructional services	1,007	-	73,978	74,985
Extracurricular activities	973,065	37,743	298,149	1,308,957
Facilities acquisition and construction	-	919,582	1,427,742	2,347,324
Debt service:				
Principal retirement	94,364	1,350,000	-	1,444,364
Interest and fiscal charges	8,337	597,913	-	606,250
Total expenditures	<u>35,422,473</u>	<u>4,068,771</u>	<u>5,031,556</u>	<u>44,522,800</u>
Excess of revenues over (under) expenditures	<u>1,871,230</u>	<u>(1,416,044)</u>	<u>(920,705)</u>	<u>(465,519)</u>
<b>Other financing sources (uses):</b>				
Sale of assets	-	6,619	-	6,619
Transfers in	-	2,815,000	50,000	2,865,000
Transfers (out)	(2,865,000)	-	-	(2,865,000)
Total other financing sources (uses)	<u>(2,865,000)</u>	<u>2,821,619</u>	<u>50,000</u>	<u>6,619</u>
Net change in fund balances	(993,770)	1,405,575	(870,705)	(458,900)
<b>Fund balances at beginning of year</b>	<u>30,212,796</u>	<u>4,738,342</u>	<u>4,314,957</u>	<u>39,266,095</u>
<b>Fund balances at end of year</b>	<u><u>\$ 29,219,026</u></u>	<u><u>\$ 6,143,917</u></u>	<u><u>\$ 3,444,252</u></u>	<u><u>\$ 38,807,195</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

<b>Net change in fund balances - total governmental funds</b>	<b>\$</b>	<b>(458,900)</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 1,581,070	
Current year depreciation/amortization	<u>(2,157,266)</u>	
Total		(576,196)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(195,216)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	1,269,840	
Earnings on investments	23,519	
Miscellaneous revenue	(1,943)	
Intergovernmental	<u>31,237</u>	
Total		1,322,653
Repayment of certificates of participation, SBITA, and lease principal is an expenditures in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		1,444,364
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported in the statement of activities:		
(Increase) decrease in accrued interest payable	13,112	
Amortization of bond premiums	219,752	
Amortization of deferred charges	<u>(64,307)</u>	
Total		168,557
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	3,261,154	
OPEB	<u>92,364</u>	
Total		3,353,518
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,692,570)	
OPEB	<u>383,266</u>	
Total		(2,309,304)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		<u>(217,575)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>2,531,901</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

**NOTE 1 - DESCRIPTION OF THE DISTRICT**

The Midview Local School District (the “District”) is located in Lorain County in Northern Ohio. The District includes the townships of Eaton, Carlisle and Grafton and the Village of Grafton, covering approximately 64 square miles.

The District was organized in accordance with Sections 2 and 3, Article VI of the Constitution of the State of Ohio. Under such laws, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four year terms.

The District currently operates three elementary schools, one middle school, and one comprehensive high school. The District employs 140 non-certified and 208 certified (including administrative) full-time and part-time employees to provide services to approximately 2,502 students in grades K through 12 and various community groups.

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

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

**A. Reporting Entity**

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. Component units are legally separate organizations for which the District is financially accountable.

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

Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes for the organization. The financial statements of the reporting entity include only those of the District (the primary government). The District has no component units.

The District participates in four jointly governed organizations and is associated with one related organization.

The District is not involved in the budgeting or the management of Parent-Teacher Organizations, booster clubs or the Midview Endowment Fund. The District is also not responsible for any debt and has no influence over these organizations, clubs or Fund.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

*JOINTLY GOVERNED ORGANIZATIONS*

Lake Erie Regional Council

The Lake Erie Regional Council (LERC) is a jointly governed organization among 12 school districts. LERC was formed for the purpose of promoting cooperative agreements and activities among its members in dealing with problems of mutual concern. Each member provides operating resources to LERC on a per pupil or actual usage charge (except for insurance). The LERC assembly consists of a superintendent or designated representative from each participating district and the fiscal agent. LERC is governed by a board of directors chosen from the general membership. The degree of control exercised by any participating district is limited to its representation on the board. Financial information is available from the Treasurer of the Educational Service Center of Lorain County, located at 1885 Lake Avenue, Elyria, Ohio 44035. During fiscal year 2024, the District paid \$5,114,978 (including insurance premiums) to LERC.

Lorain County Joint Vocational School District

The Lorain County Joint Vocational School District (JVS) is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of its students. The Board of the JVS is comprised of representatives from each participating district, and is responsible for approving its own budgets, appointing personnel, and accounting and financing-related activities. The District's students may attend the JVS on a tuition-free basis. Each district's control is limited to its representation on the board. Financial information is available from the Treasurer of the Lorain County Joint Vocational School District, 15181 State Route 58, Oberlin, Ohio 44074.

Connect

The governing Board of Directors, the Educational Service Centers (ESC) of Cuyahoga, Lorain and Medina County and the Ohio Schools Council, accepted the ownership, responsibility, and liability of Connect in order to provide exemplary service to member districts. Each of the governments of these districts supports Connect based upon a per pupil charge, dependent upon the software package utilized. The superintendent/executive director of the three ESCs and Ohio Schools Council serve on Connect's Board of Directors. The purpose of Connect is applying modern technology (with the aid of computers and other electronic equipment) to administrative and instructional functions for member districts. Fiscal information for Connect is available from the Treasurer of the Educational Service Center of Cuyahoga County (fiscal agent), located at 6393 Oak Tree Boulevard, Independence, Ohio 44131. During the year ended June 30, 2024, the District paid \$108,157 to Connect for basic service charges.

Ohio Schools' Council

The Ohio Schools' Council (the "Council") is a jointly governed organization among 254 school districts, educational service centers, joint vocational districts and Developmental Disabilities boards. The jointly governed organization was created for the purpose of saving money through volume purchases. Each member supports the Council by paying an annual participation fee. Each member's superintendent serves as a representative of the Assembly. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the "Council Board"). The Council Board is the policy making authority of the Council. The Council Board meets monthly, September to June. The Council Board appoints the Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Council Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2024, the District paid \$52,052 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools' Council at 6393 Oak Tree Blvd, Suite 377, Independence, Ohio 44131.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

The District participates in the Council's prepaid natural gas program. This program allows school districts to purchase natural gas at reduced rates. Constellation New Energy (Formerly Compass) is the natural gas supplier and program manager. Currently, there are over 180 participants in the program. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimated billing.

