



OHIO AUDITOR OF STATE
KEITH FABER



**MAYSVILLE LOCAL SCHOOL DISTRICT
MUSKINGUM COUNTY
JUNE 30, 2022**

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MUSKINGUM COUNTY
JUNE 30, 2022

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OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

INDEPENDENT AUDITOR'S REPORT

Maysville Local School District
Muskingum County
3715 Panther Drive
Zanesville, Ohio 43701

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Maysville Local School District, Muskingum County, Ohio (the School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Maysville Local School District, Muskingum County, Ohio as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Receipts and 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Receipts and Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2023, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

February 17, 2023

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Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

The discussion and analysis of the Maysville Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for the fiscal year 2022 are as follows:

- Net position of governmental activities increased \$5,384,261.
- General revenues accounted for \$19,722,860 in revenue or 71 percent of all revenues. Program specific revenues in the form of charges for services, operating and capital grants, contributions, and interest accounted for \$7,941,127, or 29 percent of total revenues of \$27,663,987.
- The School District had \$22,279,726 in expenses related to governmental activities; only \$7,941,127 of these expenses were offset by program specific charges for services, operating and capital grants, contributions, and interest. General revenues of \$19,722,860 were adequate to provide for these programs.

Using this Annual Financial Report

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

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

In the Statement of Net Position and the Statement of Activities, all of the School District's activities are reported as governmental including instruction, support services, operation of non-instructional services, debt service, and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

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

Proprietary Funds Proprietary funds focus on the determination of operating income, changes in net position, financial position, and cash flows.

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Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2022 compared to fiscal year 2021.

Table 1 - Net Position

	Governmental Activities		
	2022	2021	Change
Assets			
Current and Other Assets	\$20,040,892	\$17,762,334	\$2,278,558
Net OPEB Asset	1,556,402	1,334,470	221,932
Capital Assets	23,283,269	23,297,549	(14,280)
Total Assets	44,880,563	42,394,353	2,486,210
Deferred Outflows of Resources			
Deferred Charge on Refunding	0	8,231	(8,231)
Pension	4,757,604	3,961,103	796,501
OPEB	479,470	563,636	(84,166)
Total Deferred Outflows of Resources	5,237,074	4,532,970	704,104
Liabilities			
Current and Other Liabilities	3,895,889	3,676,477	219,412
Long-Term Liabilities:			
Due Within One Year	290,747	610,892	(320,145)
Due In More Than One Year:			
Net Pension Liability	12,427,036	23,675,963	(11,248,927)
Net OPEB Liability	1,588,435	1,814,241	(225,806)
Other Amounts	1,816,563	1,945,500	(128,937)
Total Liabilities	20,018,670	31,723,073	(11,704,403)
Deferred Inflows of Resources			
Property Taxes	2,739,911	2,761,808	(21,897)
Pension	10,829,111	1,397,103	9,432,008
OPEB	2,951,502	2,851,157	100,345
Total Deferred Inflows of Resources	16,520,524	7,010,068	9,510,456
Net Position			
Net Investment in Capital Assets	22,697,542	22,539,243	158,299
Restricted	1,654,056	1,747,488	(93,432)
Unrestricted (Deficits)	(10,773,155)	(16,092,549)	5,319,394
Total Net Position	\$13,578,443	\$8,194,182	\$5,384,261

The net pension liability (NPL) is of the largest liabilities reported by the School District at June 30, 2022, and are reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pension – an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises the 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 School District's actual financial

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

condition by adding deferred inflows related to pension, the net pension liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

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

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick 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.

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
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In accordance with GASB 68 and GASB 75, the School District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB (asset) liability, respectively, not accounted for as deferred inflows/outflows.

Total assets increased \$2,486,210. Current and other assets increased \$2,278,558, which was mainly due to an increase in cash and cash equivalents in the amount of \$2,106,895. The School District realized an increase in property taxes and State and federal grants, which resulted in an increase of cash balances. Intergovernmental receivables increased by \$97,804 from the prior fiscal year due to new and additional grant awards in fiscal year 2022. The School District also realized an increase in State Foundation revenues due to a change in Ohio Department of Education revenue funding. The School District reflects a net OPEB asset in the amount of \$1,556,402. See Note 13 for more information. Capital Assets reflected a decrease due to current year deletions and depreciation/amortization expenses exceeding capital asset additions.

Total deferred outflows of resources increased in the amount of \$704,104. This increase was primarily due to the increase in the changes of assumptions related to the School District's proportionate share of the net OPEB and the increase in projected versus actual earnings on pension plan investments.

Total liabilities decreased \$11,704,403. Long-term liabilities decreased \$11,923,815 due to the decrease in the net pension/OPEB liability in the amount of \$11,474,733, the decrease in other long-term liabilities in the amount of \$128,937, and the decrease in due in one year in the amount of \$320,145. The net pension/OPEB liability represents the School District's proportionate share of the STRS and SERS unfunded benefits. Changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension/OPEB liability. The main reason for the decrease in the other long-term liabilities and due within one year amounts was due to the principal payments made during the year. The increase in current and other liabilities was due to increases in contracts payable. These contracts payable related to the new outdoor playground and the new media center.

Total deferred inflows of resources increased \$9,510,456. This increase was the result of three factors; an increase in deferred inflows of resources related to pension due to changes in pension plan investments, and an increase in deferred inflows of resources related to OPEB due to changes in assumptions, which were offset by a decrease in deferred inflows of resources for property taxes.

