



**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY  
SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2025**





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Columbus, Ohio 43215  
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800-282-0370

Board of Education  
Madison Plain Local School District  
55 Linson Road SW  
London, Ohio 43140

We have reviewed the *Independent Auditor's Report* of the Madison Plain Local School District, Madison County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2024 through June 30, 2025. 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 Madison Plain Local School District is responsible for compliance with these laws and regulations.

KEITH FABER  
Ohio Auditor of State

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

**April 11, 2026**

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**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Madison-Plains Local School District  
Madison County  
55 Linson Road  
London, Ohio 43144

To the Board of Education:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Madison-Plains Local School District**, Madison County, Ohio (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Madison-Plains Local School District, Madison County, Ohio as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Emphasis of Matter*

As discussed in Note 3 to the financial statements, during 2025, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, "*Recognition and Measurement of Compensated Absences*". Our opinions are not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

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

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

Marietta, OH

St. Clairsville, OH

Cambridge, OH

Wheeling, WV

Vienna, WV

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

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

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

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

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

***Required Supplementary Information***

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

***Supplementary information***

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

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



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

December 31, 2025

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

The management’s discussion and analysis of Madison-Plains 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, 2025. 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 fiscal year 2025 are as follows:

- In total, net position increased \$4,876,987, which represents a 3,465.39% increase from 2024’s restated net position.
- General revenues accounted for \$21,779,948 in revenue or 87.16% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,209,285 or 12.84% of total governmental activities revenues of \$24,989,233.
- The District had \$20,112,246 in expenses related to governmental activities; only \$3,209,285 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 \$21,779,948 were adequate to provide for these programs.
- The District’s major governmental funds are the general fund and the capital projects fund. The general fund had \$22,316,471 in revenues and \$24,739,669 in expenditures and other financing uses. The general fund’s fund balance decreased \$2,423,198 from \$7,293,929 to \$4,870,731.
- The capital projects fund had \$6,000,000 in other financing sources and no expenditures.

**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 non-major funds presented in total in one column. In the case of the District, the general fund and the capital projects 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 the District perform financially during fiscal year 2025?” The statement of net position and the statement of activities answer this question. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses, using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year’s revenues and expenses regardless of when cash is received or paid.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

These two statements report the District's net position and changes in net position. The 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***

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 capital projects 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 the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

**Reporting the District's Fiduciary Responsibilities**

The District acts in a trustee capacity as an agent for individuals or other entities. These activities are reported in custodial funds. All of the District's fiduciary activities are reported in separate statements (statement of fiduciary net position and statement of changes in fiduciary net position). These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

***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 budgetary information of the general fund, 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.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. For the table below, amounts for fiscal year 2025 have been presented in accordance with the provisions of GASB Statement No. 101 (see Note 3) while amounts for fiscal year 2024 have been presented in accordance with previous guidance. The table below provides a summary of the District's net position at June 30, 2025 and June 30, 2024.

|                                              | <b>Net Position</b>                |                                    |
|----------------------------------------------|------------------------------------|------------------------------------|
|                                              | Governmental<br>Activities<br>2025 | Governmental<br>Activities<br>2024 |
| <b><u>Assets</u></b>                         |                                    |                                    |
| Current and other assets                     | \$ 27,486,002                      | \$ 20,690,830                      |
| Net OPEB asset                               | 942,436                            | 986,449                            |
| Capital assets, net                          | <u>8,001,141</u>                   | <u>7,895,364</u>                   |
| Total assets                                 | <u>36,429,579</u>                  | <u>29,572,643</u>                  |
| <b><u>Deferred Outflows of Resources</u></b> |                                    |                                    |
| Pension & OPEB                               | <u>3,207,619</u>                   | <u>3,627,414</u>                   |
| Total deferred outflows of resources         | <u>3,207,619</u>                   | <u>3,627,414</u>                   |
| <b><u>Liabilities</u></b>                    |                                    |                                    |
| Current liabilities                          | 2,198,617                          | 1,901,942                          |
| Long-term liabilities:                       |                                    |                                    |
| Due within one year                          | 360,445                            | 86,911                             |
| Due in more than one year:                   |                                    |                                    |
| Pension & OPEB                               | 13,198,016                         | 15,236,078                         |
| Other amounts                                | <u>2,320,846</u>                   | <u>743,872</u>                     |
| Total liabilities                            | <u>18,077,924</u>                  | <u>17,968,803</u>                  |
| <b><u>Deferred Inflows of Resources</u></b>  |                                    |                                    |
| Property taxes levied for next year          | 10,627,795                         | 10,217,388                         |
| Payments in lieu of taxes                    | 2,338,318                          | -                                  |
| Pension & OPEB                               | <u>3,575,440</u>                   | <u>3,068,211</u>                   |
| Total deferred inflows of resources          | <u>16,541,553</u>                  | <u>13,285,599</u>                  |
| <b><u>Net Position</u></b>                   |                                    |                                    |
| Net investment in capital assets             | 7,756,124                          | 7,833,914                          |
| Restricted                                   | 1,700,141                          | 1,640,036                          |
| Unrestricted (deficit)                       | <u>(4,438,544)</u>                 | <u>(7,528,295)</u>                 |
| Total net position (deficit)                 | <u>\$ 5,017,721</u>                | <u>\$ 1,945,655</u>                |

**Net Pension Liability, Net OPEB Liability/Asset and Related Deferred Inflows and Outflows of Resources**

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2025 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The School District 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.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

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.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability/asset 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/asset, respectively, not accounted for as deferred inflows/outflows.

*Analysis of Net Position*

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2025, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5,017,721.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

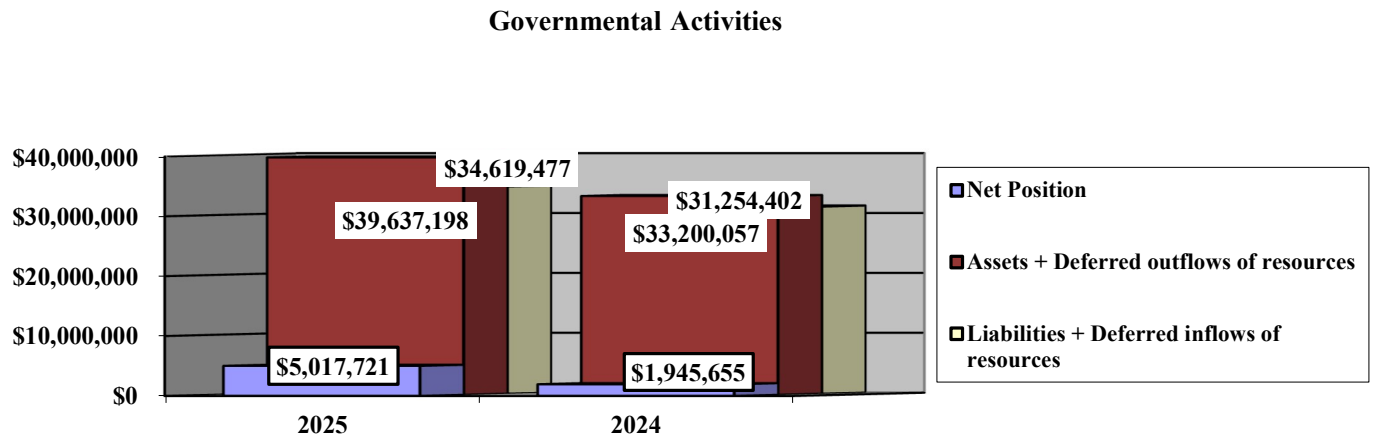
**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

Pension and OPEB liabilities are outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District. Changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) impacted both net pension liability and deferred inflows.

Capital assets reported on the government-wide statements represented 21.96% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, intangible right-to-use software and equipment, and vehicles.

A portion of the District's net position, \$1,700,141, represents resources that are subject to external restriction on how they may be used. The remaining balance governmental activities of unrestricted net position is a deficit of \$4,438,544, which is caused by the reporting of the net pension and OPEB liability described above.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2025 and June 30, 2024.



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**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

During fiscal year 2025, the District implemented GASB Statement No. 101 (see Note 3). For the table below, the implementation has been reported as a change in accounting principle. The table below shows the change in net position for fiscal years 2025 and 2024.

|                                                | <b>Change in Net Position</b>      |                                    |
|------------------------------------------------|------------------------------------|------------------------------------|
|                                                | Governmental<br>Activities<br>2025 | Governmental<br>Activities<br>2024 |
| <b><u>Revenues</u></b>                         |                                    |                                    |
| Program revenues:                              |                                    |                                    |
| Charges for services and sales                 | \$ 1,160,443                       | \$ 1,269,348                       |
| Operating grants and contributions             | 1,934,565                          | 2,360,394                          |
| Capital grants and contributions               | 114,277                            | 29,733                             |
| General revenues:                              |                                    |                                    |
| Property taxes                                 | 10,301,616                         | 9,390,883                          |
| Income taxes                                   | 3,424,279                          | 3,071,263                          |
| Grants and entitlements                        | 5,891,821                          | 5,324,561                          |
| Payments in lieu of taxes                      | 1,685,571                          | -                                  |
| Other                                          | 476,661                            | 502,335                            |
| Total revenues                                 | <u>24,989,233</u>                  | <u>21,948,517</u>                  |
| <b><u>Expenses</u></b>                         |                                    |                                    |
| Program expenses:                              |                                    |                                    |
| Instruction:                                   |                                    |                                    |
| Regular                                        | 8,149,953                          | 7,748,577                          |
| Special                                        | 2,137,824                          | 2,118,522                          |
| Vocational                                     | 369,492                            | 346,308                            |
| Support services:                              |                                    |                                    |
| Pupil                                          | 1,149,016                          | 1,086,771                          |
| Instructional staff                            | 269,732                            | 582,147                            |
| Board of education                             | 89,413                             | 118,501                            |
| Administration                                 | 1,613,774                          | 1,579,873                          |
| Fiscal                                         | 745,832                            | 694,626                            |
| Operations and maintenance                     | 1,309,367                          | 1,614,119                          |
| Pupil transportation                           | 2,165,813                          | 1,737,750                          |
| Central                                        | 440,558                            | 282,693                            |
| Operations of non-instructional services:      |                                    |                                    |
| Food service operations                        | 796,327                            | 768,168                            |
| Other non-instructional services               | -                                  | 14,504                             |
| Extracurricular activities                     | <u>875,145</u>                     | <u>855,651</u>                     |
| Total expenses                                 | <u>20,112,246</u>                  | <u>19,548,210</u>                  |
| Change in net position                         | 4,876,987                          | 2,400,307                          |
| Net position (deficit), as previously reported | 1,945,655                          | (454,652)                          |
| Restatement - change in accounting principle   | (1,804,921)                        | -                                  |
| Net position (deficit), as restated            | <u>140,734</u>                     | <u>(454,652)</u>                   |
| Net position at end of year                    | <u>\$ 5,017,721</u>                | <u>\$ 1,945,655</u>                |

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

Overall, expenses of the governmental activities increased \$564,036. This increase is primarily the result of increases in instruction expense and pupil transportation.

**Governmental Activities**

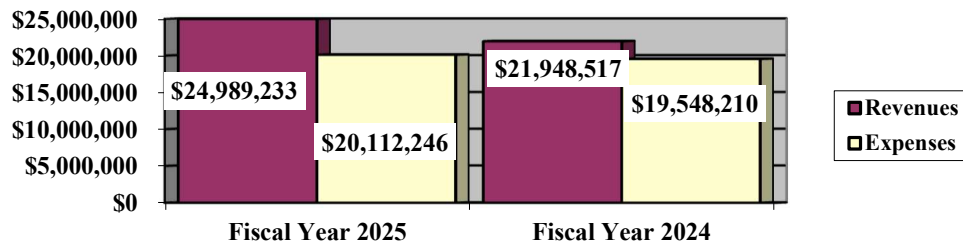
The net position of the District's governmental activities increased \$4,876,987. Total governmental expenses of \$20,112,246 were offset by program revenues of \$3,209,285 and general revenues of \$21,779,948. Program revenues supported 15.96% of the total governmental expenses.

In the area of program revenues, operating grants and contributions decreased, which is primarily attributable to decreased received amounts from federal grants.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes, payments in lieu of taxes, and unrestricted grants and entitlements. These revenue sources represent 85.25% of total governmental revenue. The increase in property tax revenue was due to the timing of tax collection by the County.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2025 and 2024.