*RELATED ORGANIZATION*

The Grafton-Midview Public Library is a distinct political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by a Board of Trustees appointed by the Midview Local School District Board of Education. The Board possesses its own contracting and budgeting authority, hires and fires personnel and does not depend on the School District for operational subsidies. Financial information can be obtained by contacting the Fiscal Officer at the Grafton-Midview Public Library at 983 Main Street, Grafton, Ohio, 44044.

*GROUP RATING PROGRAM*

The District participates in the Ohio Association of School Business Officials. The Group Rating Plan's (GRP) business and affairs are conducted by CompManagement Inc. CompManagement Inc. serves as the coordinator of the program. Each year, the participating school districts pay an enrollment fee to CompManagement Inc. GRP to cover the costs of administering the program.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the category of governmental.

*GOVERNMENTAL FUNDS*

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

General Fund - The general fund is used to account and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Permanent Improvement fund - The permanent improvement fund is used to account for the receipts and expenditures related to the District's permanent improvement property tax levy. Expenditures represent the costs of building and equipment acquisition and improvements of the District's capital assets.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

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

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

Nonmajor debt service funds - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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

*PROPRIETARY FUNDS*

Proprietary funds are used to account for the District's ongoing activities, which are similar to those often found in the private sector. The District has no proprietary funds.

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no fiduciary funds.

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

*Government-wide Financial Statements*

The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used.

The government-wide statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and 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 District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.



**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

*Fund Financial Statements*

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

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

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

*Revenues – Exchange and Non-Exchange Transactions*

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

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

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

*Unearned Revenue*

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

*Deferred Outflows of Resources and Deferred Inflows of Resources*

In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 9 and 10 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

See Notes 9 and 10 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

*Expenses/Expenditures*

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported as an expenditure with a like amount reported as intergovernmental revenue.

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

**E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. The specific timetable for fiscal year 2024 is as follows:

1. Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.
2. By no later than January 15, the Board-adopted budget is filed with the Lorain County Budget Commission for tax rate determination.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

3. Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures for all funds, which is the legal level of budgetary control (state statute permits a temporary appropriation to be effective until no later than October 1 of each year). The legal level of budgetary control was established at the fund level of expenditures for the general fund. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals.
5. All funds, other than custodial funds, are legally required to be budgeted and appropriated. Short-term inter-fund loans are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.
6. Any revisions that alter the legal level of budgetary control for a fund must be approved by the Board of Education.
7. Formal budgetary integration is employed as a management control device during the year for all funds, consistent with the general obligation bond indenture and other statutory provisions.
8. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations, which either reallocate or increase the original appropriated amounts. All supplemental appropriations were legally enacted by the Board during fiscal 2024.
9. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be re-appropriated. Cash disbursements plus encumbrances may not legally exceed budgeted appropriations at the legal level of budgetary control for the fund.

**F. Cash and Cash Equivalents**

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements. During fiscal year 2024, investments were limited to U.S. money market accounts, negotiable certificates of deposit (CDs), commercial paper, United States government securities, US treasury notes and bonds, and State Treasury Asset Reserve of Ohio (STAR Ohio).

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits, commercial paper and repurchase agreements are reported at cost.

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

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

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$1,899,699 which includes \$352,622 in interest assigned from other District funds.

Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the valuation will be recognized within the general fund to the extent its cash and investments balance exceeds the cumulative value of those investments subject to GASB Statement No. 31. If there is a gain/loss resulting from the valuation it will be reported within the investment earnings/fair value adjustment on the Statement of Activities.

For presentation on the financial statements, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments.

**G. Inventory**

On government-wide and fund financial statements, inventories of supplies are reported at cost, inventories held for resale are reported at the lower of cost or market and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. On the fund financial statements, inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory held for resale consists of expendable supplies held for consumption, donated food and purchased food.

**H. Prepaid Items**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

On the fund financial statements, reported prepayments is equally offset by nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

**I. Capital Assets**

General capital assets are those assets specifically related to governmental activities. These assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000. If potential capital items consist of several components and/or same items whose combined cost is at or above \$5,000, then it will be capitalized and recorded as a single item. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also capitalized.

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

<u>Description/amortization</u>	Governmental Activities Estimated Lives
Land Improvements	3-40 years
Buildings and Improvements	2-40 years
Furniture and Equipment	3-20 years
Vehicles	8-20 years
Intangible right to use – equipment	5 years
Intangible right to use - software	2-5 years

The District is reporting intangible right to use assets related to leased equipment and software. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

**J. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “due to/due from other funds.” These amounts are eliminated in the governmental activities column of the Statement of Net Position.

**K. Compensated Absences**

Compensated absences of the District consist of vacation leave and severance liability to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee.

In accordance with the provisions of GASB Statement No. 16, “Accounting for Compensated Absences”, a liability for vacation leave is accrued if a) the employees’ rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2024, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future, all employees at least 50 years of age with 5 years of service, at least 45 years of age with 15 years of service or any age with at least 20 years of service, were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2024 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

**L. 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, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds and loans are recognized on the fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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

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

**N. Net Position**

Net position represents the difference between assets, liabilities and deferred outflows/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. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The amount restricted for other purposes represents amounts restricted for other grants.

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

**O. Fund Balance**

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

*Nonspendable:* The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable in the general fund.

*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 or enabling legislation.

*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 District Board of Education. Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit these 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.

*Assigned:* Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education. Through the District’s purchasing policy, the Board has given the Treasurer the authority to constrain monies for intended purposes.

*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 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.

**P. Interfund Activity**

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

Interfund activity between governmental funds is eliminated in the statement of activities.

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**Q. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**R. Extraordinary and Special items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. The District did not have any extraordinary or special items during fiscal year 2024.

**S. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding**

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 13.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred inflow or outflow of resources.

**T. Fair Value**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

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

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



**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE – (Continued)**

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

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

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

**B. Deficit Fund Balances**

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

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Public school preschool	\$ 48,409
IDEA Part B	7,849
Title I	24,182
Title IIA	3,986

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

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

Interim monies may 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 payment of principal and interest by the United States;

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including but not limited to, 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 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 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, and certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. 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;
6. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio);
7. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met;
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

**A. Deposits**

***Custodial Credit Risk*** is the risk that in the event of bank failure, the District's deposits may not be returned to it.