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Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Table 2 shows the changes in net position for the fiscal year ended June 30, 2022, and comparisons to fiscal year ended June 30, 2021.

Table 2 - Changes in Net Position

	Governmental Activities		
	2022	2021	Change
Revenues			
Program Revenues			
Charges for Services	\$834,616	\$3,338,189	(\$2,503,573)
Operating Grants, Contributions, and Interest	6,735,099	6,299,239	435,860
Capital Grants and Contributions	371,412	59,368	312,044
Total Program Revenues	<u>7,941,127</u>	<u>9,696,796</u>	<u>(1,755,669)</u>
General Revenues			
Property Taxes	4,581,681	4,323,753	257,928
Grants and Entitlements	15,035,435	12,759,549	2,275,886
Investment Earnings	(22,662)	42,381	(65,043)
Gain on Sale of Capital Assets	0	6,895	(6,895)
Miscellaneous	128,406	293,853	(165,447)
Total General Revenues	<u>19,722,860</u>	<u>17,426,431</u>	<u>2,296,429</u>
Total Revenues	<u>27,663,987</u>	<u>27,123,227</u>	<u>540,760</u>
Program Expenses			
Instruction			
Regular	9,236,941	13,067,343	(3,830,402)
Special	2,976,156	3,457,943	(481,787)
Vocational	514,015	476,896	37,119
Intervention	9,978	283,939	(273,961)
Support Services			
Pupils	1,201,663	1,193,731	7,932
Instructional Staff	778,772	514,325	264,447
Board of Education	96,407	95,941	466
Administration	1,677,867	1,951,249	(273,382)
Fiscal	431,324	482,286	(50,962)
Operation and Maintenance of Plant	1,886,459	2,136,823	(250,364)
Pupil Transportation	1,266,475	1,258,878	7,597
Central	68,868	42,595	26,273
Operation of Non-Instructional Services			
Food Service Operations	1,314,118	1,324,352	(10,234)
Other	6,823	5,367	1,456
Extracurricular Activities	798,746	697,805	100,941
Interest and Fiscal Charges	15,114	33,908	(18,794)
Total Expenses	<u>22,279,726</u>	<u>27,023,381</u>	<u>(4,743,655)</u>
Change in Net Position	5,384,261	99,846	5,284,415
Net Position Beginning of Year	<u>8,194,182</u>	<u>8,094,336</u>	<u>99,846</u>
Net Position End of Year	<u>\$13,578,443</u>	<u>\$8,194,182</u>	<u>\$5,384,261</u>

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Net position increased by \$5,384,261 in fiscal year 2022. Overall revenues reflect an increase in the amount of \$540,760. Program revenues decreased in the amount of \$1,755,669 and general revenues increased in the amount of \$2,296,429. The decrease in charges for services is largely due to a change in State foundation revenues related to tuition and enrollment and a decrease in student enrollment during fiscal year 2022. The tuition and enrollment revenues are now reflected as general revenues in grants and entitlements per the Ohio Department of Education. Property taxes increased due to increases in property assessed valuations. Operating and capital grants, contributions, and interest increased due to an increase in State and federal grants related to COVID-19 and additional grant awards for already existing grants. The decrease in program expenses is mostly due to the net pension/OPEB liabilities as discussed earlier.

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

Table 3 - Governmental Activities

	2022 Total Cost of Services	2022 Net Cost of Services	2021 Total Cost of Services	2021 Net Cost of Services
Program Expenses				
Instruction:				
Regular	\$9,236,941	\$8,225,520	\$13,067,343	\$9,519,712
Special	2,976,156	246,925	3,457,943	572,222
Vocational	514,015	460,682	476,896	405,606
Intervention	9,978	9,978	283,939	283,939
Support Services:				
Pupils	1,201,663	910,171	1,193,731	408,739
Instructional Staff	778,772	(148,380)	514,325	282,953
Board of Education	96,407	96,407	95,941	95,941
Administration	1,677,867	1,478,573	1,951,249	1,919,472
Fiscal	431,324	431,290	482,286	482,286
Operation and Maintenance of Plant	1,886,459	1,266,701	2,136,823	1,528,659
Pupil Transportation	1,266,475	1,243,847	1,258,878	1,188,926
Central	68,868	52,643	42,595	35,396
Operation of Non-Instructional Services				
Food Service Operations	1,314,118	(471,366)	1,324,352	45,579
Other	6,823	(17,690)	5,367	(9,220)
Extracurricular Activities	798,746	538,184	697,805	532,467
Interest and Fiscal Charges	15,114	15,114	33,908	33,908
Totals	<u>\$22,279,726</u>	<u>\$14,338,599</u>	<u>\$27,023,381</u>	<u>\$17,326,585</u>

The dependence upon tax revenues and State subsidies for governmental activities is apparent. For 2022, only 36 percent of the governmental activities performed by the School District are supported through program revenues such as charges for services, operating and capital grants, contributions, and interest. The remaining 64 percent is provided through taxes and entitlements.

Instructional programs comprise approximately 57 percent of total governmental program expenses and support services are approximately 33 percent of program expenses. The other remaining expenses were in the areas of other non-instructional expenses at 6 percent, and extracurricular activities and interest and fiscal charges at 4 percent of the program expenses of the School District.

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

The School District Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$27,958,841 and expenditures of \$26,310,720, with an overall increase in fund balance of \$1,648,121.