**Governmental Activities - Revenues and Expenses**



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**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

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 for fiscal years 2025 and 2024. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

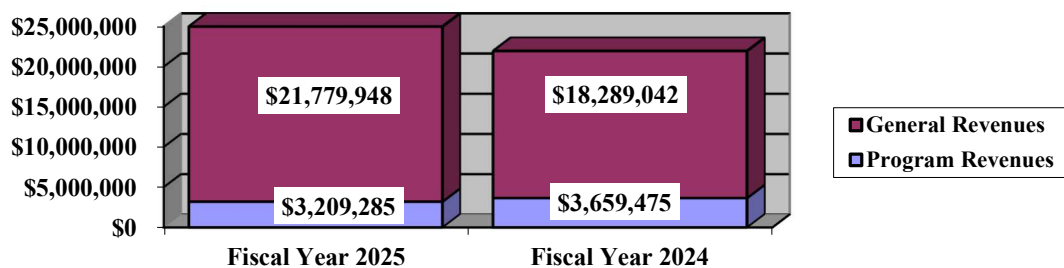
**Governmental Activities**

|                                          | Total Cost of<br>Services<br><u>2025</u> | Net Cost of<br>Services<br><u>2025</u> | Total Cost of<br>Services<br><u>2024</u> | Net Cost of<br>Services<br><u>2024</u> |
|------------------------------------------|------------------------------------------|----------------------------------------|------------------------------------------|----------------------------------------|
| Program expenses:                        |                                          |                                        |                                          |                                        |
| Instruction:                             |                                          |                                        |                                          |                                        |
| Regular                                  | \$ 8,149,953                             | \$ 7,176,288                           | \$ 7,748,577                             | \$ 6,684,470                           |
| Special                                  | 2,137,824                                | 1,409,562                              | 2,118,522                                | 1,235,576                              |
| Vocational                               | 369,492                                  | 215,424                                | 346,308                                  | 290,881                                |
| Support services:                        |                                          |                                        |                                          |                                        |
| Pupil                                    | 1,149,016                                | 1,045,679                              | 1,086,771                                | 939,611                                |
| Instructional staff                      | 269,732                                  | 261,993                                | 582,147                                  | 419,879                                |
| Board of education                       | 89,413                                   | 89,413                                 | 118,501                                  | 118,501                                |
| Administration                           | 1,613,774                                | 1,516,836                              | 1,579,873                                | 1,487,937                              |
| Fiscal                                   | 745,832                                  | 745,832                                | 694,626                                  | 694,626                                |
| Operations and maintenance               | 1,309,367                                | 1,304,587                              | 1,614,119                                | 1,579,467                              |
| Pupil transportation                     | 2,165,813                                | 2,114,168                              | 1,737,750                                | 1,684,354                              |
| Central                                  | 440,558                                  | 432,593                                | 282,693                                  | 274,703                                |
| Operation of non-instructional services: |                                          |                                        |                                          |                                        |
| Food service operations                  | 796,327                                  | 27,751                                 | 768,168                                  | (36,912)                               |
| Other non-instructional services         | -                                        | -                                      | 14,504                                   | 13,273                                 |
| Extracurricular activities               | 875,145                                  | 562,835                                | 855,651                                  | 502,369                                |
| Total expenses                           | <u>\$ 20,112,246</u>                     | <u>\$ 16,902,961</u>                   | <u>\$ 19,548,210</u>                     | <u>\$ 15,888,735</u>                   |

The dependence upon tax revenues during fiscal year 2025 for governmental activities is apparent, as 82.58% of instruction activities are supported through taxes and other general revenues. In fiscal year 2025, 84.04% of total governmental activities program expenses were supported by general revenues. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio as a whole, are the primary support for the District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2025 and 2024.

**Governmental Activities - General and Program Revenues**



**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

**The District's Funds**

The District's governmental funds reported a combined fund balance of \$11,612,555, which is \$3,979,296 greater than last year's total balance of \$7,633,259. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2025 and June 30, 2024.

|                       | Fund Balance<br>June 30, 2025 | Fund Balance<br>June 30, 2024 | Change              |
|-----------------------|-------------------------------|-------------------------------|---------------------|
| General               | \$ 4,870,731                  | \$ 7,293,929                  | \$ (2,423,198)      |
| Capital projects      | 6,000,000                     | -                             | 6,000,000           |
| Nonmajor governmental | 741,824                       | 339,330                       | 402,494             |
| Total                 | <u>\$ 11,612,555</u>          | <u>\$ 7,633,259</u>           | <u>\$ 3,979,296</u> |

**General Fund**

The District's general fund balance decreased \$2,423,198 during fiscal year 2025.

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

|                           | 2025<br>Amount       | 2024<br>Amount       | Change              | Change    |
|---------------------------|----------------------|----------------------|---------------------|-----------|
| <b><u>Revenues</u></b>    |                      |                      |                     |           |
| Taxes                     | \$ 13,287,965        | \$ 12,007,609        | \$ 1,280,356        | 10.66 %   |
| Tuition and fees          | 585,187              | 614,833              | (29,646)            | (4.82) %  |
| Earnings on investments   | 368,934              | 87,489               | 281,445             | 321.69 %  |
| Extracurricular           | 11,880               | 13,654               | (1,774)             | (12.99) % |
| Other                     | 107,907              | 415,026              | (307,119)           | (74.00) % |
| Payments in lieu of taxes | 1,598,596            | -                    | 1,598,596           | 100.00 %  |
| Intergovernmental         | 6,331,084            | 5,990,043            | 341,041             | 5.69 %    |
| Total                     | <u>\$ 22,291,553</u> | <u>\$ 19,128,654</u> | <u>\$ 3,162,899</u> | 16.53 %   |

Revenues of the general fund increased \$3,162,899 or 16.53%. This increase was a result of the increase in assessed valuations due to the County reappraisal of property that occurs triannually. Earnings on investments fluctuate year to year. In fiscal year 2025, the District began receiving payments in lieu of taxes related to a solar program. All other revenue remained relatively unchanged from previous year.

|                                         | 2025<br>Amount       | 2024<br>Amount       | Change              | Change   |
|-----------------------------------------|----------------------|----------------------|---------------------|----------|
| <b><u>Expenditures</u></b>              |                      |                      |                     |          |
| Instruction                             | \$ 10,106,117        | \$ 9,566,857         | \$ 539,260          | 5.64 %   |
| Support services                        | 7,677,563            | 7,073,969            | 603,594             | 8.53 %   |
| Extracurricular activities              | 500,117              | 515,515              | (15,398)            | (2.99) % |
| Facilities acquisition and construction | 435,872              | -                    | 435,872             | 100.00 % |
| Total                                   | <u>\$ 18,719,669</u> | <u>\$ 17,156,341</u> | <u>\$ 1,563,328</u> | 9.11 %   |

Expenditures of the general fund increased \$1,563,328 or 9.11%. The District costs for salaries and benefits increased in accordance with negotiated labor agreements.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

The capital projects fund had \$6,000,000 in other financing sources resulting from a transfer from the general fund and no expenditures.

***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, cash disbursements and encumbrances. The most significant budgeted fund is the general fund.

The District uses site-based budgeting, which is designed to tightly control total site budgets but provide flexibility for site management.

For the general fund, original and final budgeted revenues and other financing sources were \$17,213,815 and \$21,512,550, respectively. Actual revenues and other financing sources were \$21,741,534, which were \$228,984 higher than the final budgeted revenues and other financing sources.

General fund original and final appropriations and other financing uses were \$19,453,521 and \$25,540,392, respectively. The actual budget basis expenditures and other financing uses of \$24,888,902 were \$651,490 lower than the final budgeted appropriations and other financing uses.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2025, the District had \$8,001,141 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, infrastructure, and right to use - software and equipment assets.

The following table shows June 30, 2025 balances compared to June 30, 2024.

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

|                           | Governmental Activities |                     |
|---------------------------|-------------------------|---------------------|
|                           | 2025                    | 2024                |
| Land                      | \$ 202,377              | \$ 202,377          |
| Construction-in-progress  | 416,722                 | 61,450              |
| Land improvements         | 268,867                 | 310,468             |
| Building and improvements | 3,098,411               | 3,313,024           |
| Furniture and fixtures    | 1,461,072               | 1,391,176           |
| Vehicles                  | 2,479,866               | 2,551,905           |
| Infrastructure            | 8,470                   | 16,640              |
| Right to use - software   | 48,846                  | 48,324              |
| Right to use - equipment  | 16,510                  | -                   |
| Total                     | <u>\$ 8,001,141</u>     | <u>\$ 7,895,364</u> |

The increase in capital assets, net of depreciation/amortization, of \$105,777 is attributable to current year capital outlays of \$866,925 exceeding current year depreciation/amortization of \$740,060 and the net effect of disposals of \$82,538 during 2025. See Note 8 to the basic financial statements for additional information on the District's capital assets.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025  
(UNAUDITED)**

***Debt Administration***

The District had the following long-term obligations outstanding at June 30, 2025 and 2024:

|                 | <u>Governmental Activities</u> |             |
|-----------------|--------------------------------|-------------|
|                 | <u>2025</u>                    | <u>2024</u> |
| Lease liability | \$ <u>16,790</u>               | \$ <u>-</u> |

See Note 13 to the basic financial statements for additional information on the District's debt administration.

**Current Financial Related Activities**

The District has a good financial position. The Board of Education and administration closely monitor the District's revenues and expenditures in accordance with its financial forecast and the District's Improvement plan. The administration continues to carefully plan its expenditures to provide adequate resources to meet student needs over the next several years.

The District is entering the first year of a three year negotiated agreement with the Madison Plains Education Association and the Ohio Association of Public School Employees. The District completed negotiations with both MPEA and OAPSE in summer 2025. A three year contract was agreed upon. The MPEA contract increased the base salary to \$40,228 in the first year, and calls for a 2 percent base increase in the second year, and a 1.5 percent increase in year three of the agreement on a traditional column and step salary schedule (Legacy Schedule), as well as an optional performance based alternative salary schedule (MP COMPASS Schedule) at a maximum 0 percent overall increase to the group in the first year, a maximum 0 percent overall increase to the group in year two, and a maximum 0 percent overall increase to the group in year three of the agreement. The OAPSE contract calls for a two dollar (\$2.00) across the board base wage increase in the first year, an across the board base wage increase of fifty cents (\$0.50) in the second year and an across the board base wage increase of twenty five cents (\$0.25) in the third year of the agreement on a traditional column and step salary schedule with \$0.25 increments between each step. Each agreement also calls for an insurance cap of 12 percent. Should the insurance increase exceed 12 percent the percentage split between the District and the employees of premium costs increases from an 80/20 District/Employee percentage split, to a 50/50 District/Employee percentage split.

The District successfully passed a 1.25 percent earned income tax renewal in November 2021, effective in 2024 for a period of ten years. This school district earned income tax is generating in excess of \$3 million in revenue per year.

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures have impacted the current period and will continue to impact subsequent periods of the District. Remaining ARP ESSER funds received as a result of the pandemic expired September 30, 2024.

**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. Todd Mustain, Treasurer of Madison-Plains Local School District, at 55 Linson Road SW, London, Ohio 43140.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2025

|                                                          | <b>Governmental<br/>Activities</b> |
|----------------------------------------------------------|------------------------------------|
| <b>Assets:</b>                                           |                                    |
| Equity in pooled cash and cash equivalents               | \$ 12,094,108                      |
| Receivables:                                             |                                    |
| Property taxes                                           | 11,046,083                         |
| Income taxes                                             | 1,308,408                          |
| Payment in lieu of taxes                                 | 2,685,047                          |
| Intergovernmental                                        | 305,268                            |
| Prepayments                                              | 35,276                             |
| Materials and supplies inventory                         | 1,786                              |
| Inventory held for resale                                | 10,026                             |
| Net OPEB asset                                           | 942,436                            |
| Capital assets:                                          |                                    |
| Nondepreciable/amortizable capital assets                | 619,099                            |
| Depreciable/amortizable capital assets, net              | 7,382,042                          |
| Capital assets, net                                      | 8,001,141                          |
| Total assets                                             | 36,429,579                         |
| <b>Deferred outflows of resources:</b>                   |                                    |
| Pension                                                  | 2,725,031                          |
| OPEB                                                     | 482,588                            |
| Total deferred outflows of resources                     | 3,207,619                          |
| Total assets and deferred outflows of resources          | 39,637,198                         |
| <b>Liabilities:</b>                                      |                                    |
| Accounts payable                                         | 4,975                              |
| Contracts payable                                        | 239,702                            |
| Accrued wages and benefits payable                       | 1,599,856                          |
| Matured compensated absences payable                     | 20,565                             |
| Intergovernmental payable                                | 52,226                             |
| Pension and postemployment benefits payable              | 281,293                            |
| Long-term liabilities:                                   |                                    |
| Due within one year                                      | 360,445                            |
| Due in more than one year:                               |                                    |
| Net pension liability                                    | 12,585,482                         |
| Net OPEB liability                                       | 612,534                            |
| Other amounts due in more than one year                  | 2,320,846                          |
| Total liabilities                                        | 18,077,924                         |
| <b>Deferred inflows of resources:</b>                    |                                    |
| Property taxes levied for the next fiscal year           | 10,627,795                         |
| Payment in lieu of taxes levied for the next fiscal year | 2,338,318                          |
| Pension                                                  | 1,929,460                          |
| OPEB                                                     | 1,645,980                          |
| Total deferred inflows of resources                      | 16,541,553                         |
| Total liabilities and deferred inflows of resources      | 34,619,477                         |
| <b>Net position:</b>                                     |                                    |
| Investment in capital assets                             | 7,756,124                          |
| Restricted for:                                          |                                    |
| Capital projects                                         | 417,905                            |
| OPEB                                                     | 942,436                            |
| State funded programs                                    | 1,434                              |
| Federally funded programs                                | 14,420                             |
| Food service operations                                  | 58,027                             |
| Student activities                                       | 193,257                            |
| Other purposes                                           | 72,662                             |
| Unrestricted (deficit)                                   | (4,438,544)                        |
| Total net position                                       | \$ 5,017,721                       |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                             |                      |                                           | <b>Program Revenues</b>                       |                                             |                                    | <b>Net (Expense)<br/>Revenue and<br/>Changes in<br/>Net Position</b> |
|---------------------------------------------|----------------------|-------------------------------------------|-----------------------------------------------|---------------------------------------------|------------------------------------|----------------------------------------------------------------------|
|                                             | <b>Expenses</b>      | <b>Charges for<br/>Services and Sales</b> | <b>Operating Grants<br/>and Contributions</b> | <b>Capital Grants<br/>and Contributions</b> | <b>Governmental<br/>Activities</b> |                                                                      |
| <b>Governmental activities:</b>             |                      |                                           |                                               |                                             |                                    |                                                                      |
| Instruction:                                |                      |                                           |                                               |                                             |                                    |                                                                      |
| Regular                                     | \$ 8,149,953         | \$ 365,631                                | \$ 608,034                                    | \$ -                                        | \$                                 | (7,176,288)                                                          |
| Special                                     | 2,137,824            | 225,652                                   | 502,610                                       | -                                           |                                    | (1,409,562)                                                          |
| Vocational                                  | 369,492              | -                                         | 44,391                                        | 109,677                                     |                                    | (215,424)                                                            |
| Support services:                           |                      |                                           |                                               |                                             |                                    |                                                                      |
| Pupil                                       | 1,149,016            | -                                         | 103,337                                       | -                                           |                                    | (1,045,679)                                                          |
| Instructional staff                         | 269,732              | -                                         | 7,739                                         | -                                           |                                    | (261,993)                                                            |
| Board of education                          | 89,413               | -                                         | -                                             | -                                           |                                    | (89,413)                                                             |
| Administration                              | 1,613,774            | -                                         | 96,938                                        | -                                           |                                    | (1,516,836)                                                          |
| Fiscal                                      | 745,832              | -                                         | -                                             | -                                           |                                    | (745,832)                                                            |
| Operations and maintenance                  | 1,309,367            | 180                                       | -                                             | 4,600                                       |                                    | (1,304,587)                                                          |
| Pupil transportation                        | 2,165,813            | -                                         | 51,645                                        | -                                           |                                    | (2,114,168)                                                          |
| Central                                     | 440,558              | -                                         | 7,965                                         | -                                           |                                    | (432,593)                                                            |
| Operation of non-instructional<br>services: |                      |                                           |                                               |                                             |                                    |                                                                      |
| Food service operations                     | 796,327              | 279,121                                   | 489,455                                       | -                                           |                                    | (27,751)                                                             |
| Extracurricular activities                  | 875,145              | 289,859                                   | 22,451                                        | -                                           |                                    | (562,835)                                                            |
| <b>Totals</b>                               | <b>\$ 20,112,246</b> | <b>\$ 1,160,443</b>                       | <b>\$ 1,934,565</b>                           | <b>\$ 114,277</b>                           |                                    | <b>(16,902,961)</b>                                                  |