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

At year-end, the carrying amount of all District's deposits was \$2,538,319. At fiscal year end, the bank balance of all District deposits was \$3,210,881. Of the bank balance, \$250,000 was covered by the FDIC, \$2,253,819 was covered by the Ohio Pooled Collateral System (OPCS), and \$707,062 was exposed to custodial credit risk. As of June 30, 2024, the District's financial institution was approved for a reduced collateral rate of 60 percent through the OPCS but had 76.12 percent collateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC. The District also has \$300 in petty cash on hand.

**B. Investments**

Investments are reported at measurement value. As of June 30, 2024, the District had the following investments:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair Value:						
FHLB	\$ 5,029,197	\$ 881,470	\$ 1,009,442	\$ -	\$ 1,009,414	\$ 2,128,871
FFCB	6,819,997	1,089,597	-	214,144	467,180	5,049,076
FMCC	1,291,105	-	-	943,775	-	347,330
FNMA	261,407	-	-	261,407	-	-
FHLMC	240,318	-	240,318	-	-	-
PEFCO	318,269	-	-	-	-	318,269
U.S. Government Money Market	271,129	271,129	-	-	-	-
U.S. Treasury Discount Notes	346,948	346,948	-	-	-	-
U.S. Treasury Bonds	1,755,200	-	587,763	268,007	190,398	709,032
U.S. Treasury Notes	8,286,697	1,785,820	959,132	-	494,776	5,046,969
Commercial Paper	199,702	199,702	-	-	-	-
Negotiable CDs	1,740,890	246,590	-	-	-	1,494,300
Amortized Cost:						
STAR Ohio	13,031,416	13,031,416	-	-	-	-
Total	<u>\$ 39,592,275</u>	<u>\$ 17,852,672</u>	<u>\$ 2,796,655</u>	<u>\$ 1,687,333</u>	<u>\$ 2,161,768</u>	<u>\$ 15,093,847</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements as of June 30, 2024:

- STAR Ohio is measured at amortized cost, which approximates fair value. At June 30, 2024, the average days to maturity was 39 days.
- FHLB, FFCB, FMCC, PEFCO, FNMA, FHLMC, US Treasury bonds, US Treasury notes and commercial paper are measured based on Level 2 inputs, using matrix pricing.
- Negotiable certificates of deposit are measured based on Level 2 inputs, using matrix pricing.

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

- U.S. Government money market is valued at amortized cost, which approximates fair value. (Level 1)
- The weighted average to maturity of the District's investments is 1.57 years.

**Interest Rate Risk** arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The District's investment policy addresses interest rate risk requiring that the District's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity and by investing operating funds primarily in short-term investments. The District investment policy also limits security purchases to those that mature within five years unless specifically matched to a specific cash flow. Investments in commercial paper are limited to 270 days. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2% and be marked to market daily.

**Custodial Risk** for investments is the risk that, in the event of the failure of the counterparty to a transaction, the District will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All financial institutions and brokers/dealers who desire to become qualified for investment transactions with the District must meet a set of prescribed standards and be periodically reviewed. The FHLB, FHLMC, FFCB, FMCC, PEFCO, and FNMA securities and the negotiable CDs are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with custodial credit risk beyond the requirements of State statute which prohibit payment for investments prior to the delivery of the securities representing the investments to the treasurer or qualified trustee.

**Credit Risk** is addressed by the District's investment policy by the requirements that all investments are authorized by Ohio Revised Code and that the portfolio be diversified both by types of investment and issuer. The FHLB, FFCB, FMCC, FNMA, PEFCO and FHLMC securities and U.S. Treasury notes all carry a rating of AA+ and AAA by Standard & Poor's and Aaa by Moody's Investor Services, respectively. U.S. Treasury bonds and discount notes were rated AA+ and Aaa by Standard & Poor's and P-1 by Moody's Investor Services, respectively. The negotiable CDs are not rated but are fully insured by the FDIC. The investments in commercial paper are rated A-1 by Standard & Poor's and P-1 by Moody's. Standard & Poor's has assigned STAR Ohio and the U.S. government money market mutual fund an AAAM rating. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The District has no investment policy dealing with credit risk.

**Concentration of Credit Risk** is defined by the Governmental Accounting Standards Board as five percent or more in the securities of a single issuer, however State statute limits investments in commercial paper to 40 percent of the interim monies available for investment at any one time. The District's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations. The following is the District's allocation as of June 30, 2024:

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**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	<u>% of Total</u>
Fair Value:		
FHLB	\$ 5,029,197	12.70
FFCB	6,819,997	17.23
FMCC	1,291,105	3.26
FNMA	261,407	0.66
PEFCO	318,269	0.80
FHLMC	240,318	0.61
U.S. Government Money Market	271,129	0.68
U.S. Treasury Discount Notes	346,948	0.88
U.S. Treasury Bonds	1,755,200	4.43
U.S. Treasury Notes	8,286,697	20.93
Commercial Paper	199,702	0.50
Negotiable CDs	1,740,890	4.40
Amortized Cost:		
STAR Ohio	<u>13,031,416</u>	<u>32.92</u>
Total	<u>\$ 39,592,275</u>	<u>100.00</u>

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

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

Cash and investments per note

Carrying amount of deposits	\$ 2,538,319
Investments	39,592,275
Cash on hand	<u>300</u>
Total	<u>\$ 42,130,894</u>

Cash and cash equivalents per financial statements

Governmental activities	<u>\$ 42,130,894</u>
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**NOTE 5 - RECEIVABLES**

Receivables at June 30, 2024 consisted of taxes, payments in lieu of taxes, accrued interest, accounts and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 5 – RECEIVABLES – (Continued)**

**Governmental activities:**

Taxes	\$ 27,547,395
Payments in lieu of taxes	69,091
Accrued interest	160,409
Accounts	19,018
Intergovernmental	<u>186,285</u>
Total	<u>\$ 27,982,198</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the subsequent year.

**NOTE 6 – PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Public utility real and personal property taxes received in calendar year 2024 became a lien on December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Lorain County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2025 operations and the amounts are recorded as revenue. The amount available as an advance at June 30, 2024 and 2023 were:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Major governmental funds:		
General fund	\$ 1,197,135	\$ 2,806,218
Permanent improvement fund	148,967	336,555

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

	2023 Second Half Collections		2024 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 630,475,200	88.38	\$ 655,965,680	88.54
Public utility personal	<u>82,877,290</u>	<u>11.62</u>	<u>84,895,430</u>	<u>11.46</u>
Total	<u>\$ 713,352,490</u>	<u>100.00</u>	<u>\$ 740,861,110</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$52.36		\$51.86	

**NOTE 7 – INTERFUND TRANSACTIONS**

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

<u>Transfers from the general fund to:</u>	<u>Amount</u>
Permanent Improvement fund	\$ 2,815,000
Nonmajor governmental funds	<u>50,000</u>
Total	<u>\$ 2,865,000</u>

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 and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities.