The General Fund had \$21,866,435 in revenues and other financing sources and \$19,458,481 in expenditures. The fund balance of the General Fund at June 30, 2022, is \$8,783,160, an increase of \$2,407,954 from the prior year. The increase is due to General Fund revenues exceeding expenditures related to an increase in property taxes resulting from an increase in assessed valuations, and intergovernmental revenue, due to changes in State foundation revenues by the Ohio Department of Education.

The fund balance of the Permanent Improvement Fund at June 30, 2022, is \$2,018,395, a decrease of \$691,328 from the prior year. Interest rate earnings were low due to COVID-19 and a slow economy which resulted in negative interest revenue. Expenditures increased due to maintenance costs and principal and interest payment increases on the school district financed purchased school buses.

General Fund Budgetary Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal 2022, the School District's General Fund appropriations remained fairly consistent throughout the fiscal year; original appropriations were \$20,139,461 and final appropriations were \$20,169,461. Final appropriations exceeded actual expenditures by \$681,092. Budget basis actual revenue was \$21,518,184, compared to an original revenue estimates of \$20,903,343 and final revenue estimates of \$20,933,343. The \$584,841 difference between final revenue estimates and actual revenue was mainly due to property taxes and intergovernmental revenues being above anticipated amounts. The School District's ending General Fund budgetary balance was \$8,976,175.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the School District had \$23,283,269 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use equipment. See Note 10 for more detailed information of the School District's capital assets. Table 4 shows fiscal year 2022 balances compared to fiscal year 2021.

Table 4 - Capital Assets at June 30, 2022
(Net of Depreciation)

	Government Activities	
	2022	2021
Land	\$729,742	\$729,742
Construction in Progress	324,065	0
Land Improvements	2,447,243	2,017,741
Buildings and Improvements	18,439,449	19,330,992
Furniture and Equipment	632,029	478,293
Vehicles	604,262	730,655
Intangible Right to Use - Equipment	106,479	10,126
Totals	\$23,283,269	\$23,297,549

Maysville Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Long-Term Obligations

At June 30, 2022, the School District had \$263,225 in financed purchases and \$106,479 in leases payable outstanding.

Table 5 - Outstanding Long-Term Obligations, at Fiscal Year End

	Government Activities	
	2022	2021
School Improvement Refunding		
General Obligation Bonds		
Term Bonds - 2007 - 5.25%	\$0	\$355,000
Bond Premium	0	10,933
Financed Purchases	263,225	390,707
Leases Payable	106,479	9,897
Totals	\$369,704	\$766,537

See Note 16 for more detailed information of the School District's long-term obligations. The net pension/OPEB liability under GASB 68 and GASB 75 is also reported as a long-term obligation that has been previously disclosed within the management's discussion and analysis.

Economic Factors

The School District has experienced increases in net position during fiscal years 2018 through 2022. The School District's net position increased by \$5,384,261 during fiscal year 2022 due mainly to a decrease in the net pension liability.

Based on the most recent Board-adopted five year forecast, Maysville Local School District is projecting revenues to exceed expenditures for fiscal year 2023; however, deficit spending is projected for fiscal year 2024, fiscal year 2025, and fiscal year 2026. The Board does not anticipate any layoffs to occur in the upcoming years. As staff retire in the next few years, the Board may not replace those vacated positions unless deemed necessary. The Board of Education and Administration of the School District must maintain careful financial planning and prudent fiscal management in order to maintain the financial stability of the School District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Lewis Sidwell, Treasurer at Maysville Local School District, 3715 Panther Drive, Zanesville, Ohio 43701. You may also e-mail the treasurer at lsidwell@laca.org.

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Maysville Local School District, Ohio
Statement of Net Position
June 30, 2022

	Primary Government	Component Units	
	Governmental Activities	Foxfire Intermediate School	Foxfire High School
Assets			
Equity in Pooled Cash and Cash Equivalents	\$13,664,929	\$1,340,444	\$1,813,257
Cash and Cash Equivalents in Segregated Accounts	2,687	0	0
Accounts Receivable	37,003	0	0
Accrued Interest Receivable	35,780	0	0
Intergovernmental Receivable	825,962	49,413	158,343
Prepaid Items	166,919	17,097	5,048
Inventory Held for Resale	4,281	0	0
Materials and Supplies Inventory	10,247	0	0
Property Taxes Receivable	5,293,084	0	0
Net OPEB Asset	1,556,402	147,046	169,837
Nondepreciable Capital Assets	1,053,807	113,000	113,000
Depreciable Capital Assets, Net	22,229,462	957,679	1,884,968
<i>Total Assets</i>	<u>44,880,563</u>	<u>2,624,679</u>	<u>4,144,453</u>
Deferred Outflows of Resources			
Pension	4,757,604	1,203,494	685,434
OPEB	479,470	78,720	243,859
<i>Total Deferred Outflows or Resources</i>	<u>5,237,074</u>	<u>1,282,214</u>	<u>929,293</u>
Liabilities			
Accounts Payable	57,300	2,211	18,101
Accrued Wages and Benefits Payable	2,768,935	210,809	312,613
Contracts Payable	216,024	0	0
Matured Compensated Absences Payable	13,229	0	0
Intergovernmental Payable	482,659	41,836	53,772
Accrued Interest Payable	5,486	4,566	4,566
Vacation Benefits Payable	0	0	39,756
Unearned Revenue	11,000	0	0
Employee Withholding Payable	790	4,339	4,328
Claims Payable	340,466	0	0
Long-Term Liabilities:			
Due Within One Year	290,747	67,343	67,343
Due In More Than One Year:			
Net Pension Liability	12,427,036	1,032,475	1,758,677
Net OPEB Liability	1,588,435	71,956	354,673
Other Amounts	1,816,563	549,857	629,538
<i>Total Liabilities</i>	<u>20,018,670</u>	<u>1,985,392</u>	<u>3,243,367</u>
Deferred Inflows of Resources			
Property Taxes	2,739,911	0	0
Pension	10,829,111	887,451	2,138,922
OPEB	2,951,502	263,951	551,781
<i>Total Deferred Inflows of Resources</i>	<u>16,520,524</u>	<u>1,151,402</u>	<u>2,690,703</u>
Net Position			
Net Investment in Capital Assets	22,697,542	487,957	1,415,246
Restricted for:			
Debt Service	52,408	0	0
Classroom Facilities Maintenance	360,603	0	0
Food Service	642,642	0	0
Student Managed Activities	47,863	0	0
District Managed Student Activities	62,472	0	0
Preschool	165,161	0	0
Local, State, and Federal Grants	322,907	0	0
Unrestricted (Deficits)	(10,773,155)	282,142	(2,275,570)
<i>Total Net Position (Deficit)</i>	<u>\$13,578,443</u>	<u>\$770,099</u>	<u>(\$860,324)</u>