**General revenues:**

|                                                                |                   |
|----------------------------------------------------------------|-------------------|
| Property taxes levied for:                                     |                   |
| General purposes                                               | 9,881,599         |
| Capital outlay                                                 | 420,017           |
| Payments in lieu of taxes                                      | 1,685,571         |
| Income taxes levied for:                                       |                   |
| General purposes                                               | 3,424,279         |
| Grants and entitlements not restricted<br>to specific programs | 5,891,821         |
| Investment earnings                                            | 368,934           |
| Miscellaneous                                                  | 107,727           |
| <b>Total general revenues</b>                                  | <b>21,779,948</b> |

Change in net position 4,876,987

**Net position at beginning of year,  
as previously reported** 1,945,655

Restatement - change in accounting principle (1,804,921)

**Net position at beginning of year,  
as restated** 140,734

**Net position at end of year** \$ 5,017,721

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2025

|                                                          | General              | Capital<br>Projects | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------------------------------|----------------------|---------------------|-----------------------------------|--------------------------------|
| <b>Assets:</b>                                           |                      |                     |                                   |                                |
| Equity in pooled cash<br>and cash equivalents            | \$ 5,360,254         | \$ 6,000,000        | \$ 733,854                        | \$ 12,094,108                  |
| Receivables:                                             |                      |                     |                                   |                                |
| Property taxes                                           | 10,604,201           | -                   | 441,882                           | 11,046,083                     |
| Income taxes                                             | 1,308,408            | -                   | -                                 | 1,308,408                      |
| Payment in lieu of taxes                                 | 2,550,795            | -                   | 134,252                           | 2,685,047                      |
| Intergovernmental                                        | 148,701              | -                   | 156,567                           | 305,268                        |
| Prepayments                                              | 35,276               | -                   | -                                 | 35,276                         |
| Materials and supplies inventory                         | -                    | -                   | 1,786                             | 1,786                          |
| Inventory held for resale                                | -                    | -                   | 10,026                            | 10,026                         |
| Due from other funds                                     | 50,588               | -                   | -                                 | 50,588                         |
| Total assets                                             | <u>\$ 20,058,223</u> | <u>\$ 6,000,000</u> | <u>\$ 1,478,367</u>               | <u>\$ 27,536,590</u>           |
| <b>Liabilities:</b>                                      |                      |                     |                                   |                                |
| Accounts payable                                         | \$ 4,975             | \$ -                | \$ -                              | \$ 4,975                       |
| Contracts payable                                        | 228,227              | -                   | 11,475                            | 239,702                        |
| Accrued wages and benefits payable                       | 1,547,916            | -                   | 51,940                            | 1,599,856                      |
| Matured compensated absences payable                     | 20,565               | -                   | -                                 | 20,565                         |
| Intergovernmental payable                                | 51,648               | -                   | 578                               | 52,226                         |
| Pension and postemployment benefits payable              | 271,408              | -                   | 9,885                             | 281,293                        |
| Due to other funds                                       | -                    | -                   | 50,588                            | 50,588                         |
| Total liabilities                                        | <u>2,124,739</u>     | <u>-</u>            | <u>124,466</u>                    | <u>2,249,205</u>               |
| <b>Deferred inflows of resources:</b>                    |                      |                     |                                   |                                |
| Property taxes levied for the next fiscal year           | 10,201,002           | -                   | 426,793                           | 10,627,795                     |
| Payment in lieu of taxes levied for the next fiscal year | 2,221,957            | -                   | 116,361                           | 2,338,318                      |
| Delinquent property tax revenue not available            | 403,199              | -                   | 15,089                            | 418,288                        |
| Income tax revenue not available                         | 236,595              | -                   | -                                 | 236,595                        |
| Intergovernmental revenue not available                  | -                    | -                   | 53,834                            | 53,834                         |
| Total deferred inflows of resources                      | <u>13,062,753</u>    | <u>-</u>            | <u>612,077</u>                    | <u>13,674,830</u>              |
| <b>Fund balances:</b>                                    |                      |                     |                                   |                                |
| Nonspendable:                                            |                      |                     |                                   |                                |
| Materials and supplies inventory                         | -                    | -                   | 1,786                             | 1,786                          |
| Prepays                                                  | 35,276               | -                   | -                                 | 35,276                         |
| Restricted:                                              |                      |                     |                                   |                                |
| Capital improvements                                     | -                    | -                   | 402,816                           | 402,816                        |
| Food service operations                                  | -                    | -                   | 109,284                           | 109,284                        |
| State funded programs                                    | -                    | -                   | 1,434                             | 1,434                          |
| Federally funded programs                                | -                    | -                   | 13,845                            | 13,845                         |
| Extracurricular                                          | -                    | -                   | 193,257                           | 193,257                        |
| Other purposes                                           | -                    | -                   | 72,662                            | 72,662                         |
| Committed:                                               |                      |                     |                                   |                                |
| Capital improvements                                     | -                    | 6,000,000           | -                                 | 6,000,000                      |
| Assigned:                                                |                      |                     |                                   |                                |
| Student instruction                                      | 131,152              | -                   | -                                 | 131,152                        |
| Student and staff support                                | 237,568              | -                   | -                                 | 237,568                        |
| Extracurricular activities                               | 1,124                | -                   | -                                 | 1,124                          |
| Facilities acquisition and construction                  | 36,735               | -                   | -                                 | 36,735                         |
| Subsequent year's appropriations                         | 210,070              | -                   | -                                 | 210,070                        |
| Other purposes                                           | 28,044               | -                   | -                                 | 28,044                         |
| Unassigned (deficit)                                     | 4,190,762            | -                   | (53,260)                          | 4,137,502                      |
| Total fund balances                                      | <u>4,870,731</u>     | <u>6,000,000</u>    | <u>741,824</u>                    | <u>11,612,555</u>              |
| Total liabilities, deferred inflows and fund balances    | <u>\$ 20,058,223</u> | <u>\$ 6,000,000</u> | <u>\$ 1,478,367</u>               | <u>\$ 27,536,590</u>           |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2025

|                                                                                                                                                                                                           |              |                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------|
| <b>Total governmental fund balances</b>                                                                                                                                                                   |              | \$ 11,612,555              |
| <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.                                                                                   |              | 8,001,141                  |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.                                                                          |              |                            |
| Property taxes receivable                                                                                                                                                                                 | \$ 418,288   |                            |
| Income taxes receivable                                                                                                                                                                                   | 236,595      |                            |
| Intergovernmental receivable                                                                                                                                                                              | 53,834       |                            |
| Total                                                                                                                                                                                                     |              | 708,717                    |
| The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds. |              |                            |
| Deferred outflows - pension                                                                                                                                                                               | 2,725,031    |                            |
| Deferred inflows - pension                                                                                                                                                                                | (1,929,460)  |                            |
| Net pension liability                                                                                                                                                                                     | (12,585,482) |                            |
| Deferred outflows - OPEB                                                                                                                                                                                  | 482,588      |                            |
| Deferred inflows - OPEB                                                                                                                                                                                   | (1,645,980)  |                            |
| Net OPEB asset                                                                                                                                                                                            | 942,436      |                            |
| Net OPEB liability                                                                                                                                                                                        | (612,534)    |                            |
| Total                                                                                                                                                                                                     |              | (12,623,401)               |
| Long-term liabilities are not due and payable in the current period therefore are not reported in the funds.                                                                                              |              |                            |
| Lease obligations                                                                                                                                                                                         | (16,790)     |                            |
| Compensated absences                                                                                                                                                                                      | (2,664,501)  |                            |
| Total                                                                                                                                                                                                     |              | (2,681,291)                |
| <b>Net position of governmental activities</b>                                                                                                                                                            |              | <u><u>\$ 5,017,721</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                              | General             | Capital<br>Projects | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|----------------------------------------------|---------------------|---------------------|-----------------------------------|--------------------------------|
| <b>Revenues:</b>                             |                     |                     |                                   |                                |
| From local sources:                          |                     |                     |                                   |                                |
| Property taxes                               | \$ 9,877,370        | \$ -                | \$ 420,656                        | \$ 10,298,026                  |
| Income taxes                                 | 3,410,595           | -                   | -                                 | 3,410,595                      |
| Intergovernmental                            | 6,331,084           | -                   | 1,770,518                         | 8,101,602                      |
| Investment earnings                          | 368,934             | -                   | -                                 | 368,934                        |
| Tuition and fees                             | 585,187             | -                   | -                                 | 585,187                        |
| Extracurricular                              | 11,880              | -                   | 284,075                           | 295,955                        |
| Rental income                                | 180                 | -                   | -                                 | 180                            |
| Charges for services                         | -                   | -                   | 279,121                           | 279,121                        |
| Contributions and donations                  | 12,549              | -                   | 26,461                            | 39,010                         |
| Payment in lieu of taxes                     | 1,598,596           | -                   | 86,975                            | 1,685,571                      |
| Miscellaneous                                | 95,178              | -                   | 490                               | 95,668                         |
| Total revenues                               | <u>22,291,553</u>   | <u>-</u>            | <u>2,868,296</u>                  | <u>25,159,849</u>              |
| <b>Expenditures:</b>                         |                     |                     |                                   |                                |
| Current:                                     |                     |                     |                                   |                                |
| Instruction:                                 |                     |                     |                                   |                                |
| Regular                                      | 7,736,573           | -                   | 526,114                           | 8,262,687                      |
| Special                                      | 1,987,941           | -                   | 219,382                           | 2,207,323                      |
| Vocational                                   | 381,603             | -                   | 119,307                           | 500,910                        |
| Support services:                            |                     |                     |                                   |                                |
| Pupil                                        | 1,182,205           | -                   | 5,834                             | 1,188,039                      |
| Instructional staff                          | 378,586             | -                   | 7,767                             | 386,353                        |
| Board of education                           | 90,263              | -                   | -                                 | 90,263                         |
| Administration                               | 1,645,319           | -                   | 96,938                            | 1,742,257                      |
| Fiscal                                       | 754,058             | -                   | 9,454                             | 763,512                        |
| Operations and maintenance                   | 1,288,045           | -                   | 39,058                            | 1,327,103                      |
| Pupil transportation                         | 1,846,173           | -                   | -                                 | 1,846,173                      |
| Central                                      | 492,914             | -                   | 7,521                             | 500,435                        |
| Operation of non-instructional services:     |                     |                     |                                   |                                |
| Food service operations                      | -                   | -                   | 814,563                           | 814,563                        |
| Extracurricular activities                   | 500,117             | -                   | 403,143                           | 903,260                        |
| Facilities acquisition and construction      | 419,082             | -                   | 236,721                           | 655,803                        |
| Capital outlay                               | 16,790              | -                   | -                                 | 16,790                         |
| Total expenditures                           | <u>18,719,669</u>   | <u>-</u>            | <u>2,485,802</u>                  | <u>21,205,471</u>              |
| Excess of revenues over (under) expenditures | <u>3,571,884</u>    | <u>-</u>            | <u>382,494</u>                    | <u>3,954,378</u>               |
| <b>Other financing sources (uses):</b>       |                     |                     |                                   |                                |
| Sale/loss of assets                          | 8,128               | -                   | -                                 | 8,128                          |
| Transfers in                                 | -                   | 6,000,000           | 20,000                            | 6,020,000                      |
| Transfers (out)                              | (6,020,000)         | -                   | -                                 | (6,020,000)                    |
| Lease transaction                            | 16,790              | -                   | -                                 | 16,790                         |
| Total other financing sources (uses)         | <u>(5,995,082)</u>  | <u>6,000,000</u>    | <u>20,000</u>                     | <u>24,918</u>                  |
| Net change in fund balances                  | (2,423,198)         | 6,000,000           | 402,494                           | 3,979,296                      |
| <b>Fund balances at beginning of year</b>    | <u>7,293,929</u>    | <u>-</u>            | <u>339,330</u>                    | <u>7,633,259</u>               |
| <b>Fund balances at end of year</b>          | <u>\$ 4,870,731</u> | <u>\$ 6,000,000</u> | <u>\$ 741,824</u>                 | <u>\$ 11,612,555</u>           |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON 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, 2025