- B. Interfund balances at June 30, 2024 as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Funds</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ <u>4,681</u>

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were not received by June 30. The District may maintain negative cash balances in nonmajor special revenue funds if three criteria are met: (1) the general fund must have available and unencumbered funds to cover the negative amounts; (2) a reimbursement request must have been submitted by the fiscal year end; and (3) there is a reasonable likelihood that the request for payment will be made. The District has met these three requirements. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2024 are reported on the statement of net position.

**MIDVIEW LOCAL SCHOOL DISTRICT  
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NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

**NOTE 8 – CAPITAL ASSETS**

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

	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 2,287,550	\$ -	\$ (3,940)	\$ 2,283,610
Construction in progress	379,673	1,198,853	(379,673)	1,198,853
Total capital assets, not being depreciated/amortized	<u>2,667,223</u>	<u>1,198,853</u>	<u>(383,613)</u>	<u>3,482,463</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	8,815,562	-	(128,956)	8,686,606
Buildings and improvements	57,463,685	510,403	-	57,974,088
Furniture and equipment	8,400,720	-	(321,600)	8,079,120
Vehicles	3,000,622	251,487	(32,800)	3,219,309
Intangible right to use:				
Equipment	288,160	-	-	288,160
Software	129,601	-	-	129,601
Total capital assets, being depreciated/amortized	<u>78,098,350</u>	<u>761,890</u>	<u>(483,356)</u>	<u>78,376,884</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(6,754,557)	(368,792)	-	(7,123,349)
Buildings and improvements	(27,939,579)	(1,334,684)	-	(29,274,263)
Furniture and equipment	(5,781,395)	(196,736)	321,600	(5,656,531)
Vehicles	(1,893,589)	(156,221)	(29,520)	(2,079,330)
Intangible right to use:				
Equipment	(28,815)	(57,633)	-	(86,448)
Software	(43,200)	(43,200)	-	(86,400)
Total accumulated depreciation/amortization	<u>(42,441,135)</u>	<u>(2,157,266)</u>	<u>292,080</u>	<u>(44,306,321)</u>
Governmental activities capital assets, net	<u>\$ 38,324,438</u>	<u>\$ (196,523)</u>	<u>\$ (574,889)</u>	<u>\$ 37,553,026</u>

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

**NOTE 8 – CAPITAL ASSETS – (Continued)**

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

Instruction:

Regular	\$ 894,959
Special	333,813
Vocational	16,998
Other	11,609

Support services:

Pupil	152,131
Instructional staff	99,228
Board of education	13,032
Administration	158,932
Fiscal	52,509
Business	3,559
Operations and maintenance	157,535
Pupil transportation	130,124
Extracurricular activities	70,706
Food service operations	62,131
Total depreciation/amortization expense	<u>\$ 2,157,266</u>

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

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

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

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

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

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

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

Age and service requirements for retirement are as follows:

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

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

The District's contractually required contribution to SERS was \$747,532 for fiscal year 2024. Of this amount, \$76,833 is reported as pension and postemployment benefits payable.

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

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

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

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

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

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

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

The District's contractually required contribution to STRS was \$2,513,622 for fiscal year 2024. Of this amount, \$541,664 is reported as pension and postemployment benefits payable.

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.123183800%	0.121726920%	
Proportion of the net pension liability current measurement date	<u>0.121454900%</u>	<u>0.122059870%</u>	
Change in proportionate share	<u>-0.001728900%</u>	<u>0.000332950%</u>	
Proportionate share of the net pension liability	\$ 6,711,006	\$ 26,285,517	\$ 32,996,523
Pension expense	\$ 503,780	\$ 2,188,790	\$ 2,692,570

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 288,455	\$ 958,314	\$ 1,246,769
Changes of assumptions	47,538	2,164,756	2,212,294
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	105,937	105,937
Contributions subsequent to the measurement date	<u>747,532</u>	<u>2,513,622</u>	<u>3,261,154</u>
Total deferred outflows of resources	<u>\$ 1,083,525</u>	<u>\$ 5,742,629</u>	<u>\$ 6,826,154</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 58,328	\$ 58,328
Net difference between projected and actual earnings on pension plan investments	94,329	78,780	173,109
Changes of assumptions	-	1,629,438	1,629,438
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>238,977</u>	<u>76,895</u>	<u>315,872</u>
Total deferred inflows of resources	<u>\$ 333,306</u>	<u>\$ 1,843,441</u>	<u>\$ 2,176,747</u>

\$3,261,154 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$ (147,142)	\$ (212,400)	\$ (359,542)
2026	(274,619)	(859,864)	(1,134,483)
2027	419,447	2,604,832	3,024,279
2028	<u>5,001</u>	<u>(147,002)</u>	<u>(142,001)</u>
Total	<u>\$ 2,687</u>	<u>\$ 1,385,566</u>	<u>\$ 1,388,253</u>

***Actuarial Assumptions - SERS***

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

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

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

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**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

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

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

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

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

**Sensitivity of the 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.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 9,905,106	\$ 6,711,006	\$ 4,020,590



**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

***Actuarial Assumptions - STRS***

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

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

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

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

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

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

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 9 - DEFINED BENEFIT PENSION PLANS - (Continued)**

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

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

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table represents the net pension liability as of June 30, 2023, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 40,421,307	\$ 26,285,517	\$ 14,330,506

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

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

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2024, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$92,364.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$92,364 for fiscal year 2024. Of this amount, \$92,364 is reported as pension and postemployment benefits payable.