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio
Statement of Activities
For the fiscal year ended June 30, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants
Governmental Activities				
Instruction:				
Regular	\$9,236,941	\$233,503	\$673,327	\$104,591
Special	2,976,156	158,507	2,570,724	0
Vocational	514,015	0	53,333	0
Intervention	9,978	0	0	0
Support Services:				
Pupils	1,201,663	0	291,492	0
Instructional Staff	778,772	1,761	666,743	258,648
Board of Education	96,407	0	0	0
Administration	1,677,867	823	198,471	0
Fiscal	431,324	0	0	34
Operation and Maintenance of Plant	1,886,459	151,631	461,697	6,430
Pupil Transportation	1,266,475	0	20,919	1,709
Central	68,868	0	16,225	0
Operation of Non-Instructional Services:				
Food Service Operations	1,314,118	24,871	1,760,613	0
Other	6,823	2,958	21,555	0
Extracurricular Activities	798,746	260,562	0	0
Interest and Fiscal Charges	15,114	0	0	0
<i>Total Primary Government</i>	<u>\$22,279,726</u>	<u>\$834,616</u>	<u>\$6,735,099</u>	<u>\$371,412</u>
Component Units				
Foxfire Intermediate School	\$1,996,190	\$0	\$2,478,907	\$0
Foxfire High School	3,212,230	285,827	4,078,959	0
<i>Total Component Units</i>	<u>\$5,208,420</u>	<u>\$285,827</u>	<u>\$6,557,866</u>	<u>\$0</u>

General Revenues

Property Taxes Levied for:
General Purposes
Permanent Improvement
Grants and Entitlements not Restricted
to Specific Programs
Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Position

Net Position (Deficit) Beginning of Year

Net Position (Deficit) End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and Changes in Net Position		
Primary Government	Component Units	
Governmental Activities	Foxfire Intermediate School	Foxfire High School
(\$8,225,520)	\$0	\$0
(246,925)	0	0
(460,682)	0	0
(9,978)	0	0
(910,171)	0	0
148,380	0	0
(96,407)	0	0
(1,478,573)	0	0
(431,290)	0	0
(1,266,701)	0	0
(1,243,847)	0	0
(52,643)	0	0
471,366	0	0
17,690	0	0
(538,184)	0	0
(15,114)	0	0
(14,338,599)	0	0
0	482,717	0
0	0	1,152,556
0	482,717	1,152,556
4,513,613	0	0
68,068	0	0
15,035,435	0	0
(22,662)	851	1,203
128,406	9,195	5,590
19,722,860	10,046	6,793
5,384,261	492,763	1,159,349
8,194,182	277,336	(2,019,673)
<u>\$13,578,443</u>	<u>\$770,099</u>	<u>(\$860,324)</u>