|                                                                                                                                                                                                                                                |                  |                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------------|
| <b>Net change in fund balances - total governmental funds</b>                                                                                                                                                                                  | <b>\$</b>        | <b>3,979,296</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/amortization expense.                              |                  |                         |
| Capital asset additions                                                                                                                                                                                                                        | \$ 866,925       |                         |
| Current year depreciation/amortization                                                                                                                                                                                                         | <u>(740,060)</u> |                         |
| Total                                                                                                                                                                                                                                          |                  | 126,865                 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.                                                                                  |                  | (21,088)                |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.                                                                                                             |                  |                         |
| Property taxes                                                                                                                                                                                                                                 | 3,590            |                         |
| Income taxes                                                                                                                                                                                                                                   | 13,684           |                         |
| Intergovernmental                                                                                                                                                                                                                              | <u>(187,890)</u> |                         |
| Total                                                                                                                                                                                                                                          |                  | (170,616)               |
| Issuances of lease transactions are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position. |                  | (16,790)                |
| Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.                                                                    |                  |                         |
| Pension                                                                                                                                                                                                                                        | 1,443,462        |                         |
| OPEB                                                                                                                                                                                                                                           | <u>44,784</u>    |                         |
| Total                                                                                                                                                                                                                                          |                  | 1,488,246               |
| 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                                                                                                                                                                                                                                        | (646,116)        |                         |
| OPEB                                                                                                                                                                                                                                           | <u>224,895</u>   |                         |
| Total                                                                                                                                                                                                                                          |                  | (421,221)               |
| 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>(87,705)</u>         |
| <b>Change in net position of governmental activities</b>                                                                                                                                                                                       | <b>\$</b>        | <b><u>4,876,987</u></b> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUND  
JUNE 30, 2025

**Assets:**

|                                               |               |
|-----------------------------------------------|---------------|
| Equity in pooled cash<br>and cash equivalents | <u>\$ 958</u> |
| Total assets                                  | <u>958</u>    |

**Net position:**

|                                                                 |                      |
|-----------------------------------------------------------------|----------------------|
| Restricted for individuals, organizations and other governments | <u>958</u>           |
| Total net position                                              | <u><u>\$ 958</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

|                                          |                      |
|------------------------------------------|----------------------|
| <b>Additions:</b>                        |                      |
| Amounts received as fiscal agent         | \$ 1,565             |
| Total additions                          | <u>1,565</u>         |
| <b>Deductions:</b>                       |                      |
| Distributions as fiscal agent            | <u>1,387</u>         |
| Total deductions                         | <u>1,387</u>         |
| Change in net position                   | 178                  |
| <b>Net position at beginning of year</b> | <u>780</u>           |
| <b>Net position at end of year</b>       | <u><u>\$ 958</u></u> |

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Madison-Plains Local School District (the "District") was formed in 1968, the result of a consolidation of the Plains District and the Madison South District. This new District covered 270 square miles. The newly appointed Board of Education, Isaiah Call, Donald Dorn, Donald Laird, Marion Moats, and C. B. Stoer, met for the first time on June 22, 1968.

In 1969 the District operated six buildings: Madison Rural School, which housed kindergarten fourth, seventh and eighth grades; Midway School with first, third, and fifth grades; South Solon School housed kindergarten, first, second, fourth, and sixth grades; Mt. Sterling School with kindergarten through sixth grades and grades nine through twelve; Fairfield School with students in grades kindergarten through eighth, and, lastly, the Madison South High School housed grades ten, eleven, and twelve. Beginning with the 1971-72 school year, all tenth, eleventh, and twelfth grade students of the District began to attend the Madison South building.

In 1976, the District was still operating six buildings, employed 105 certified and 69 noncertified employees with an operating budget of just over two million dollars a year. Property valuation was \$56 million dollars and the District operated on 22 mills. Student enrollment was 2,013, of which 40 students attended the Tolles Career and Technical Center. In 1978, the South Solon Elementary School was closed and sold. That same year the Madison-Plains High School, housing ninth through twelfth grades, opened for instruction.

Currently, the District operates a single campus of four buildings, one elementary school housing grades kindergarten through third, one intermediate school housing grades fourth through sixth; one middle school with grades seven and eight; and one high school which houses grades nine through twelve.

The District is a body political and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District.

The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, fiscal services, facilities acquisition and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

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

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

**A. Reporting Entity**

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure 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. For Madison-Plains Local School District, this includes general operations, food service and student related activities of the District.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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. The District has no component units.

The District participates in two jointly governed organizations and two insurance purchasing pools (see note 10). These organizations are the Miami Valley Educational Computer Association, Tolles Career and Technical Center, the Ohio School Boards Association Workers' Compensation Group Rating Program and the Southwestern Ohio Educational Purchasing Council Medical Insurance and Benefit Plan Trust.

*JOINTLY GOVERNED ORGANIZATIONS*

Miami Valley Educational Computer Association

The District is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public school districts within the boundaries of Clark, Clinton, Fayette, Greene, Highland, Madison, Montgomery and Ross Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of six representatives from the member districts elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. Financial information can be obtained from Angie Crandall, Executive Director, at MVECA at 330 Enon Road, Yellow Springs, Ohio 45387.

Tolles Career and Technical Center

The Tolles Career and Technical Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board of Education consisting of one representative from each of the seven participating school districts' elected boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Treasurer of the Tolles Career and Technical Center, 7877 U.S. Route 42, NE, Plain City, Ohio 43064.

*PUBLIC ENTITY RISK POOLS*

Southwestern Ohio Educational Purchasing Council Medical Insurance and Benefit Plan Trust

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

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Schools of Ohio Risk Sharing Authority

The District participates in the Schools of Ohio Risk Sharing Authority (SORSA), which was established in 2002 pursuant to Articles of Incorporation filed under Chapter 1702 of the Ohio Revised Code - Non-Profit Corporations and functioning under authority granted by Section 2744.081 of the Ohio Revised Code. SORSA's purpose is to provide a joint self-insurance pool and to assist member school districts in preventing and reducing losses and injuries to property and persons, which might result in claims being made against members of SORSA, their employees or officers.

A nine-person Board of Directors manages the business and affairs of SORSA and is elected annually by the members of the pool. The Board of Directors consists of superintendents, treasurers, or business managers from the participating school districts. SORSA employs an Executive Director and a Member Services Coordinator to administer the pool while claims are processed by Avizent. Financial information can be obtained from SORSA at 8050 North High Street, Suite 160, Columbus, Ohio 43235-6483 or by calling 866-767-7299.

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

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

Capital Projects Fund - The capital projects fund is used to account for financial resources committed for future construction of capital assets.

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 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.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

*FIDUCIARY FUNDS*

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

The District's fiduciary fund is a custodial fund. Custodial funds are used to account for assets held by the District as fiscal agent for the Ohio High School Athletic Association (OHSAA).

**C. Basis of Presentation**

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

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.

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

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

**D. Measurement Focus**

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

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

The custodial fund is reported using the economic resources measurement focus and is excluded from the governmental activities. All assets and liabilities associated with the operation of this fund are included on the statement of fiduciary net position. The statement of changes in fiduciary net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

**E. Basis of Accounting**

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

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 10 and 11 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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, 2025, but which were levied to finance fiscal year 2026 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 10 and 11 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the food service fund as intergovernmental revenue and an expenditure of food service operations. In addition, this amount is reported on the statement of activities as an expense with a like amount reported within "operating grants, contributions and interest" program revenue account.

Under the modified accrual basis, 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.

**F. Cash and Cash Equivalents**

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

During fiscal year 2025, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2025, 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.

For presentation on the financial statements, investments of the cash management pool and investments with 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. The District has no investments.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2025 amounted to \$368,934, which includes \$132,075 assigned from other District funds.

**G. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$2,500. 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 proprietary fund capital assets is also capitalized. In addition, assets having an estimated useful life of more than one year that are below the capitalization threshold and not considered repair or maintenance costs are collectively capitalized on the financial statements when the aggregate of those assets are considered significant.

All reported capital assets except land are depreciated. Improvements are depreciated 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</u>                 | <u>Estimated Lives</u> |
|------------------------------------|------------------------|
| Land improvements                  | 10 - 20 years          |
| Building/improvements              | 25 - 40 years          |
| Furniture, fixtures and equipment  | 3 - 10 years           |
| Vehicles                           | 3 - 10 years           |
| Infrastructure                     | 10 years               |
| Intangible right to use: equipment | 2 - 5 years            |
| Intangible right to use: software  | 2 - 5 years            |
| Textbooks                          | 10 - 15 years          |

The District policy for any intangible right to use assets is to amortize in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**H. Compensated Absences**

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences - vacation, sick leave and personal time. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

*Vacation*

The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

*Sick Leave*

The District's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the District and, upon separation from service, the employee receives compensation in accordance with the severance policy. A liability for estimated value of sick leave that will be used by employees as time off and at separation is included in the liability for compensated absences.

*Personal Time*

The District awards full time employees three personal days per year. The District's policy is that these days are to be only used in the year they are granted. There is no carryover or accumulation of personal time from one contract year to another so there is no payout upon retirement or separation of personal time.

**I. Pensions and Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB asset/liability, deferred outflows of resources and deferred inflows of resources related to pension/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.

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

**K. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. 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 District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

**L. Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The 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, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the School District Board of Education.

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

*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 School District Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

*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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

**M. Interfund Activity**

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

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/due from other funds." Interfund balances are eliminated in the governmental activities column of the statement of net position.

**N. 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. Neither type of transaction occurred during fiscal year 2025.

**O. Estimates**

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

**P. Budgetary Data**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2025.

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

**Q. Prepayments**

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. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

**R. 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 2025, the District has implemented GASB Statement No. 101, “Compensated Absences” and GASB Statement No. 102, “Certain Risk Disclosures”.

GASB Statement No. 101 is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 improves financial reporting by providing users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the District.

**B. Deficit Fund Balances**

Fund balances at June 30, 2025 included the following individual fund deficits:

| <u>Nonmajor governmental funds</u>               | <u>Deficit</u> |
|--------------------------------------------------|----------------|
| Miscellaneous State Grants                       | \$ 800         |
| IDEA, Part B Special Education                   | 18,220         |
| Title I, Disadvantaged Children                  | 23,380         |
| Student Support and Academic Enrichment Programs | 10,860         |

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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**C. Restatement of Net Position**

During fiscal year 2025, there was a change in accounting principle related to the implementation of GASB Statement No. 101, "Compensated Absences". The effect of changing the accounting principle is to decrease net position as previously reported. This is displayed where applicable in the financial statements as "restatement - change in accounting principle".

**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 School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board 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.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (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 (STAR Ohio);

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed 40 percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate notes rated in either of the two highest 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. 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 to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Cash on Hand** - At June 30, 2025 the District had \$2,650 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Cash Equivalents."

**Deposits** - At year-end, \$784,625 was exposed to custodial credit risk. At June 30, 2025, the carrying amount of all District deposits was \$12,095,066. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of June 30, 2025, \$784,625 of the District's bank balance of \$12,490,807 was exposed to custodial credit risk as discussed below, while \$11,706,182 was covered by the FDIC.

**Custodial Credit Risk** - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District will not be able to recover deposits or collateral securities that are in possession of an outside party.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or 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 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**Investments** - As of June 30, 2025, the District had the following investment and maturity:

| Investment Type | Measurement<br>Amount | Maturity<br>(in Months) | Percent<br>of Total |
|-----------------|-----------------------|-------------------------|---------------------|
|                 |                       | 0 - 12                  |                     |
| STAR Ohio       | \$ 2,457              | \$ 2,457                | 100%                |

**Interest Rate Risk** - The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The District's policy indicates that the investments must mature within five years, unless matched to a specific obligation or debt of the District.

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

***Credit Risk*** - STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2025, is 30 days and carries a rating of AAAM by S&P Global Ratings.

***Concentration of Credit Risk*** - The District investment policy is to be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue or a specific class of securities. Strategies to achieve this are determined and revised periodically. All investments and deposits are collateralized pursuant to the Ohio Revised Code.

***Reconciliation of Cash and Investments to the Statement of Net Position*** - The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2025:

|                                                           |                      |
|-----------------------------------------------------------|----------------------|
| <u>Cash and investments per note</u>                      |                      |
| Carrying amount of deposits                               | \$ 12,089,959        |
| Investments                                               | 2,457                |
| Cash on hand                                              | <u>2,650</u>         |
| Total                                                     | <u>\$ 12,095,066</u> |
| <u>Cash and investments per statement of net position</u> |                      |
| Governmental activities                                   | \$ 12,094,108        |
| Custodial funds                                           | <u>958</u>           |
| Total                                                     | <u>\$ 12,095,066</u> |

**NOTE 5 - 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 and public utility property located in the District. Real property tax revenue received in calendar year 2025 represents collections of calendar year 2024 taxes. Real property taxes received in calendar year 2025 were levied after April 1, 2024, on the assessed value listed as of January 1, 2024, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid 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 revenue received in calendar year 2025 represents collections of calendar year 2024 taxes. Public utility real and tangible personal property taxes received in calendar year 2025 became a lien December 31, 2024, were levied after April 1, 2024 and are collected in 2025 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 5 - PROPERTY TAXES - (Continued)**

The District receives property taxes from Madison, Franklin, and Fayette Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2025 operations. The amount available as an advance at June 30, 2025 and 2024 were:

|                              | <u>June 30, 2025</u> | <u>June 30, 2024</u> |
|------------------------------|----------------------|----------------------|
| Major governmental funds:    |                      |                      |
| General fund                 | \$ -                 | \$ 18,338            |
| Nonmajor governmental funds: |                      |                      |
| Permanent improvement fund   | -                    | 905                  |

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. At year end, the District had no amounts available for advance.