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

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

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

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

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

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.124258900%	0.121726920%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.123501900%</u>	<u>0.122059870%</u>	
Change in proportionate share	<u>-0.000757000%</u>	<u>0.000332950%</u>	
Proportionate share of the net OPEB liability	\$ 2,034,625	\$ -	\$ 2,034,625
Proportionate share of the net OPEB asset	\$ -	\$ (2,373,896)	\$ (2,373,896)
OPEB expense	\$ (260,863)	\$ (122,403)	\$ (383,266)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 4,239	\$ 3,704	\$ 7,943
Net difference between projected and actual earnings on OPEB plan investments	15,767	4,236	20,003
Changes of assumptions	687,967	349,711	1,037,678
Difference between employer contributions and proportionate share of contributions/change in proportionate share	116,283	3,435	119,718
Contributions subsequent to the measurement date	<u>92,364</u>	<u>-</u>	<u>92,364</u>
Total deferred outflows of resources	<u>\$ 916,620</u>	<u>\$ 361,086</u>	<u>\$ 1,277,706</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 1,049,332	\$ 362,080	\$ 1,411,412
Changes of assumptions	577,853	1,566,266	2,144,119
Difference between employer contributions and proportionate share of contributions/change in proportionate share	<u>315,777</u>	<u>2,071</u>	<u>317,848</u>
Total deferred inflows of resources	<u>\$ 1,942,962</u>	<u>\$ 1,930,417</u>	<u>\$ 3,873,379</u>

\$92,364 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2025.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	\$ (343,188)	\$ (693,475)	\$ (1,036,663)
2026	(306,053)	(320,339)	(626,392)
2027	(189,196)	(121,935)	(311,131)
2028	(124,671)	(165,509)	(290,180)
2029	(109,551)	(151,712)	(261,263)
Thereafter	<u>(46,047)</u>	<u>(116,361)</u>	<u>(162,408)</u>
Total	<u>\$ (1,118,706)</u>	<u>\$ (1,569,331)</u>	<u>\$ (2,688,037)</u>

***Actuarial Assumptions - SERS***

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

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

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

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**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

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

Investment rate of return:

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

Municipal bond index rate:

Current measurement date	3.86%
Prior measurement date	3.69%

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

Current measurement date	4.27%
Prior measurement date	4.08%

Medical trend assumption:

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

In 2023, the following mortality assumptions were used:

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

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

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

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

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

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,600,834	\$ 2,034,625	\$ 1,588,148
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 1,494,769	\$ 2,034,625	\$ 2,750,009

***Actuarial Assumptions - STRS***

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

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%
Discount rate of return	7.00%	7.00%
Blended discount rate of return	N/A	N/A
Health care cost trends		
	Initial	Ultimate
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%

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



**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

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

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

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

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

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

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	\$ 2,009,192	\$ 2,373,896	\$ 2,691,514
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	\$ 2,706,253	\$ 2,373,896	\$ 1,973,577

**NOTE 11 – OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation, personal leave, sick leave, and compensatory time components are derived from negotiated agreements and state laws. Classified employees and administrators earn 10 to 25 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.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum. Upon retirement, payment is made for 30% of the total sick leave accumulation, up to a maximum accumulation of 90 days for certified employees. For administrators, payment varies, but is typically made for 26% of the total sick leave accumulation, up to a maximum accumulation of 85 days. For classified employees, the payment is made for 25% of the first 100 days accumulated; 35% for days 101- 250; and 50% for days 251-351. An employee receiving such payment must meet the retirement provisions set by STRS or SERS.

**B. Life Insurance**

The District provides life insurance and accidental death and dismemberment insurance to most employees through Ohio Schools' Council Association. The amounts provided to most employees equal the employee's annual salary times two up to a limit of \$250,000.

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 – RISK MANAGEMENT**

**A. Property and Liability**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2024, the District has contracted with Schools of Ohio Risk Sharing Authority (Agent: CF Risk & Insurance LLC) for property and general liability insurance. Professional liability is provided by Schools of Ohio Risk Sharing Authority with a \$17,000,000 aggregate limit.

Vehicles are covered by the Schools of Ohio Risk Sharing Authority. Automobile liability has a \$15,000,000 combined single limit of liability.

Performance bonds of \$50,000 are maintained for the treasurer by the Hylant Group.

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

**B. Workers' Compensation**

For fiscal year 2024, the District participated in the Ohio Association of School Business Officials Group Rating Plan (GRP). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation premiums are reduced by virtue of the GRP discount. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. The firm CompManagement Inc. provides administrative, cost control and actuarial services to the GRP.

**C. Medical**

The District has joined the Lake Erie Regional Council (LERC) to provide medical, dental and vision benefits for its employees and their covered dependents. LERC is a shared risk pool or consortium comprised of thirteen school districts within Lorain County. The participating districts pay monthly contributions that are placed in a common fund, from which eligible claims and expenses are paid for employees (and their covered dependents) of participating school districts. Claims are paid for all participants regardless of claims flow. This plan contains a stop-loss provision of \$350,000 per participant.

Premium contributions are determined annually based on the claims experience of the shared risk-pool. Premiums can only be increased or decreased as approved by council. Member districts may become liable for additional contributions to fund the liability of the pool. In the event of termination, all participating districts' claims would be paid without regard to their individual account balances. This plan provides a medical, dental and vision plan with a \$1,000 deductible for family coverage and \$500 deductible for single coverage. There is the opportunity for members to reduce their share of the premium amount through a wellness incentive.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

**NOTE 13 – LONG TERM LIABILITIES**

Changes in long-term debt activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due in One Year
<b>Governmental Activities:</b>					
Certificates of participation	\$ 6,060,000	\$ -	\$ (190,000)	\$ 5,870,000	\$ 195,000
Refunding certificates of participation	10,685,000	-	(1,160,000)	9,525,000	1,205,000
Asset retirement obligation	15,000	-	-	15,000	-
Lease payable	226,588	-	(53,300)	173,288	55,472
SBITA payable	84,228	-	(41,064)	43,164	43,164
Net pension liability	33,722,786	48,268	(774,531)	32,996,523	-
Net OPEB liability	1,744,608	290,017	-	2,034,625	-
Compensated absences	1,926,701	322,843	(267,429)	1,982,115	129,938
Total Governmental Activities	<u>\$ 54,464,911</u>	<u>\$ 661,128</u>	<u>\$ (2,486,324)</u>	\$ 52,639,715	<u>\$ 1,628,574</u>
Add: Unamortized premium on certificates of participation				1,479,381	
Total on Statement of Net Position				<u>\$ 54,119,096</u>	

The District pays obligations related to employee compensation from the fund receiving the benefit, primarily the general fund and the food service fund (a nonmajor governmental fund).