Maysville Local School District, Ohio

Balance Sheet

Governmental Funds

June 30, 2022

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$9,071,134	\$1,970,561	\$1,538,177	\$12,579,872
Cash and Cash Equivalents in Segregated Accounts	0	0	2,687	2,687
Accounts Receivable	33,569	0	2,676	36,245
Interfund Receivable	271,192	0	50,854	322,046
Intergovernmental Receivable	192,306	0	633,656	825,962
Accrued Interest Receivable	0	35,780	0	35,780
Prepaid Items	67,913	0	99,006	166,919
Inventory Held for Resale	0	0	4,281	4,281
Materials and Supplies Inventory	8,291	0	1,956	10,247
Property Taxes Receivable	5,177,055	116,029	0	5,293,084
<i>Total Assets</i>	<u>\$14,821,460</u>	<u>\$2,122,370</u>	<u>\$2,333,293</u>	<u>\$19,277,123</u>
Liabilities				
Accounts Payable	\$40,609	\$0	\$16,691	\$57,300
Accrued Wages and Benefits	2,086,468	0	390,708	2,477,176
Matured Compensated Absences Payable	13,229	0	0	13,229
Contracts Payable	0	0	216,024	216,024
Interfund Payable	8,527	0	113,519	122,046
Unearned Revenue	0	0	11,000	11,000
Intergovernmental Payable	410,955	0	71,704	482,659
Employee Withholding Payable	790	0	0	790
<i>Total Liabilities</i>	<u>2,560,578</u>	<u>0</u>	<u>819,646</u>	<u>3,380,224</u>
Deferred Inflows of Resources				
Property Taxes	2,682,202	57,709	0	2,739,911
Unavailable Revenue	795,520	46,266	3,609	845,395
<i>Total Deferred Inflows of Resources</i>	<u>3,477,722</u>	<u>103,975</u>	<u>3,609</u>	<u>3,585,306</u>
Fund Balances				
Nonspendable	76,204	0	100,962	177,166
Restricted	0	0	1,371,562	1,371,562
Committed	0	121,571	40,954	162,525
Assigned	149,825	1,896,824	0	2,046,649
Unassigned (Deficit)	8,557,131	0	(3,440)	8,553,691
<i>Total Fund Balances</i>	<u>8,783,160</u>	<u>2,018,395</u>	<u>1,510,038</u>	<u>12,311,593</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$14,821,460</u>	<u>\$2,122,370</u>	<u>\$2,333,293</u>	<u>\$19,277,123</u>

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio
*Reconciliation of the Governmental Funds Balance Sheet to
the Statement of Net Position
June 30, 2022*

Total Governmental Fund Balances	\$12,311,593
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Amounts reported for governmental activities in the statement of net position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,283,269
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Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources: unavailable revenue in the funds:	
Delinquent Property Taxes	627,514
Intergovernmental	47,740
Interest	31,096
Tuition and Fees	26,507
Miscellaneous	112,538
	845,395

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	253,590
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Accrued Interest Payable is recognized for outstanding long-term liabilities with interest accrual that are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(5,486)
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Some liabilities are not due and payable in the current period and, therefore, not reported in the funds:	
Financed Purchase	(263,225)
Leases Payable	(106,479)
Compensated Absences Payable	(1,737,606)
	(2,107,310)

The net pension and net OPEB asset/liability is not due and payable in the current period; therefore, the asset, liability and related deferred inflows/outflows are not reported in the governmental funds:	
Net OPEB Asset	1,556,402
Deferred Outflows - Pension	4,757,604
Deferred Outflows - OPEB	479,470
Net Pension Liability	(12,427,036)
Net OPEB Liability	(1,588,435)
Deferred Inflows - Pension	(10,829,111)
Deferred Inflows - OPEB	(2,951,502)
	(21,002,608)

Net Position of Governmental Activities	\$13,578,443
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See accompanying notes to the basic financial statements

Maysville Local School District, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$4,480,731	\$102,140	\$1,656	\$4,584,527
Intergovernmental	16,723,336	7,823	5,563,529	22,294,688
Interest	0	(53,758)	244	(53,514)
Tuition and Fees	238,518	0	204,398	442,916
Extracurricular Activities	43,108	0	217,454	260,562
Rent	1,459	0	0	1,459
Charges for Services	137,775	0	37,268	175,043
Contributions and Donations	0	543	11,109	11,652
Miscellaneous	122,505	0	0	122,505
<i>Total Revenues</i>	<u>21,747,432</u>	<u>56,748</u>	<u>6,035,658</u>	<u>27,839,838</u>
Expenditures				
Current:				
Instruction:				
Regular	9,877,193	17,292	820,593	10,715,078
Special	2,185,167	0	991,063	3,176,230
Vocational	553,838	0	0	553,838
Intervention	9,978	0	0	9,978
Support Services:				
Pupils	890,867	0	340,465	1,231,332
Instructional Staff	17,566	0	929,069	946,635
Board of Education	96,407	0	0	96,407
Administration	1,706,856	0	197,184	1,904,040
Fiscal	481,693	3,066	3,043	487,802
Operation and Maintenance of Plant	1,794,799	574,864	591,470	2,961,133
Pupil Transportation	1,287,464	16,972	21,218	1,325,654
Central	52,283	0	16,585	68,868
Operation of Non-Instructional Services:				
Food Service Operations	4,834	0	1,491,750	1,496,584
Other Non-Instructional Services	0	0	6,823	6,823
Extracurricular Activities	472,883	0	226,182	699,065
Capital Outlay	0	0	104,399	104,399
Debt Service:				
Principal Retirement	22,421	127,482	355,000	504,903
Interest and Fiscal Charges	4,232	8,400	9,319	21,951
<i>Total Expenditures</i>	<u>19,458,481</u>	<u>748,076</u>	<u>6,104,163</u>	<u>26,310,720</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,288,951	(691,328)	(68,505)	1,529,118
Other Financing Sources				
Inception of a Lease	119,003	0	0	119,003
<i>Net Change in Fund Balances</i>	2,407,954	(691,328)	(68,505)	1,648,121
<i>Fund Balances Beginning of Year</i>	<u>6,375,206</u>	<u>2,709,723</u>	<u>1,578,543</u>	<u>10,663,472</u>
<i>Fund Balances End of Year</i>	<u>\$8,783,160</u>	<u>\$2,018,395</u>	<u>\$1,510,038</u>	<u>\$12,311,593</u>

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio
*Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022*