Accrued property taxes receivable include real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2025, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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 of resources.

The assessed values upon which the fiscal year 2025 taxes were collected are:

|                                                   | 2024 Second<br>Half Collections |                | 2025 First<br>Half Collections |                |
|---------------------------------------------------|---------------------------------|----------------|--------------------------------|----------------|
|                                                   | <u>Amount</u>                   | <u>Percent</u> | <u>Amount</u>                  | <u>Percent</u> |
| Agricultural/residential<br>and other real estate | \$ 429,094,730                  | 91.90          | \$ 431,699,540                 | 89.43          |
| Public utility personal                           | <u>37,840,220</u>               | <u>8.10</u>    | <u>51,033,610</u>              | <u>10.57</u>   |
| Total                                             | <u>\$ 466,934,950</u>           | <u>100.00</u>  | <u>\$ 482,733,150</u>          | <u>100.00</u>  |
| Tax rate per \$1,000 of<br>assessed valuation     | \$48.45                         |                | \$48.45                        |                |

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2025, consisted of property taxes, income taxes, and intergovernmental revenue. 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. All receivables, except property taxes, are expected to be collected within the subsequent year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 7 - INCOME TAXES**

The District levies a voted tax of 1.25 percent for general operations on the income of residents and of estates. The tax was levied on January 1, 2019 and will continue until 2033. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

**NOTE 8 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

|                                                         | Balance<br>06/30/24 | Additions         | Deductions         | Balance<br>06/30/25 |
|---------------------------------------------------------|---------------------|-------------------|--------------------|---------------------|
| <b>Governmental activities:</b>                         |                     |                   |                    |                     |
| <i>Capital assets, not being depreciated/amortized:</i> |                     |                   |                    |                     |
| Land                                                    | \$ 202,377          | \$ -              | \$ -               | \$ 202,377          |
| Construction in progress                                | 61,450              | 416,722           | (61,450)           | 416,722             |
| Total capital assets, not being depreciated/amortized   | <u>263,827</u>      | <u>416,722</u>    | <u>(61,450)</u>    | <u>619,099</u>      |
| <i>Capital assets, being depreciated/amortized:</i>     |                     |                   |                    |                     |
| Land improvements                                       | 2,241,972           | -                 | -                  | 2,241,972           |
| Buildings and improvements                              | 9,241,991           | 12,746            | -                  | 9,254,737           |
| Furniture and fixtures                                  | 3,042,470           | 143,967           | -                  | 3,186,437           |
| Vehicles                                                | 4,497,192           | 321,836           | (201,001)          | 4,618,027           |
| Infrastructure                                          | 96,132              | -                 | -                  | 96,132              |
| Right to use: software                                  | 69,159              | 16,314            | -                  | 85,473              |
| Right to use: equipment                                 | -                   | 16,790            | -                  | 16,790              |
| Textbooks                                               | 738,045             | -                 | -                  | 738,045             |
| Total capital assets, being depreciated/amortized       | <u>19,926,961</u>   | <u>511,653</u>    | <u>(201,001)</u>   | <u>20,237,613</u>   |
| <i>Less: accumulated depreciation/amortization:</i>     |                     |                   |                    |                     |
| Land improvements                                       | (1,931,504)         | (41,601)          | -                  | (1,973,105)         |
| Buildings and improvements                              | (5,928,967)         | (227,359)         | -                  | (6,156,326)         |
| Furniture and fixtures                                  | (1,651,294)         | (74,071)          | -                  | (1,725,365)         |
| Vehicles                                                | (1,945,287)         | (372,787)         | 179,913            | (2,138,161)         |
| Infrastructure                                          | (79,492)            | (8,170)           | -                  | (87,662)            |
| Right to use: software                                  | (20,835)            | (15,792)          | -                  | (36,627)            |
| Right to use: equipment                                 | -                   | (280)             | -                  | (280)               |
| Textbooks                                               | (738,045)           | -                 | -                  | (738,045)           |
| Total accumulated depreciation/amortization             | <u>(12,295,424)</u> | <u>(740,060)</u>  | <u>179,913</u>     | <u>(12,855,571)</u> |
| Governmental activities capital assets, net             | <u>\$ 7,895,364</u> | <u>\$ 188,315</u> | <u>\$ (82,538)</u> | <u>\$ 8,001,141</u> |

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

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

|                                         |                   |
|-----------------------------------------|-------------------|
| <u>Instruction:</u>                     |                   |
| Regular                                 | \$ 286,505        |
| Special                                 | 527               |
| Vocational                              | 1,881             |
| <u>Support services:</u>                |                   |
| Administration                          | 5,202             |
| Fiscal                                  | 668               |
| Operations and maintenance              | 51,070            |
| Pupil transportation                    | 378,049           |
| Central                                 | 989               |
| Food service operations                 | 2,466             |
| Extracurricular activities              | <u>12,703</u>     |
| Total depreciation/amortization expense | <u>\$ 740,060</u> |

**NOTE 9 - 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. The District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers. General liability insurance is maintained in the amount of \$15,000,000 for each occurrence and \$17,000,000 in the aggregate.

The District maintains fleet insurance in the amount of \$2,716,475 for any one accident or loss and replacement cost insurance on buildings and contents in the amount of \$350,000,000 as reported to SORSA; Subject to \$350,000,000 Pool Limit - Any one occurrence. Insurance levels are monitored by the Treasurer and adjusted annually based on current capital assets values.

Settlements have not exceeded coverage in any of the last three fiscal years. There has not been a significant reduction in coverage from the prior year.

**B. Workers' Compensation**

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (Program), an insurance purchasing pool. The Program's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating Districts pay an enrollment fee to the Program to cover the costs of administering the program.

The Plan is intended to achieve the benefit of a reduced premium for The District by virtue of its grouping and representation with other participants in the Plan. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the Plan.

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**NOTE 9 - RISK MANAGEMENT - (Continued)**

**C. Employee Medical, Dental and Vision Benefits**

For fiscal year 2025, the District participated in the Southwestern Ohio Educational Purchasing Council and Medical Insurance and Benefit Plan Trust, a public entity shared risk pool (Note 1). The District pays monthly premiums to the Trust for employee medical, dental and vision insurance benefits. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

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

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

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

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

The net pension/OPEB liability (asset) represent the 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.

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

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

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

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5% cost-of-living adjustment (COLA) for calendar year 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, 2025, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$395,530 for fiscal year 2025. Of this amount, \$51,903 is reported as pension and postemployment benefits payable.

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

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

Plan Description - Licensed teachers and other faculty members 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. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a permanent 1 percent COLA of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective Aug. 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after Aug. 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

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

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

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

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.

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 2025 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2025, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$1,047,932 for fiscal year 2025. Of this amount, \$179,956 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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

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

|                                                                  | <u>SERS</u>          | <u>STRS</u>          | <u>Total</u>  |
|------------------------------------------------------------------|----------------------|----------------------|---------------|
| Proportion of the net pension liability prior measurement date   | 0.059801700%         | 0.050720760%         |               |
| Proportion of the net pension liability current measurement date | <u>0.059137200%</u>  | <u>0.049685340%</u>  |               |
| Change in proportionate share                                    | <u>-0.000664500%</u> | <u>-0.001035420%</u> |               |
| Proportionate share of the net pension liability                 | \$ 3,025,220         | \$ 9,560,262         | \$ 12,585,482 |
| Pension expense                                                  | \$ 311,095           | \$ 335,021           | \$ 646,116    |

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

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                                   | SERS              | STRS                | Total               |
|-------------------------------------------------------------------------------------------------------------------|-------------------|---------------------|---------------------|
| <b>Deferred outflows of resources</b>                                                                             |                   |                     |                     |
| Differences between expected and actual experience                                                                | \$ 115,501        | \$ 602,047          | \$ 717,548          |
| Changes of assumptions                                                                                            | 27,063            | 440,591             | 467,654             |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | 96,367            | -                   | 96,367              |
| Contributions subsequent to the measurement date                                                                  | 395,530           | 1,047,932           | 1,443,462           |
| Total deferred outflows of resources                                                                              | <u>\$ 634,461</u> | <u>\$ 2,090,570</u> | <u>\$ 2,725,031</u> |
|                                                                                                                   | SERS              | STRS                | Total               |
| <b>Deferred inflows of resources</b>                                                                              |                   |                     |                     |
| Differences between expected and actual experience                                                                | \$ -              | \$ 5,235            | \$ 5,235            |
| Net difference between projected and actual earnings on pension plan investments                                  | 189,224           | 821,988             | 1,011,212           |
| Changes of assumptions                                                                                            | -                 | 331,638             | 331,638             |
| Difference between employer contributions and proportionate share of contributions/ change in proportionate share | 13,273            | 568,102             | 581,375             |
| Total deferred inflows of resources                                                                               | <u>\$ 202,497</u> | <u>\$ 1,726,963</u> | <u>\$ 1,929,460</u> |

\$1,443,462 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, 2026.

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

|                             | SERS             | STRS                | Total               |
|-----------------------------|------------------|---------------------|---------------------|
| Fiscal Year Ending June 30: |                  |                     |                     |
| 2026                        | \$ (96,580)      | \$ (760,001)        | \$ (856,581)        |
| 2027                        | 221,053          | 718,929             | 939,982             |
| 2028                        | (32,399)         | (401,225)           | (433,624)           |
| 2029                        | (55,640)         | (242,028)           | (297,668)           |
| Total                       | <u>\$ 36,434</u> | <u>\$ (684,325)</u> | <u>\$ (647,891)</u> |

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

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment 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.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2024 and June 30, 2023, are presented below:

|                                              | June 30, 2024                                                                                                 | June 30, 2023                                                                                                 |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| Inflation                                    | 2.40%                                                                                                         | 2.40%                                                                                                         |
| Future salary increases, including inflation | 3.25% to 13.58%                                                                                               | 3.25% to 13.58%                                                                                               |
| COLA or ad hoc COLA                          | 2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement | 2.00% on or after April 1, 2018, COLAs for future retirees will be delayed for 3 years following commencement |
| Investment rate of return                    | 7.00% net of system expenses                                                                                  | 7.00% net of system expenses                                                                                  |
| Actuarial cost method                        | Entry age normal (level percent of payroll)                                                                   | Entry age normal (level percent of payroll)                                                                   |

In 2024, mortality rates were based on the following:

**Service Retirement:** 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. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

**Disabled Retirement:** 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.

**Contingent Survivor:** 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. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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.

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.

As of June 30, 2024:

| Asset Class                 | Target<br>Allocation | Long-Term Expected Real<br>Rate of Return (geometric) |
|-----------------------------|----------------------|-------------------------------------------------------|
| Cash                        | 3.00 %               | 0.97 %                                                |
| US Equity                   | 22.00                | 4.68                                                  |
| Non-US Equity Developed     | 12.00                | 4.96                                                  |
| Non-US Equity Emerging      | 6.00                 | 5.66                                                  |
| Fixed Income/Global Bonds   | 18.00                | 2.38                                                  |
| Private Equity              | 14.00                | 7.10                                                  |
| Real Estate                 | 13.00                | 3.64                                                  |
| Infrastructure              | 7.00                 | 4.80                                                  |
| Private Debt/Private Credit | 5.00                 | 5.86                                                  |
| Total                       | <u>100.00 %</u>      |                                                       |

**Discount Rate** - Total pension liability for 2024 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 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 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 2024 was 9.31%.

**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 proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%), or one percentage point higher (8.00%) than the current rate.

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

|                                                                | <u>1% Decrease</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase</u> |
|----------------------------------------------------------------|--------------------|----------------------------------|--------------------|
| District's proportionate share<br>of the net pension liability | \$ 4,628,169       | \$ 3,025,220                     | \$ 1,675,625       |

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 and June 30, 2023, actuarial valuations are presented below:

|                                      | <u>June 30, 2024</u>                                      | <u>June 30, 2023</u>                                      |
|--------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| 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<br>expenses, including inflation | 7.00%, net of investment<br>expenses, including inflation |
| Discount rate of return              | 7.00%                                                     | 7.00%                                                     |
| Payroll increases                    | 3.00%                                                     | 3.00%                                                     |
| Cost-of-living adjustments<br>(COLA) | 0.00%, effective July 1, 2017                             | 0.00%, effective July 1, 2017                             |

For the June 30, 2024 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 Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024 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.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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<br>Allocation* | Long-Term Expected<br>Real Rate of Return ** |
|----------------------|-----------------------|----------------------------------------------|
| Domestic Equity      | 26.00 %               | 6.90 %                                       |
| International Equity | 22.00                 | 7.70                                         |
| Alternatives         | 19.00                 | 9.10                                         |
| Fixed Income         | 22.00                 | 4.50                                         |
| Real Estate          | 10.00                 | 5.10                                         |
| Liquidity Reserves   | 1.00                  | 2.40                                         |
| 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 2.40% 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, 2024. 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, 2024. 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, 2024.