*Certificates of Participation* – In April 2003, the District entered into an agreement with the Lorain County Port Authority for three new schools. The annual agreement is subject to renewal for 27 years through December 30, 2030. In April 2004, the District entered into a second agreement with the Lorain County Port Authority for the three new schools. This annual agreement is subject to renewal for 26 years through November 1, 2030. On November 2, 2012, the District refunded these certificates of participation.

On November 2, 2012, the District issued \$22,595,000 in certificates of participation (“series 2012 certificates”) for the purpose of advance refunding certificates of participation outstanding in order to take advantage of lower interest rates. The interest rates range from 3.0% to 4.0%. The series 2012 certificates were sold at a premium of \$308,623. Proceeds of \$22,434,891 and cash reserves of \$2,003,101 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the certificates of participation. On February 20, 2020, the District placed \$15,813,831 into an irrevocable trust to refund these certificates of participation. On April 16, 2020, the escrow proceeds and interest of \$24,263 were used to call the certificates of participation.

On February 20, 2020, the District issued \$14,095,000 in certificates of participation (“2020 refunding case certificates”) for the purpose of currently refunding certificates of participation outstanding in order to take advantage of lower interest rates. The interest rate is 4.0%.

In March 2020, the District entered into a financing agreement with the Ohio School Building Lease Corporation for construction and improvements to facilities. The agreement term is through November 1, 2045.

The Leasing Corporation entered into an agreement with a trustee through which it assigned and transferred rights and interest under the agreement to the Huntington National Bank as Trustee. The Trustee issued Certificates of Participation in the agreement enabling holders of the Certificates to receive a portion of the semi-annual rental payments. Proceeds from the issuance are to be used for construction and improvements to facilities.

**MIDVIEW LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 – LONG TERM LIABILITIES - (Continued)**

The obligation of the District under the agreement and any subsequent agreement renewal is subject to annual appropriation of the rental payments. Legal title to the facilities remains with the Huntington National Bank, i.e., the leasing corporation, until all payments required under the lease have been made. At that time, title will transfer to the District.

The annual principal and interest requirements are payable from resources from the permanent improvement fund. The Certificates of Participation are not a general obligation of the District but are payable only from appropriations by the District for annual lease payments.

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Governmental Activities - Certificates of Participation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,400,000	\$ 548,205	\$ 1,948,205
2026	1,455,000	496,469	1,951,469
2027	1,500,000	440,050	1,940,050
2028	1,555,000	378,950	1,933,950
2029	1,625,000	315,350	1,940,350
2030-2034	4,175,000	849,900	5,024,900
2035-2039	1,370,000	537,750	1,907,750
2040-2044	1,590,000	302,125	1,892,125
2045-2046	<u>725,000</u>	<u>29,300</u>	<u>754,300</u>
Total	<u>\$ 15,395,000</u>	<u>\$ 3,898,099</u>	<u>\$ 19,293,099</u>

Leases Payable - The District has entered into lease agreements for the use of right to use equipment. The District reports an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The District has entered into lease agreements for copier equipment as follows:

<u>Description</u>	<u>Lease</u> <u>Commencement</u>	<u>Years</u>	<u>Lease</u> <u>End</u>	<u>Payment</u> <u>Method</u>
	<u>Date (Fiscal Year)</u>		<u>Date (Fiscal Year)</u>	
Copier Equipment	2023	5	2027	Monthly

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 55,472	\$ 7,060	\$ 62,532
2026	57,732	4,800	62,532
2027	<u>60,084</u>	<u>2,448</u>	<u>62,532</u>
Total	<u>\$ 173,288</u>	<u>\$ 14,308</u>	<u>\$ 187,596</u>

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 13 – LONG TERM LIABILITES - (Continued)**

*SBITA Payable* - The District has entered into agreements for the use of right to use software. The District reports an intangible capital asset and corresponding liability for the future scheduled payments under the agreements. The subscription payments will be paid from the general fund.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 43,164	\$ 2,208	\$ 45,372
Total	<u>\$ 43,164</u>	<u>\$ 2,208</u>	<u>\$ 45,372</u>

**NOTE 14 – CONTINGENCIES**

**A. Grants**

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

**B. Litigation**

The District is not involved in any litigation that, in the opinion of management, would have a material effect on the financial statements.

**NOTE 15 – SET ASIDES**

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

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2023	\$ -
Current year set-aside requirement	604,857
Current year offsets	<u>(5,414,316)</u>
Total	<u>\$ (4,809,459)</u>
Set-aside balance June 30, 2024	<u>\$ -</u>

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

**NOTE 16 – OTHER COMMITMENTS**

Other significant commitments include the encumbrances outstanding for the general fund, the permanent improvement fund and other governmental funds were as follows:

<u>Fund</u>	<u>Fiscal Year-End Encumbrances</u>
General	\$ 441,187
Permanent Improvement	1,172,884
Other governmental	<u>37,784</u>
<u>Total</u>	<u>\$ 1,651,855</u>

**NOTE 17 – ASSET RETIREMENT OBLIGATIONS**

Ohio Administrative Code Section 1301-7-9 requires a District classified as an “owner” or “operator to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for the year a UST is removed. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. The asset retirement obligation (ARO) of \$15,000 associated with the District’s underground storage tank was estimated by the District. The remaining useful life of the UST is zero years.

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## REQUIRED SUPPLEMENTARY INFORMATION