Net Change in Fund Balances - Total Governmental Funds		\$1,648,121
<i>Amounts reported for governmental activities in the statement of activities are different because</i>		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current period.		
Capital Asset Additions	1,370,036	
Current Year Depreciation/Amortization	<u>(1,381,404)</u>	(11,368)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount of the loss on sale of capital assets.		
		(2,912)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	(2,846)	
Intergovernmental	(164,638)	
Interest	31,096	
Tuition and Fees	(45,364)	
Miscellaneous	<u>5,901</u>	(175,851)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
General Obligation Bonds Payable	355,000	
Financed Purchase	127,482	
Leases Payable	<u>22,421</u>	504,903
In the Statement of Activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due.		
		4,135
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences Payable		52,249
Some capital assets were financed through leases. In governmental funds, a lease arrangement is considered a source of financing, but in the Statement of Net Position the lease obligation is reported as a liability.		
		(119,003)
The amortization of premiums are reported on the Statement of Activities.		
		10,933
The refunding difference is allocated as a reduction of expense in the Statement of Activities over the life of the bonds.		
		(8,231)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide Statement of Activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		
		604,638
Contractually required contributions are reported as expenditures in the governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.		
Pension	1,743,034	
OPEB	<u>52,433</u>	1,795,467
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension expense in the Statement of Activities.		
Pension	870,386	
OPEB	<u>210,794</u>	<u>1,081,180</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$5,384,261</u></u>
See accompanying notes to the basic financial statements		

Maysville Local School District, Ohio
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$4,058,000	\$4,058,000	\$4,308,801	\$250,801
Intergovernmental	16,384,343	16,414,343	16,730,252	315,909
Tuition and Fees	191,000	191,000	221,377	30,377
Rent	0	0	1,459	1,459
Charges for Services	140,000	140,000	137,775	(2,225)
Miscellaneous	130,000	130,000	118,520	(11,480)
<i>Total Revenues</i>	20,903,343	20,933,343	21,518,184	584,841
Expenditures				
Current:				
Instruction:				
Regular	9,563,912	9,588,912	9,320,696	268,216
Special	2,545,980	2,545,980	2,220,938	325,042
Vocational	465,650	465,650	536,316	(70,666)
Student Intervention Services	57,110	57,110	58,388	(1,278)
Other	652,000	652,000	551,752	100,248
Support Services:				
Pupils	1,005,260	1,005,260	900,038	105,222
Instructional Staff	71,357	71,357	17,588	53,769
Board of Education	100,965	100,965	110,332	(9,367)
Administration	1,673,655	1,673,655	1,687,425	(13,770)
Fiscal	471,525	471,525	482,208	(10,683)
Operation and Maintenance of Plant	1,837,880	1,837,880	1,822,708	15,172
Pupil Transportation	1,204,550	1,204,550	1,317,154	(112,604)
Central	41,896	41,896	52,283	(10,387)
Extracurricular Activities	447,721	452,721	410,543	42,178
<i>Total Expenditures</i>	20,139,461	20,169,461	19,488,369	681,092
<i>Excess of Revenues Over Expenditures</i>	763,882	763,882	2,029,815	1,265,933
<i>Fund Balance Beginning of Year</i>	6,928,220	6,928,220	6,928,220	0
Prior Year Encumbrances Appropriated	18,140	18,140	18,140	0
<i>Fund Balance End of Year</i>	\$7,710,242	\$7,710,242	\$8,976,175	\$1,265,933

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio

Statement of Fund Net Position

Internal Service Fund

June 30, 2022

	Self- Insurance
Current Assets	
Equity in Pooled Cash and Cash Equivalents	\$1,085,057
Accounts Receivable	758
<i>Total Assets</i>	<u>1,085,815</u>
Current Liabilities	
Interfund Payable	200,000
Unearned Revenue	291,759
Claims Payable	340,466
Total Liabilities	<u>832,225</u>
Net Position	
Unrestricted	<u>\$253,590</u>

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2022

	Self- Insurance
Operating Revenues	
Charges for Services	\$4,175,327
Operating Expenses	
Purchased Services	395,281
Claims	3,175,408
Total Operating Expenses	3,570,689
Operating Income	604,638
Net Position (Deficit) Beginning of Year	(351,048)
Net Position End of Year	\$253,590

See accompanying notes to the basic financial statements

Maysville Local School District, Ohio

Statement of Cash Flows

Internal Service Fund

For the Fiscal Year Ended June 30, 2022

	<u>Self- Insurance</u>
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Transactions with Other Funds	\$4,137,601
Cash Payments for Services	(395,281)
Cash Payments for Claims	<u>(3,163,024)</u>
<i>Net Cash Provided by Operating Activities</i>	579,296
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>505,761</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$1,085,057</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating Income	\$604,638
Changes in Assets and Liabilities	
Increase in Accounts Receivable	(758)
Decrease in Unearned Revenue	(36,968)
Increase in Claims Payable	<u>12,384</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$579,296</u></u>

See accompanying notes to the basic financial statements

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Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 1 – Description of the School District and Reporting Entity

Maysville Local School District (the "School District") is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

Maysville Local School District was established in 1956 through the consolidation of the Springfield-Bell Local School District and the South Zanesville Local School District. The School District serves an area of approximately 66 square miles. It is located in Muskingum County and includes a portion of the City of Zanesville, the Village of East Fultonham, and the Townships of Newton and Springfield. It is staffed by 100 classified employees, 128 certificated full-time teaching personnel, and 16 administrative employees who provide services to 1,760 students (includes preschool and open enrollment students) and other community members. The School District currently operates two instructional buildings, one administrative/preschool building, and one garage.