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

|                                                                | 1% Decrease   | Current<br>Discount Rate | 1% Increase  |
|----------------------------------------------------------------|---------------|--------------------------|--------------|
| District's proportionate share<br>of the net pension liability | \$ 15,422,378 | \$ 9,560,262             | \$ 4,601,919 |

**Assumption and Benefit Changes Since the Prior Measurement Date** - The discount rate remained at 7.00% for June 30, 2024 valuation.

Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages.

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

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 11 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

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

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

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

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. 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, 2025, 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 2025, 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 2025, the District's surcharge obligation was \$44,784.

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 \$44,784 for fiscal year 2025. Of this amount, \$44,784 is reported as pension and postemployment benefits payable.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

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

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

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2025, 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, 2024, and the total OPEB liability used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

|                                          | <u>SERS</u>          | <u>STRS</u>          | <u>Total</u> |
|------------------------------------------|----------------------|----------------------|--------------|
| Proportion of the net OPEB               |                      |                      |              |
| liability/asset prior measurement date   | 0.061248900%         | 0.050720760%         |              |
| Proportion of the net OPEB               |                      |                      |              |
| liability/asset current measurement date | <u>0.060141000%</u>  | <u>0.049685340%</u>  |              |
| Change in proportionate share            | <u>-0.001107900%</u> | <u>-0.001035420%</u> |              |
| Proportionate share of the net           |                      |                      |              |
| OPEB liability                           | \$ 612,534           | \$ -                 | \$ 612,534   |
| Proportionate share of the net           |                      |                      |              |
| OPEB asset                               | \$ -                 | \$ (942,436)         | \$ (942,436) |
| OPEB expense                             | \$ (12,440)          | \$ (212,455)         | \$ (224,895) |

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                                                                  | SERS                | STRS              | Total               |
|------------------------------------------------------------------------------------------------------------------|---------------------|-------------------|---------------------|
| <b>Deferred outflows of resources</b>                                                                            |                     |                   |                     |
| Differences between expected and actual experience                                                               | \$ -                | \$ 40,970         | \$ 40,970           |
| Net difference between projected and actual earnings on OPEB plan investments                                    | 2,992               | -                 | 2,992               |
| Changes of assumptions                                                                                           | 262,899             | 116,001           | 378,900             |
| Difference between employer contributions and proportionate share of contributions/change in proportionate share | 8,570               | 6,372             | 14,942              |
| Contributions subsequent to the measurement date                                                                 | <u>44,784</u>       | <u>-</u>          | <u>44,784</u>       |
| Total deferred outflows of resources                                                                             | <u>\$ 319,245</u>   | <u>\$ 163,343</u> | <u>\$ 482,588</u>   |
|                                                                                                                  | SERS                | STRS              | Total               |
| <b>Deferred inflows of resources</b>                                                                             |                     |                   |                     |
| Differences between expected and actual experience                                                               | \$ 660,468          | \$ 101,566        | \$ 762,034          |
| Net difference between projected and actual earnings on OPEB plan investments                                    | -                   | 40,466            | 40,466              |
| Changes of assumptions                                                                                           | 281,377             | 425,033           | 706,410             |
| Difference between employer contributions and proportionate share of contributions/change in proportionate share | <u>127,458</u>      | <u>9,612</u>      | <u>137,070</u>      |
| Total deferred inflows of resources                                                                              | <u>\$ 1,069,303</u> | <u>\$ 576,677</u> | <u>\$ 1,645,980</u> |

\$44,784 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, 2026.

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

|                             | SERS                | STRS                | Total                 |
|-----------------------------|---------------------|---------------------|-----------------------|
| Fiscal Year Ending June 30: |                     |                     |                       |
| 2026                        | \$ (215,297)        | \$ (152,263)        | \$ (367,560)          |
| 2027                        | (148,217)           | (62,586)            | (210,803)             |
| 2028                        | (103,279)           | (80,535)            | (183,814)             |
| 2029                        | (89,946)            | (74,749)            | (164,695)             |
| 2030                        | (89,050)            | (60,361)            | (149,411)             |
| Thereafter                  | <u>(149,053)</u>    | <u>17,160</u>       | <u>(131,893)</u>      |
| Total                       | <u>\$ (794,842)</u> | <u>\$ (413,334)</u> | <u>\$ (1,208,176)</u> |

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

***Actuarial Assumptions - SERS***

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024 and June 30, 2023 are presented below:

|                                                                                               | June 30, 2024                                           | June 30, 2023                                           |
|-----------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|
| Inflation                                                                                     | 2.40%                                                   | 2.40%                                                   |
| Future salary increases, including inflation                                                  | 3.25% to 13.58%                                         | 3.25% to 13.58%                                         |
| Investment rate of return                                                                     | 7.00% net of investment<br>expense, including inflation | 7.00% net of investment<br>expense, including inflation |
| Actuarial cost method                                                                         | Entry Age Normal (Level<br>Percent of Payroll)          | Entry Age Normal (Level<br>Percent of Payroll)          |
| Fiduciary net position is projected to be depleted                                            | 2059                                                    | 2048                                                    |
| Municipal bond index rate                                                                     | 3.93%                                                   | 3.86%                                                   |
| Single equivalent interest rate, net of plan<br>investment expense, including price inflation | 4.88%                                                   | 4.27%                                                   |
| Medical trend assumption                                                                      | 7.00 to 4.40%                                           | 6.75 to 4.40%                                           |

In 2024, 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.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

In the prior measurement date, 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.

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

The long-term expected rate on plan assets of return on plan assets is reviewed as part of the actuarial five-year experience study. 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.

As of June 30, 2024:

| <u>Asset Class</u>          | <u>Target<br/>Allocation</u> | <u>Long-Term Expected Real<br/>Rate of Return (geometric)</u> |
|-----------------------------|------------------------------|---------------------------------------------------------------|
| Cash                        | 3.00 %                       | 0.97 %                                                        |
| US Equity                   | 22.00                        | 4.68                                                          |
| Non-US Equity Developed     | 12.00                        | 4.96                                                          |
| Non-US Equity Emerging      | 6.00                         | 5.66                                                          |
| Fixed Income/Global Bonds   | 18.00                        | 2.38                                                          |
| Private Equity              | 14.00                        | 7.10                                                          |
| Real Estate                 | 13.00                        | 3.64                                                          |
| Infrastructure              | 7.00                         | 4.80                                                          |
| Private Debt/Private Credit | 5.00                         | 5.86                                                          |
| Total                       | <u>100.00 %</u>              |                                                               |

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88%. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27%. 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 2059 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, 2023 and the June 30, 2024 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 3.93% at June 30, 2024 and 3.86% at June 30, 2023.

**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 proportionate share of the net OPEB liability, what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what the proportionate share of the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

|                                                             | 1% Decrease | Current<br>Discount Rate | 1% Increase |
|-------------------------------------------------------------|-------------|--------------------------|-------------|
| District's proportionate share<br>of the net OPEB liability | \$ 816,791  | \$ 612,534               | \$ 450,223  |

|                                                             | 1% Decrease | Current<br>Trend Rate | 1% Increase |
|-------------------------------------------------------------|-------------|-----------------------|-------------|
| District's proportionate share<br>of the net OPEB liability | \$ 414,050  | \$ 612,534            | \$ 873,424  |

**Actuarial Assumptions - STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2024 actuarial valuation, compared with June 30, 2023 actuarial valuation, are presented below:

|                            | June 30, 2024                                          |          | June 30, 2023                                          |          |
|----------------------------|--------------------------------------------------------|----------|--------------------------------------------------------|----------|
| Projected salary increases | Varies by service from 2.50% to 8.50%                  |          | Varies by service from 2.50% to 8.50%                  |          |
| Investment rate of return  | 7.00%, net of investment expenses, including inflation |          | 7.00%, net of investment expenses, including inflation |          |
| Payroll increases          | 3.00%                                                  |          | 3.00%                                                  |          |
| Discount rate of return    | 7.00%                                                  |          | 7.00%                                                  |          |
| Health care cost trends    |                                                        |          |                                                        |          |
|                            | Initial                                                | Ultimate | Initial                                                | Ultimate |
| Medical                    |                                                        |          |                                                        |          |
| Pre-Medicare               | 7.50%                                                  | 3.94%    | 7.50%                                                  | 4.14%    |
| Medicare                   | -112.22%                                               | 3.94%    | -10.94%                                                | 4.14%    |
| Prescription Drug          |                                                        |          |                                                        |          |
| Pre-Medicare               | 8.00%                                                  | 3.94%    | -11.95%                                                | 4.14%    |
| Medicare                   | -15.14%                                                | 3.94%    | 1.33%                                                  | 4.14%    |

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

For the June 30, 2024 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, 2024 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, 2024 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, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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<br>Allocation* | Long-Term Expected<br>Real Rate of Return ** |
|----------------------|-----------------------|----------------------------------------------|
| Domestic Equity      | 26.00 %               | 6.90 %                                       |
| International Equity | 22.00                 | 7.70                                         |
| Alternatives         | 19.00                 | 9.10                                         |
| Fixed Income         | 22.00                 | 4.50                                         |
| Real Estate          | 10.00                 | 5.10                                         |
| Liquidity Reserves   | 1.00                  | 2.40                                         |
| Total                | 100.00 %              |                                              |

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

\*\*10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.40% 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.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 11 - DEFINED BENEFIT OPEB PLANS - (Continued)**

**Discount Rate** - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2024. 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, 2024. Therefore, the long-term expected rate of return on health care plan investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2024.

**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, 2024, calculated using the current period discount rate assumption of 7.00%, as well as what the proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the proportionate share of 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.

|                                                         | 1% Decrease  | Current<br>Discount Rate | 1% Increase  |
|---------------------------------------------------------|--------------|--------------------------|--------------|
| District's proportionate share<br>of the net OPEB asset | \$ 766,263   | \$ 942,436               | \$ 1,095,745 |
|                                                         | 1% Decrease  | Current<br>Trend Rate    | 1% Increase  |
| District's proportionate share<br>of the net OPEB asset | \$ 1,106,101 | \$ 942,436               | \$ 745,608   |

**NOTE 12 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn 10 to 23 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.

Teachers, Administrators, and Classified employees earn sick leave at a rate of one and one-quarter days per month which may be accumulated up to a maximum of 271 days for classified employees and 280 for certified employees. Upon retirement, payment is made for one-fourth of accrued with a maximum of 62 days for classified employees and 70 days for certified employees.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 13 - LONG-TERM OBLIGATIONS**

Due to the implementation of GASB Statement No. 101 (See Note 3 for detail), this District has restated compensated absences as of June 30, 2024 which is reflected in the schedule below. The changes in the District's long-term obligations during fiscal year 2025 were as follows:

|                                      | <i>(Restated)</i>    |                  |                       |                      |                   |
|--------------------------------------|----------------------|------------------|-----------------------|----------------------|-------------------|
|                                      | Balance              |                  |                       | Balance              | Due Within        |
|                                      | 6/30/24              | Additions        | Reductions            | 6/30/25              | One Year          |
| <b><u>Long-Term Obligations</u></b>  |                      |                  |                       |                      |                   |
| Compensated Absences *               | \$ 2,635,704         | \$ 28,797        | \$ -                  | \$ 2,664,501         | \$ 357,300        |
| Net Pension Liability                | 14,227,036           | -                | (1,641,554)           | 12,585,482           | -                 |
| Net OPEB Liability                   | 1,009,042            |                  | (396,508)             | 612,534              | -                 |
| Lease payable                        | -                    | 16,790           | -                     | 16,790               | 3,145             |
| <i>Total Governmental Activities</i> | <u>\$ 17,871,782</u> | <u>\$ 45,587</u> | <u>\$ (2,038,062)</u> | <u>\$ 15,879,307</u> | <u>\$ 360,445</u> |

\* The change in compensated absences is presented as a net amount

There is no repayment schedule for the net pension liability and net OPEB liability; however employer pension and OPEB contributions are primarily made from the general fund. For additional information related to the net pension liability and net OPEB liability see Notes 10 and 11.

During fiscal year 2025, the District entered into a 5 year lease agreement for the use of right-to-use equipment. The District will report an intangible capital asset and corresponding liability for the future scheduled payments under the lease. The lease payments will be paid out of the general fund. The term is as follows:

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

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u>     |
|--------------------|------------------|-----------------|------------------|
| 2026               | \$ 3,145         | \$ 641          | \$ 3,786         |
| 2027               | 3,160            | 626             | 3,786            |
| 2028               | 3,322            | 465             | 3,787            |
| 2029               | 3,492            | 295             | 3,787            |
| 2030               | 3,671            | 115             | 3,786            |
| Total              | <u>\$ 16,790</u> | <u>\$ 2,142</u> | <u>\$ 18,932</u> |

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2025, are a voted debt margin of \$43,445,984 and an unvoted debt margin of \$482,733.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 14 - INTERFUND TRANSACTIONS**

- A.** Interfund transfers for the fiscal year ended June 30, 2025, consisted of the following, as reported on the fund statements:

| <u>Transfers from the general fund to:</u> | <u>Amount</u>       |
|--------------------------------------------|---------------------|
| Capital projects fund                      | \$ 6,000,000        |
| Nonmajor governmental funds                | 20,000              |
|                                            | <u>\$ 6,020,000</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.** Due to / Due from other funds consisted of the following at June 30, 2025, as reported on the fund financial statements:

| <u>Receivable Fund</u> | <u>Payable Fund</u>         | <u>Amount</u> |
|------------------------|-----------------------------|---------------|
| General                | Nonmajor governmental funds | \$ 50,588     |

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were not received by June 30. 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, 2025 are reported on the statement of net position.