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
Budgetary revenues and other financing sources	\$ 36,167,271	\$ 38,317,633	\$ 38,488,822	\$ 171,189
Budgetary expenditures and other financing uses	37,222,518	39,789,409	39,268,636	(520,773)
Net change in fund balance	(1,055,247)	(1,471,776)	(779,814)	691,962
<b>Budgetary fund balance at beginning of year</b>	30,869,309	30,869,309	30,869,309	-
<b>Prior year encumbrances appropriated</b>	972,069	972,069	972,069	-
<b>Budgetary fund balance at end of year</b>	<u>\$ 30,786,131</u>	<u>\$ 30,369,602</u>	<u>\$ 31,061,564</u>	<u>\$ 691,962</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.121454900%	\$ 6,711,006	\$ 4,892,993	137.16%	76.06%
2023	0.123183800%	6,662,738	4,563,464	146.00%	75.82%
2022	0.132769800%	4,898,821	4,582,871	106.89%	82.86%
2021	0.127427000%	8,428,257	4,467,293	188.67%	68.55%
2020	0.127731000%	7,642,387	4,382,621	174.38%	70.85%
2019	0.127488000%	7,301,469	4,222,493	172.92%	71.36%
2018	0.127902000%	7,641,857	4,171,450	183.19%	69.50%
2017	0.130258000%	9,533,713	4,046,057	235.63%	62.98%
2016	0.130149000%	7,426,400	3,878,793	191.46%	69.16%
2015	0.132537000%	6,707,622	3,847,878	174.32%	71.70%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 747,532	\$ (747,532)	\$ -	\$ 5,339,514	14.00%
2023	685,019	(685,019)	-	4,892,993	14.00%
2022	638,885	(638,885)	-	4,563,464	14.00%
2021	641,602	(641,602)	-	4,582,871	14.00%
2020	625,421	(625,421)	-	4,467,293	14.00%
2019	591,654	(591,654)	-	4,382,622	13.50%
2018	570,037	(570,037)	-	4,222,496	13.50%
2017	584,003	(584,003)	-	4,171,450	14.00%
2016	566,448	(566,448)	-	4,046,057	14.00%
2015	511,225	(511,225)	-	3,878,794	13.18%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.122059870%	\$ 26,285,517	\$ 16,558,200	158.75%	80.02%
2023	0.121726920%	27,060,048	15,896,164	170.23%	78.88%
2022	0.121572367%	15,544,120	15,154,279	102.57%	87.78%
2021	0.120035000%	29,044,272	14,661,914	198.09%	75.48%
2020	0.119940000%	26,523,922	14,081,371	188.36%	77.40%
2019	0.120411000%	26,475,628	13,688,679	193.41%	77.31%
2018	0.119919000%	28,487,127	13,528,807	210.57%	75.30%
2017	0.120076000%	40,193,036	12,760,771	314.97%	66.80%
2016	0.116702000%	32,252,993	12,099,264	266.57%	72.10%
2015	0.120189000%	29,234,178	12,572,854	232.52%	74.70%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 2,513,622	\$ (2,513,622)	\$ -	\$ 17,954,443	14.00%
2023	2,318,148	(2,318,148)	-	16,558,200	14.00%
2022	2,225,463	(2,225,463)	-	15,896,164	14.00%
2021	2,121,599	(2,121,599)	-	15,154,279	14.00%
2020	2,052,668	(2,052,668)	-	14,661,914	14.00%
2019	1,971,392	(1,971,392)	-	14,081,371	14.00%
2018	1,916,415	(1,916,415)	-	13,688,679	14.00%
2017	1,894,033	(1,894,033)	-	13,528,807	14.00%
2016	1,786,508	(1,786,508)	-	12,760,771	14.00%
2015	1,693,897	(1,693,897)	-	12,099,264	14.00%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>District's Proportion of the Net OPEB Liability</b>	<b>District's Proportionate Share of the Net OPEB Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
2024	0.123501900%	\$ 2,034,625	\$ 4,892,993	41.58%	30.02%
2023	0.124258900%	1,744,608	4,563,464	38.23%	30.34%
2022	0.134258200%	2,540,946	4,582,871	55.44%	24.08%
2021	0.126770000%	2,755,119	4,467,293	61.67%	18.17%
2020	0.131122000%	3,297,445	4,382,621	75.24%	15.57%
2019	0.129248000%	3,585,680	4,222,493	84.92%	13.57%
2018	0.129569000%	3,477,278	4,171,450	83.36%	12.46%
2017	0.131642000%	3,752,295	4,046,057	92.74%	11.49%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 92,364	\$ (92,364)	\$ -	\$ 5,339,514	1.73%
2023	82,321	(82,321)	-	4,892,993	1.68%
2022	72,464	(72,464)	-	4,563,464	1.59%
2021	74,038	(74,038)	-	4,582,871	1.62%
2020	55,612	(55,612)	-	4,467,293	1.24%
2019	102,989	(102,989)	-	4,382,622	2.35%
2018	90,546	(90,546)	-	4,222,496	2.14%
2017	69,589	(69,589)	-	4,171,450	1.67%
2016	65,066	(65,066)	-	4,046,057	1.61%
2015	99,537	(99,537)	-	3,878,794	2.57%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>District's Proportion of the Net OPEB Liability/(Asset)</b>	<b>District's Proportionate Share of the Net OPEB Liability/(Asset)</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)</b>
2024	0.122059870%	\$ (2,373,896)	\$ 16,558,200	14.34%	168.52%
2023	0.121726920%	(3,151,914)	15,896,164	19.83%	230.73%
2022	0.121572367%	(2,563,254)	15,154,279	16.91%	174.73%
2021	0.120035000%	(2,109,618)	14,661,914	14.39%	182.10%
2020	0.119940000%	(1,986,488)	14,081,371	14.11%	174.70%
2019	0.120411000%	(1,934,880)	13,688,679	14.13%	176.00%
2018	0.119919000%	4,678,814	13,528,807	34.58%	47.10%
2017	0.120076000%	6,421,692	12,760,771	50.32%	37.30%

<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ -	\$ -	\$ -	\$ 17,954,443	0.00%
2023	-	-	-	16,558,200	0.00%
2022	-	-	-	15,896,164	0.00%
2021	-	-	-	15,154,279	0.00%
2020	-	-	-	14,661,914	0.00%
2019	-	-	-	14,081,371	0.00%
2018	-	-	-	13,688,679	0.00%
2017	-	-	-	13,528,807	0.00%
2016	-	-	-	12,760,771	0.00%
2015	-	-	-	12,099,264	0.00%

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

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

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

**NOTE 1 - BUDGETARY PROCESS**

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

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

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

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

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (779,814)
Net adjustment for revenue and other financing sources accruals	(1,347,109)
Net adjustment for expenditure and other financing uses accruals	613,095
Funds budgeted elsewhere	(23,125)
Adjustments for encumbrances	<u>543,183</u>
GAAP Basis	<u>\$ (993,770)</u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the special trust fund, rotary fund, public school fund, special enterprises fund, self insurance fund, and state or political fund.