Reporting Entity

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Discretely Presented Component Units The component unit information on the Statement of Net Position and the Statement of Activities identifies the financial data of the School District's Component Units, Foxfire Intermediate School and Foxfire High School. They are reported separately to emphasize that they are legally separate from the School District.

Foxfire Intermediate School The Foxfire Intermediate School is a legally separate community school created under Ohio Revised Code Chapter 3314 and incorporated under Chapter 1702. The Foxfire Intermediate School's mission, under a contractual agreement with the School District (Foxfire Intermediate School's sponsor), is to maximize all students' potential, by the teaching of high academic standards and overall student wellness to increase capabilities by bridging gaps in the best interest of each individual student. The Foxfire Intermediate School serves students who have been unsuccessful in a traditional elementary school setting. In prior years, Foxfire Intermediate School served students in first through eighth grade. At the beginning of fiscal year 2017, Foxfire Intermediate only provided services to students in first through third grade due to a change made by the Ohio Department of Education that now allows fourth through eighth grade to

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

be served through a drop-out, recovery, and prevention school; therefore, students were relocated to Foxfire High School. In fiscal year 2018, the Foxfire Intermediate School added kindergarten. In fiscal years 2020 and 2021, the Intermediate School served students kindergarten through eighth grade. Students in grades fourth through eighth were relocated from Foxfire High School to the Intermediate School in fiscal year 2020. This change was made so that Foxfire High School would qualify as a drop-out, recovery, and prevention school again after losing their status in fiscal year 2019 due to the majority of students being under the age of 16.

The Intermediate School operates under the direction of a five-member Board of Directors composed of five community members recommended by the Executive Director after consulting with the Sponsor's Superintendent. All governing authority members are required to live and/or work in the Zanesville-Muskingum County community and are to represent the interest of the Muskingum County community. The Intermediate School is a component unit of the Sponsor. The Sponsor is able to impose its will on the Intermediate School and, due to their relationship with the Sponsor, it would be misleading to exclude them. The Sponsor can suspend the Intermediate School's operations for any of the following reasons: 1) The Intermediate School's failure to meet student performance requirements stated in its contract with the Sponsor, 2) The Intermediate School's failure to meet generally accepted standards of fiscal management, 3) The Intermediate School's violation of any provisions of the contract with the Sponsor or applicable state or federal law, or 4) Other good cause. Separately issued financial statements can be obtained from the Foxfire Intermediate School, 2805 Pinkerton Road, Zanesville, Ohio 43701.

Foxfire High School The Foxfire High School is a legally separate community school created under Ohio Revised Code Chapter 3314 and incorporated under Chapter 1702. The Foxfire High School's mission, under a contractual agreement with the School District (Foxfire High School's sponsor), is to help at-risk students meet Ohio's graduation requirements. The Foxfire High School serves as a drop-out, recovery, and prevention school and focuses on ensuring that basic survival needs are met so that students can achieve success in school. The Foxfire High School serves elementary, middle, and high school age students and above who have dropped out or are at risk of dropping out of school. A particular emphasis is placed on assisting parenting and/or pregnant students obtain a high school diploma. In prior fiscal years, Foxfire High School only served students in grades nine through twelve. Beginning in fiscal year 2017, Foxfire High School began to serve students in grades four through twelve. This change in grades served was due to a change by the Ohio Department of Education which allows a drop-out, recovery, and prevention school to serve grades four through twelve. Beginning in fiscal year 2020, Foxfire High School changed the grade levels served back to grades nine through twelve due to the average age of students needing to be 16 through 21. Due to the increase in enrollment for students in grades fourth through eighth, the relocation became necessary so that Foxfire High School would always have a majority of their students between the ages of 16 and 21. The Sponsor is responsible for evaluating the performance of Foxfire High School and has the authority to deny renewal of the contract at its expiration.

The Foxfire High School operates under the direction of a five-member Board of Directors comprised of five community members appointed by the Executive Director after consulting with the Sponsor's superintendent. All governing authority members live and/or work in the Zanesville-Muskingum County community as well as represent the interest of the Muskingum County community. The sponsor is able to impose its will on Foxfire High School and due to Foxfire High School's relationship with Maysville Local School District it would be misleading to exclude Foxfire High School. The Sponsor can suspend the Foxfire High School's operations for any of the following reasons: 1) Foxfire High School's failure to meet student performance requirements stated in its contract with the Sponsor; 2) Foxfire High School's failure to meet generally accepted

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

standards of fiscal management; 3) Foxfire High School's violation of any provisions of the contract with the Sponsor or applicable state or federal law; or 4) other good cause. Separately issued financial statements can be obtained from the Foxfire High School, 2805 Pinkerton Road, Zanesville, Ohio 43701.

The School District participates in four jointly governed organizations and three purchasing pools. These organizations are the Licking Area Computer Association, Mid-East Career and Technology Centers, Coalition of Rural and Appalachian Schools, the Ohio Coalition of Equity and Adequacy of School Funding, the Better Business Bureau of Central Ohio Incorporated - Workers' Compensation Program, the Ohio School Benefits Cooperative, and META Solutions. These organizations are presented in Notes 18 and 19 to the general purpose financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid doubling up revenues and expenses. The statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District has no business-type activities.