**NOTE 15 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2025.

**B. Litigation**

The District is not party to any claims or lawsuits that would, in the District's opinion, have a material effect of the basic financial statements.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 15 - CONTINGENCIES - (Continued)**

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (ODEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, ODEW adjustments for fiscal year 2025 are finalized. As a result, the net impact of the FTE adjustments on the fiscal year 2025 financial statements was insignificant.

**NOTE 16 - STATUTORY RESERVES**

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for 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 yearend and carried forward to be used for the same purposes in future years.

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

|                                             | <u>Capital<br/>Improvements</u> |
|---------------------------------------------|---------------------------------|
| Set-aside cash balance June 30, 2024        | \$ -                            |
| Current year set-aside requirement          | 267,377                         |
| Current year offsets                        | <u>(527,152)</u>                |
| Total                                       | <u>\$ (259,775)</u>             |
| Balance carried forward to fiscal year 2026 | <u>\$ -</u>                     |
| Set-aside balance June 30, 2025             | <u>\$ -</u>                     |

The District had qualifying expenditures during the fiscal year that reduced the capital acquisition set-aside below zero. This amount may not be carried forward to reduce the set-aside requirement for future years. The District has \$6,000,000 in transfers to the capital projects fund that will be available in future fiscal years as a capital improvement offset.

**NOTE 17 - OTHER COMMITMENTS**

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

| <u>Fund Type</u>   | <u>Year-End<br/>Encumbrances</u> |
|--------------------|----------------------------------|
| General            | \$ 332,833                       |
| Other governmental | <u>158,264</u>                   |
| Total              | <u>\$ 491,097</u>                |

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 17 - SUBSEQUENT EVENTS**

In October 2025, the District finalized a project agreement with the Ohio Facilities Construction Commission for new PK-5 and 9-12 buildings. The District issued Certificates of Participation in August 2025 for \$55 million dollars with an interest rate between 5.0% and 5.5% and a final maturity of December 1, 2054 to finance the project.

The District entered into new three year labor contracts with the Madison Plains Education Association and the Ohio Association of Public School Employees.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON 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, 2025

|                                                    | <b>Budgeted Amounts</b> |                     | <b>Actual Amounts<br/>Budgetary<br/>Basis</b> | <b>Variance with<br/>Final Budget -<br/>over (under)<br/>Actual Amounts</b> |
|----------------------------------------------------|-------------------------|---------------------|-----------------------------------------------|-----------------------------------------------------------------------------|
|                                                    | <b>Original</b>         | <b>Final</b>        |                                               |                                                                             |
| Budgetary revenues and other financing sources     | \$ 20,183,681           | \$ 21,512,550       | \$ 21,741,534                                 | \$ 228,984                                                                  |
| Budgetary expenditures and other financing uses    | 19,453,521              | 25,540,392          | 24,888,902                                    | (651,490)                                                                   |
| Net change in fund balance                         | 730,160                 | (4,027,842)         | (3,147,368)                                   | 880,474                                                                     |
| <b>Budgetary fund balance at beginning of year</b> | 7,811,432               | 7,811,432           | 7,811,432                                     | -                                                                           |
| <b>Prior year encumbrances appropriated</b>        | 79,042                  | 79,042              | 79,042                                        | -                                                                           |
| <b>Budgetary fund balance at end of year</b>       | <u>\$ 8,620,634</u>     | <u>\$ 3,862,632</u> | <u>\$ 4,743,106</u>                           | <u>\$ 880,474</u>                                                           |

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON 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<br/>Year (1)</b> | <b>District's<br/>Proportion<br/>of the Net<br/>Pension Liability</b> | <b>District's<br/>Proportionate<br/>Share of the Net<br/>Pension Liability</b> | <b>District's<br/>Covered<br/>Payroll</b> | <b>District's<br/>Proportionate<br/>Share of the Net<br/>Pension Liability as<br/>a Percentage of its<br/>Covered Payroll</b> | <b>Plan Fiduciary<br/>Net Position as a<br/>Percentage of the<br/>Total Pension<br/>Liability</b> |
|----------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 2025                       | 0.059137200%                                                          | \$ 3,025,220                                                                   | \$ 2,606,707                              | 116.06%                                                                                                                       | 78.52%                                                                                            |
| 2024                       | 0.059801700%                                                          | 3,304,353                                                                      | 2,338,371                                 | 141.31%                                                                                                                       | 76.06%                                                                                            |
| 2023                       | 0.055786100%                                                          | 3,017,346                                                                      | 2,119,571                                 | 142.36%                                                                                                                       | 75.82%                                                                                            |
| 2022                       | 0.056424900%                                                          | 2,081,915                                                                      | 1,947,321                                 | 106.91%                                                                                                                       | 82.86%                                                                                            |
| 2021                       | 0.057082700%                                                          | 3,775,570                                                                      | 1,984,736                                 | 190.23%                                                                                                                       | 68.55%                                                                                            |
| 2020                       | 0.062752000%                                                          | 3,754,562                                                                      | 2,087,015                                 | 179.90%                                                                                                                       | 70.85%                                                                                            |
| 2019                       | 0.062695000%                                                          | 3,590,659                                                                      | 2,175,600                                 | 165.04%                                                                                                                       | 71.36%                                                                                            |
| 2018                       | 0.067104100%                                                          | 4,009,322                                                                      | 2,157,564                                 | 185.83%                                                                                                                       | 69.50%                                                                                            |
| 2017                       | 0.070387600%                                                          | 5,151,723                                                                      | 2,336,079                                 | 220.53%                                                                                                                       | 62.98%                                                                                            |
| 2016                       | 0.069220800%                                                          | 3,949,806                                                                      | 2,397,891                                 | 164.72%                                                                                                                       | 69.16%                                                                                            |

| <b>Fiscal<br/>Year</b> | <b>Contractually<br/>Required<br/>Contributions</b> | <b>Contributions in<br/>Relation to the<br/>Contractually<br/>Required<br/>Contributions</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>District's<br/>Covered<br/>Payroll</b> | <b>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll</b> |
|------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------|
| 2025                   | \$ 395,530                                          | \$ (395,530)                                                                                 | \$ -                                            | \$ 2,825,214                              | 14.00%                                                              |
| 2024                   | 364,939                                             | (364,939)                                                                                    | -                                               | 2,606,707                                 | 14.00%                                                              |
| 2023                   | 327,372                                             | (327,372)                                                                                    | -                                               | 2,338,371                                 | 14.00%                                                              |
| 2022                   | 296,740                                             | (296,740)                                                                                    | -                                               | 2,119,571                                 | 14.00%                                                              |
| 2021                   | 272,625                                             | (272,625)                                                                                    | -                                               | 1,947,321                                 | 14.00%                                                              |
| 2020                   | 277,863                                             | (277,863)                                                                                    | -                                               | 1,984,736                                 | 14.00%                                                              |
| 2019                   | 281,747                                             | (281,747)                                                                                    | -                                               | 2,087,015                                 | 13.50%                                                              |
| 2018                   | 293,706                                             | (293,706)                                                                                    | -                                               | 2,175,600                                 | 13.50%                                                              |
| 2017                   | 302,059                                             | (302,059)                                                                                    | -                                               | 2,157,564                                 | 14.00%                                                              |
| 2016                   | 327,051                                             | (327,051)                                                                                    | -                                               | 2,336,079                                 | 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

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON 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<br/>Year (1)</b> | <b>District's<br/>Proportion<br/>of the Net<br/>Pension Liability</b> | <b>District's<br/>Proportionate<br/>Share of the Net<br/>Pension Liability</b> | <b>District's<br/>Covered<br/>Payroll</b> | <b>District's<br/>Proportionate<br/>Share of the Net<br/>Pension Liability as<br/>a Percentage of its<br/>Covered Payroll</b> | <b>Plan Fiduciary<br/>Net Position as a<br/>Percentage of the<br/>Total Pension<br/>Liability</b> |
|----------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| 2025                       | 0.049685340%                                                          | \$ 9,560,262                                                                   | \$ 6,905,821                              | 138.44%                                                                                                                       | 82.55%                                                                                            |
| 2024                       | 0.050720760%                                                          | 10,922,683                                                                     | 6,949,314                                 | 157.18%                                                                                                                       | 80.02%                                                                                            |
| 2023                       | 0.053039590%                                                          | 11,790,768                                                                     | 6,752,000                                 | 174.63%                                                                                                                       | 78.88%                                                                                            |
| 2022                       | 0.052703390%                                                          | 6,738,602                                                                      | 6,623,936                                 | 101.73%                                                                                                                       | 87.78%                                                                                            |
| 2021                       | 0.053972590%                                                          | 13,059,446                                                                     | 6,540,486                                 | 199.67%                                                                                                                       | 75.48%                                                                                            |
| 2020                       | 0.053090020%                                                          | 11,740,539                                                                     | 6,196,221                                 | 189.48%                                                                                                                       | 77.40%                                                                                            |
| 2019                       | 0.055874840%                                                          | 12,285,623                                                                     | 6,335,257                                 | 193.92%                                                                                                                       | 77.31%                                                                                            |
| 2018                       | 0.056929460%                                                          | 13,523,715                                                                     | 6,303,364                                 | 214.55%                                                                                                                       | 75.30%                                                                                            |
| 2017                       | 0.058571710%                                                          | 19,605,717                                                                     | 6,467,186                                 | 303.16%                                                                                                                       | 66.80%                                                                                            |
| 2016                       | 0.060569750%                                                          | 16,739,707                                                                     | 6,564,457                                 | 255.01%                                                                                                                       | 72.10%                                                                                            |

| <b>Fiscal<br/>Year</b> | <b>Contractually<br/>Required<br/>Contributions</b> | <b>Contributions in<br/>Relation to the<br/>Contractually<br/>Required<br/>Contributions</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>District's<br/>Covered<br/>Payroll</b> | <b>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll</b> |
|------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------|
| 2025                   | \$ 1,047,932                                        | \$ (1,047,932)                                                                               | \$ -                                            | \$ 7,485,229                              | 14.00%                                                              |
| 2024                   | 966,815                                             | (966,815)                                                                                    | -                                               | 6,905,821                                 | 14.00%                                                              |
| 2023                   | 972,904                                             | (972,904)                                                                                    | -                                               | 6,949,314                                 | 14.00%                                                              |
| 2022                   | 945,280                                             | (945,280)                                                                                    | -                                               | 6,752,000                                 | 14.00%                                                              |
| 2021                   | 927,351                                             | (927,351)                                                                                    | -                                               | 6,623,936                                 | 14.00%                                                              |
| 2020                   | 915,668                                             | (915,668)                                                                                    | -                                               | 6,540,486                                 | 14.00%                                                              |
| 2019                   | 867,471                                             | (867,471)                                                                                    | -                                               | 6,196,221                                 | 14.00%                                                              |
| 2018                   | 886,936                                             | (886,936)                                                                                    | -                                               | 6,335,257                                 | 14.00%                                                              |
| 2017                   | 882,471                                             | (882,471)                                                                                    | -                                               | 6,303,364                                 | 14.00%                                                              |
| 2016                   | 905,406                                             | (905,406)                                                                                    | -                                               | 6,467,186                                 | 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

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON 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 NINE AND TEN FISCAL YEARS

| <b>Fiscal<br/>Year (1) (2)</b> | <b>District's<br/>Proportion<br/>of the Net<br/>OPEB Liability</b> | <b>District's<br/>Proportionate<br/>Share of the Net<br/>OPEB Liability</b> | <b>District's<br/>Covered<br/>Payroll</b> | <b>District's<br/>Proportionate<br/>Share of the Net<br/>OPEB Liability as<br/>a Percentage of its<br/>Covered Payroll</b> | <b>Plan Fiduciary<br/>Net Position as a<br/>Percentage of the<br/>Total OPEB<br/>Liability</b> |
|--------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| 2025                           | 0.060141000%                                                       | \$ 612,534                                                                  | \$ 2,606,707                              | 23.50%                                                                                                                     | 44.50%                                                                                         |
| 2024                           | 0.061248900%                                                       | 1,009,042                                                                   | 2,338,371                                 | 43.15%                                                                                                                     | 30.02%                                                                                         |
| 2023                           | 0.056757900%                                                       | 796,887                                                                     | 2,119,571                                 | 37.60%                                                                                                                     | 30.34%                                                                                         |
| 2022                           | 0.058096000%                                                       | 1,099,507                                                                   | 1,947,321                                 | 56.46%                                                                                                                     | 24.08%                                                                                         |
| 2021                           | 0.057548000%                                                       | 1,250,698                                                                   | 1,984,736                                 | 63.02%                                                                                                                     | 18.17%                                                                                         |
| 2020                           | 0.063734000%                                                       | 1,602,786                                                                   | 2,087,015                                 | 76.80%                                                                                                                     | 15.57%                                                                                         |
| 2019                           | 0.063429900%                                                       | 1,759,717                                                                   | 2,175,600                                 | 80.88%                                                                                                                     | 13.57%                                                                                         |
| 2018                           | 0.068127400%                                                       | 1,828,360                                                                   | 2,157,564                                 | 84.74%                                                                                                                     | 12.46%                                                                                         |
| 2017                           | 0.070757990%                                                       | 2,016,864                                                                   | 2,336,079                                 | 86.34%                                                                                                                     | 11.49%                                                                                         |

| <b>Fiscal<br/>Year</b> | <b>Contractually<br/>Required<br/>Contributions</b> | <b>Contributions in<br/>Relation to the<br/>Contractually<br/>Required<br/>Contributions</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>District's<br/>Covered<br/>Payroll</b> | <b>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll</b> |
|------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------|
| 2025                   | \$ 44,784                                           | \$ (44,784)                                                                                  | \$ -                                            | \$ 2,825,214                              | 2.00%                                                               |
| 2024                   | 42,548                                              | (42,548)                                                                                     | -                                               | 2,606,707                                 | 1.63%                                                               |
| 2023                   | 43,224                                              | (43,224)                                                                                     | -                                               | 2,338,371                                 | 1.85%                                                               |
| 2022                   | 35,614                                              | (35,614)                                                                                     | -                                               | 2,119,571                                 | 1.68%                                                               |
| 2021                   | 36,925                                              | (36,925)                                                                                     | -                                               | 1,947,321                                 | 1.90%                                                               |
| 2020                   | 35,315                                              | (35,315)                                                                                     | -                                               | 1,984,736                                 | 1.78%                                                               |
| 2019                   | 44,721                                              | (44,721)                                                                                     | -                                               | 2,087,015                                 | 2.14%                                                               |
| 2018                   | 44,165                                              | (44,165)                                                                                     | -                                               | 2,175,600                                 | 2.03%                                                               |
| 2017                   | 37,280                                              | (37,280)                                                                                     | -                                               | 2,157,564                                 | 1.73%                                                               |
| 2016                   | 33,349                                              | (33,349)                                                                                     | -                                               | 2,336,079                                 | 1.43%                                                               |