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

**PENSION**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

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

*Change in assumptions:*

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



**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

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

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Change in benefit terms:*

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

*Changes in assumptions:*

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

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

*Change in assumptions:*

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

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

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

*Change in benefit terms:*

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

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

*Change in assumptions:*

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

## **SUPPLEMENTARY INFORMATION**

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE</b>	<b>ASSISTANCE LISTING NUMBER</b>	<b>PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION</b>	<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through the Ohio Department of Education and Workforce</i>			
<b>Child Nutrition Cluster:</b>			
School Breakfast Program	10.553	2023	\$ 41,317
School Breakfast Program	10.553	2024	173,288
<b>Total School Breakfast Program</b>			<b>214,605</b>
National School Lunch Program	10.555	2023	112,376
National School Lunch Program	10.555	2024	403,264
COVID-19 - National School Lunch Program	10.555	COVID-19, 2024	71,095
National School Lunch Program - Food Donation	10.555	2024	68,270
<b>Total National School Lunch Program</b>			<b>655,005</b>
<b>Total Child Nutrition Cluster</b>			<b>869,610</b>
Child Nutrition Discretionary Grants Limited Availability	10.579	2024	8,177
<b>Total U.S. Department of Agriculture</b>			<b>877,787</b>
<b>U.S. DEPARTMENT OF DEFENSE</b>			
<i>Direct Award</i>			
Air Force Junior R.O.T.C. Grant	12.000	N/A	84,204
<b>Total U.S. Department of Defense</b>			<b>84,204</b>
<b>U.S. FEDERAL COMMUNICATIONS COMMISSION</b>			
<i>Direct Award</i>			
COVID-19 - Emergency Connectivity Fund Program	32.009	COVID-19, ECOECF219000584811	119,019
COVID-19 - Emergency Connectivity Fund Program	32.009	COVID-19, ECOECF219000916811	2,586
COVID-19 - Emergency Connectivity Fund Program	32.009	COVID-19, ECOECF229000329411	2,700
COVID-19 - Emergency Connectivity Fund Program	32.009	COVID-19, ECOECF229000480411	900
<b>Total Emergency Connectivity Fund Program</b>			<b>125,205</b>
<b>Total U.S. Federal Communications Commission</b>			<b>125,205</b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through the Ohio Department of Education and Workforce</i>			
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2023	43,872
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2024	432,042
<b>Total Title I Grants to Local Educational Agencies</b>			<b>475,914</b>
<b>Special Education Cluster (IDEA):</b>			
Special Education _Grants to States (IDEA, Part B)	84.027A	84.027A, 2023	106,077
Special Education _Grants to States (IDEA, Part B)	84.027A	84.027A, 2024	603,099
<b>Total Special Education _Grants to States (IDEA, Part B)</b>			<b>709,176</b>
Special Education _Preschool Grants (IDEA Preschool)	84.173A	84.173A, 2023	12,649
Special Education _Preschool Grants (IDEA Preschool)	84.173A	84.173A, 2024	8,740
COVID-19 - Special Education _Preschool Grants (IDEA Preschool) - ARP	84.173X	COVID-19, 84.173X, 2023	433
<b>Total Special Education _Preschool Grants (IDEA Preschool)</b>			<b>21,822</b>
<b>Total Special Education Cluster (IDEA)</b>			<b>730,998</b>
<i>Consortium Amount Passed/Transferred to the Lorain County Educational Service Center</i>			
English Language Acquisition State Grants	84.365A	84.365A, 2024	4,456
Supporting Effective Instruction State Grants	84.367A	84.367A, 2023	8,545
Supporting Effective Instruction State Grants	84.367A	84.367A, 2024	99,713
<b>Total Supporting Effective Instruction State Grants</b>			<b>108,258</b>
Student Support and Academic Enrichment Program	84.424A	84.424A, 2024	38,371
Student Support and Academic Enrichment Program - Stronger Connections	84.424F	84.424F, 2024	196,757
<b>Total Student Support and Academic Enrichment Program</b>			<b>235,128</b>
COVID-19 - Elementary and Secondary School Emergency Relief Fund - ARP ESSER	84.425U	COVID-19, 84.425U, 2023	6,232
<b>Total U.S. Department of Education</b>			<b>1,560,986</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 2,648,182</b>

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

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

**NOTE 1 – BASIS OF PRESENTATION & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Midview Local School District under programs of the federal government for the fiscal year ended June 30, 2024 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Midview Local School District, it is not intended to and does not present the financial position or changes in net position of the Midview Local School District. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

**NOTE 2 – DE MINIMIS COST RATE**

CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The Midview Local School District has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 3 - CHILD NUTRITION CLUSTER**

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

**NOTE 4 – FOOD DONATION PROGRAM**

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

**NOTE 5 – PASS THROUGH GRANTS**

The Midview Local School District was awarded federal program allocations to be administered on their behalf by the Lorain County Educational Service Center. For fiscal year 2024, the Midview Local School District's allocation was as follows: English Language Acquisition State Grants (ALN 84.365A) \$4,456.

**Independent Auditor's 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***

Midview Local School District  
Lorain County  
13050 Durkee Road  
Grafton, OH 44044

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Midview Local School District, Lorain County, Ohio, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Midview Local School District's basic financial statements, and have issued our report thereon dated December 23, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Midview Local 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 Midview Local School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Midview Local 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 Midview Local School District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



Midview Local School District

Lorain County

Independent Auditor's 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*

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Midview Local 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 Midview Local School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Midview Local School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.

December 23, 2024

**Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

Midview Local School District  
Lorain County  
13050 Durkee Road  
Grafton, OH 44044

To the Members of the Board of Education:

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

***Opinion on Each Major Federal Program***

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

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

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

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

We are required to be independent of the Midview Local 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 Midview Local 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 Midview Local School District's federal programs.

Midview Local School District  
Lorain County  
Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Midview Local 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 generally accepted auditing standards, *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 Midview Local School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Midview Local 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 Midview Local 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 Midview Local School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control over Compliance**

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

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

Midview Local School District  
Lorain County  
Independent Auditor's Report on Compliance for Each Major Federal Program  
and on Internal Control Over Compliance Required by the Uniform Guidance

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

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

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.  
December 23, 2024

**MIDVIEW LOCAL SCHOOL DISTRICT  
LORAIN COUNTY, OHIO**

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

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	None reported
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material weaknesses in internal control reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	None reported
<i>(d)(1)(v)</i>	<i>Type of Major Programs' Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Program(s) (listed):</i>	Title I Grants to Local Educational Agencies (ALN 84.010); Child Nutrition Cluster
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	No

<b>2. FINDINGS RELATED TO THE BASIC FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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None

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None

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# OHIO AUDITOR OF STATE KEITH FABER



**MIDVIEW LOCAL SCHOOL DISTRICT**

**LORAIN COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 3/11/2025**

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)