(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

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON 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 NINE AND TEN FISCAL YEARS

| <b>Fiscal<br/>Year (1) (2)</b> | <b>District's<br/>Proportion<br/>of the Net OPEB<br/>Liability/(Asset)</b> | <b>District's<br/>Proportionate<br/>Share of the Net<br/>OPEB<br/>Liability/(Asset)</b> | <b>District's<br/>Covered<br/>Payroll</b> | <b>District's<br/>Proportionate<br/>Share of the Net<br/>OPEB<br/>Liability/(Asset) as<br/>a Percentage of its<br/>Covered Payroll</b> | <b>Plan Fiduciary<br/>Net Position as a<br/>Percentage of the<br/>Total OPEB<br/>Liability/(Asset)</b> |
|--------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| 2025                           | 0.049685340%                                                               | \$ (942,436)                                                                            | \$ 6,905,821                              | 13.65%                                                                                                                                 | 158.01%                                                                                                |
| 2024                           | 0.050720760%                                                               | (986,449)                                                                               | 6,949,314                                 | 14.19%                                                                                                                                 | 168.52%                                                                                                |
| 2023                           | 0.053039590%                                                               | (1,373,371)                                                                             | 6,752,000                                 | 20.34%                                                                                                                                 | 230.73%                                                                                                |
| 2022                           | 0.052703000%                                                               | (1,111,200)                                                                             | 6,623,936                                 | 16.78%                                                                                                                                 | 174.73%                                                                                                |
| 2021                           | 0.053973000%                                                               | (948,574)                                                                               | 6,540,486                                 | 14.50%                                                                                                                                 | 182.10%                                                                                                |
| 2020                           | 0.053090000%                                                               | (879,298)                                                                               | 6,196,221                                 | 14.19%                                                                                                                                 | 174.74%                                                                                                |
| 2019                           | 0.055874840%                                                               | (897,852)                                                                               | 6,335,257                                 | 14.17%                                                                                                                                 | 176.00%                                                                                                |
| 2018                           | 0.056929460%                                                               | 2,221,177                                                                               | 6,303,364                                 | 35.24%                                                                                                                                 | 47.10%                                                                                                 |
| 2017                           | 0.058571710%                                                               | 3,132,430                                                                               | 6,467,186                                 | 48.44%                                                                                                                                 | 37.30%                                                                                                 |

| <b>Fiscal<br/>Year</b> | <b>Contractually<br/>Required<br/>Contributions</b> | <b>Contributions in<br/>Relation to the<br/>Contractually<br/>Required<br/>Contributions</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>District's<br/>Covered<br/>Payroll</b> | <b>Contributions<br/>as a Percentage<br/>of Covered<br/>Payroll</b> |
|------------------------|-----------------------------------------------------|----------------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------|---------------------------------------------------------------------|
| 2025                   | \$ -                                                | \$ -                                                                                         | \$ -                                            | \$ 7,485,229                              | 0.00%                                                               |
| 2024                   | -                                                   | -                                                                                            | -                                               | 6,905,821                                 | 0.00%                                                               |
| 2023                   | -                                                   | -                                                                                            | -                                               | 6,949,314                                 | 0.00%                                                               |
| 2022                   | -                                                   | -                                                                                            | -                                               | 6,752,000                                 | 0.00%                                                               |
| 2021                   | -                                                   | -                                                                                            | -                                               | 6,623,936                                 | 0.00%                                                               |
| 2020                   | -                                                   | -                                                                                            | -                                               | 6,540,486                                 | 0.00%                                                               |
| 2019                   | -                                                   | -                                                                                            | -                                               | 6,196,221                                 | 0.00%                                                               |
| 2018                   | -                                                   | -                                                                                            | -                                               | 6,335,257                                 | 0.00%                                                               |
| 2017                   | -                                                   | -                                                                                            | -                                               | 6,303,364                                 | 0.00%                                                               |
| 2016                   | -                                                   | -                                                                                            | -                                               | 6,467,186                                 | 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

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**NOTE 1 - BUDGETARY PROCESS**

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

The statement 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                            | \$ (3,147,368)        |
| Net adjustment for revenue accruals     | 508,312               |
| Net adjustment for expenditure accruals | (335,294)             |
| Funds budgeted elsewhere                | 3,160                 |
| Adjustments for encumbrances            | <u>547,992</u>        |
| GAAP Basis                              | <u>\$ (2,423,198)</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 uniform school supplies fund, the public school fund, the drug testing fund, the technology insurance fund, and the self insurance fund.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**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 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%.
- For fiscal year 2023, SERS changed from a Cost of Living Adjustment (COLA) of 2.0% to 2.5%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

*Change in assumptions:*

- 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.
- 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.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**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 2025.

*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 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2024.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2025.

*Changes in assumptions:*

- 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.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2025.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**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.
- There were no changes in benefit terms from the amounts reported for fiscal year 2025.

*Change in assumptions:*

- For fiscal year 2017, 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.
- 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%.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

- 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%.
- 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%.
- For fiscal year 2025, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.86% to 3.93%, (b) single equivalent interest rate when from 4.27% to 4.88% and (c) medical trend assumptions went from 6.75% to 4.40% to 7.00% 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 non-Medicare 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.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

- 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.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2025.

*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 prescription drug Medicare from (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.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

- 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: medical 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; and prescription drug Medicare from - 5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.
- For fiscal year 2025, 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: medical Pre-Medicare from 7.50% initial - 4.14% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from - 10.94% initial - 4.14% ultimate to - 112.22% initial - 3.94% ultimate; prescription drug Pre-Medicare from - 11.95% initial - 4.14% ultimate to 8.00% initial - 3.94% ultimate; and prescription drug Medicare from 1.33% initial - 4.14% ultimate to - 15.14% initial - 3.94% ultimate.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

| <b>Federal Grantor/<br/>Pass Through Grantor /<br/>Program Title</b> | <b>Grant<br/>Year</b> | <b>Federal<br/>AL<br/>Number</b> | <b>Total<br/>Federal<br/>Expenditures</b> |
|----------------------------------------------------------------------|-----------------------|----------------------------------|-------------------------------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                                |                       |                                  |                                           |
| <i>Passed Through The Ohio Department of Education:</i>              |                       |                                  |                                           |
| Child Nutrition Cluster:                                             |                       |                                  |                                           |
| Non-Cash Assistance (Food Distribution):                             |                       |                                  |                                           |
| National School Lunch Program Noncash                                | 2025                  | 10.555                           | \$ 40,917                                 |
| Cash Assistance                                                      |                       |                                  |                                           |
| National School Breakfast Program                                    | 2024                  | 10.553                           | 26,251                                    |
| National School Breakfast Program                                    | 2025                  | 10.553                           | 77,443                                    |
| Total National School Breakfast Program                              |                       |                                  | 103,694                                   |
| National School Lunch Program                                        | 2024                  | 10.555                           | 72,461                                    |
| National School Lunch Program                                        | 2025                  | 10.555                           | 198,372                                   |
| Total National School Lunch Program                                  |                       |                                  | 270,833                                   |
| Total Child Nutrition Cluster                                        |                       |                                  | 415,444                                   |
| <b>Total U.S. Department of Agriculture</b>                          |                       |                                  | <b>415,444</b>                            |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                                  |                       |                                  |                                           |
| <i>Passed Through The Ohio Department of Education:</i>              |                       |                                  |                                           |
| Title I -A Improving Basic Programs                                  | 2024                  | 84.010                           | 47,737                                    |
| Title I -A Improving Basic Programs                                  | 2025                  | 84.010                           | 263,511                                   |
| Expanding Opportunities for Each Child                               | 2025                  | 84.010                           | 614                                       |
| Total Title I                                                        |                       |                                  | 311,862                                   |
| Title II - A Supporting Effective Instruction                        | 2024                  | 84.367                           | 3,250                                     |
| Title II - A Supporting Effective Instruction                        | 2025                  | 84.367                           | 21,080                                    |
| Total Title II                                                       |                       |                                  | 24,330                                    |
| Special Education Cluster (IDEA):                                    |                       |                                  |                                           |
| IDEA-B Special Education                                             | 2024                  | 84.027                           | 43,294                                    |
| IDEA-B Special Education                                             | 2025                  | 84.027                           | 273,338                                   |
| Total IDEA-B Special Education                                       |                       |                                  | 316,632                                   |
| IDEA Preschool Grant                                                 | 2025                  | 84.173                           | 132                                       |
| Total IDEA Preschool Grant                                           |                       |                                  | 132                                       |
| Total Special Education Cluster (IDEA)                               |                       |                                  | 316,764                                   |
| Title IV-A Student Support and Academic Enrichment Program           | 2025                  | 84.424                           | 18,899                                    |
| Total Title IV-A Student Support and Academic Enrichment Program     |                       |                                  | 18,899                                    |
| Education Stabilization Fund (ESF):                                  |                       |                                  |                                           |
| Covid-19 - Elementary and Secondary School Emergency Relief Fund     | 2024                  | 84.425U                          | 179,960                                   |
| Covid-19 - Elementary and Secondary School Emergency Relief Fund     | 2024                  | 84.425W                          | 2,299                                     |
| Total Education Stabilization Fund (ESF)                             |                       |                                  | 182,259                                   |
| <b>Total – U.S. Department of Education</b>                          |                       |                                  | <b>854,114</b>                            |
| <b>Total Expenditures of Federal Awards</b>                          |                       |                                  | <b>\$ 1,269,558</b>                       |

**Madison-Plains Local School District**  
**Madison County, Ohio**  
Notes to the Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2025

**Note A – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of **Madison-Plains Local School District**, Madison County, Ohio (the School District) under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the School District.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**Note C – Indirect Cost Rate**

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

**Note D – Child Nutrition Cluster**

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

**Note E – Food Donation**

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



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

Madison-Plains Local School District  
Madison County  
55 Linson Road  
London, Ohio 43144

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Madison-Plains Local School District**, Madison County, (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 31, 2025, wherein we noted the District adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Recognition and Measurement of Compensated Absences*.

***Report on the Internal Control Over Financial Reporting***

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

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

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

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

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

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C.".

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

December 31, 2025



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

Madison-Plains Local School District  
Madison County  
55 Linson Road  
London, Ohio 43144

To the Board of Education:

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

***Opinion on the Major Federal Program***

We have audited **Madison-Plains Local School District's** (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Madison-Plains Local School District's major federal program for the year ended June 30, 2025. Madison-Plains Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of audit findings.

In our opinion, Madison-Plains Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

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

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

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

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C.".

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

December 31, 2025

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY**

**SCHEDULE OF AUDIT FINDINGS  
2 CFR § 200.515  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**1. SUMMARY OF AUDITOR'S RESULTS**

|                     |                                                                                                                       |                                            |
|---------------------|-----------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <i>(d)(1)(i)</i>    | <b>Type of Financial Statement Opinion</b>                                                                            | Unmodified                                 |
| <i>(d)(1)(ii)</i>   | <b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>      | No                                         |
| <i>(d)(1)(ii)</i>   | <b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b> | No                                         |
| <i>(d)(1)(iii)</i>  | <b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>                        | No                                         |
| <i>(d)(1)(iv)</i>   | <b>Were there any material weaknesses in internal control reported for major federal programs?</b>                    | No                                         |
| <i>(d)(1)(iv)</i>   | <b>Were there any significant deficiencies in internal control reported for major federal programs?</b>               | No                                         |
| <i>(d)(1)(v)</i>    | <b>Type of Major Programs' Compliance Opinion</b>                                                                     | Unmodified                                 |
| <i>(d)(1)(vi)</i>   | <b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>                                                    | No                                         |
| <i>(d)(1)(vii)</i>  | <b>Major Programs (list):</b>                                                                                         | Child Nutrition Cluster                    |
| <i>(d)(1)(viii)</i> | <b>Dollar Threshold: Type A/B Programs</b>                                                                            | Type A: > \$ 750,000<br>Type B: all others |
| <i>(d)(1)(ix)</i>   | <b>Low Risk Auditee?</b>                                                                                              | Yes                                        |

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

# OHIO AUDITOR OF STATE KEITH FABER



**MADISON-PLAINS LOCAL SCHOOL DISTRICT**

**MADISON 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 4/21/2026**

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)