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

Fund Financial Statements During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

Fund Accounting

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

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

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

Permanent Improvement Fund The Permanent Improvement Fund of the School District is used to account for monies assigned by the Board of Education for the purpose of acquiring, constructing, and improving of such permanent improvements.

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

Proprietary Fund Types Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the School District has no enterprise funds.

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

Measurement Focus

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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 government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of fund net position.

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

Basis of Accounting

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

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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 and fees, grants, and rentals.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned. The Title I Special Revenue Fund reports unearned revenue for grant money that has not been earned yet. The Self-Insurance Internal Service Fund reports unearned revenue for premiums received from the paying funds prior to the fiscal year the premiums are due.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 19. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 12 and 13.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension and OPEB plans, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow 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. For the School District unavailable revenue includes delinquent property taxes, intergovernmental, interest, tuition and fees, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13)

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

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

Cash and Cash Equivalents

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

During fiscal year 2022, the School District's investments were limited to negotiable certificates of deposit, money market mutual funds, and federal agency securities.

Except for nonparticipating investment contracts, the School District reports investments at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as money market accounts are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the Permanent Improvement Fund during fiscal year 2022 amounted to (\$53,758), which includes (\$44,160) assigned from other School District funds.

The School District has a segregated bank account for the District Managed Activities that is held separate from the School District's central bank account. This depository account is presented as "Cash in Segregated Accounts" since it is not deposited into the School District treasury.

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

Inventory

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

Capital Assets

The School District's only capital assets are general capital assets. 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 assets but are not reported in the fund financial statements.

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

All reported capital assets, except land and construction in progress, 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	15-20 years
Buildings and Improvements	20-40 years
Machinery and Equipment	5-15 years
Furniture and Fixtures	5-20 years
Vehicles	8 years

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

Internal Activity

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

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

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for vacation eligible employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for classified and certified employees after ten years of current service with the School District.

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current 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 pension is not sufficient for payment of those benefits. Bonds, which were paid in full in fiscal year 2022; financed purchases; and leases are recognized as a liability on the governmental fund financial statements when due.

Pensions/Other Postemployment Benefits (OPEB)

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

Fund Balance

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

Nonspendable: The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes the long-term amount of loans and notes receivable, prepaids, 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: The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions or enabling legislation (School District Board of Education resolutions).

Enabling legislation authorizes the School District to assess, levy, charge, or otherwise mandates payment of resources (from external resources providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the School District can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the 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 the use in satisfying those contractual requirements.

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

Unassigned: The unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report deficit balances.

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

Net Position

Net position represents the difference between assets, deferred outflows of resources, 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 borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

Extraordinary and Special Items

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

Estimates

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Budgetary Data

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education (Board) 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 Treasurer has been authorized to allocate Board appropriations to the function and object level.

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

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

Premiums

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium. On the governmental fund statements, bond premiums are recorded in the year the bonds are issued. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Deferred Charge on Refunding

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 3 – Changes in Accounting Principle and Restatement of Fund Balances and Net Position

For fiscal year 2022, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*.

GASB Statement 87 enhances the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the School District’s 2022 financial statements; however, the School District did not have any items that qualified a restatement of beginning net position.

The School District is also implementing *Implementation Guide No. 2020-1*, GASB Statement No. 92 – *Omnibus 2020*, and GASB Statement No. 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. These changes were incorporated in the School District’s 2022 financial statements; however, there was no effect on beginning net position.

For fiscal year 2022, the School District modified its approach related to the eligibility requirements of certain School District grants; however, there was no effect on beginning net position.

Note 4 – Accountability

The Title I Special Revenue Fund had a deficit fund balance of \$3,440 as of June 30, 2022. This deficit is the result of the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 – Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
4. Encumbrances are treated as expenditures for all funds (budget basis) rather than as a commitment or assignment of fund balance for governmental fund types (GAAP basis).

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5. Budgetary revenues and expenditures of the public school support fund are reclassified to the General Fund for GAAP Reporting.
6. Unreported cash and negative cash advances to other funds are reported on the “Statement of Revenues, Expenditures, and Changes in Fund Balance (GAAP Basis), but not on budgetary basis.”
7. Advances are operating transactions (budget) as opposed to balance sheet transactions (GAAP).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statement for the General Fund:

<u>Net Change in Fund Balance</u>	<u>General</u>
GAAP Basis	\$2,407,954
Net Adjustment for Revenue Accruals	(239,224)
Net Adjustment for Expenditure Accruals	(105,547)
Beginning:	
Unrecorded Cash	1,137
Prepaid Items	73,247
Negative Cash Advances	(11,553)
Ending:	
Unrecorded Cash	(790)
Prepaid Items	(67,913)
Negative Cash Advances	64,290
To reclassify excess of revenues and other sources of financial resources over expenditures and other uses of financial resources into financial statement fund types	(4,477)
Adjustment for Encumbrances	(87,309)
Budget Basis	<u><u>\$2,029,815</u></u>

Note 6 – Fund Balances

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

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Fund Balances	General	Permanent Improvement	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Prepaid Items	\$67,913	\$0	\$99,006	\$166,919
Materials and Supplies Inventory	8,291	0	1,956	10,247
<i>Total Nonspendable</i>	<u>76,204</u>	<u>0</u>	<u>100,962</u>	<u>177,166</u>
<u>Restricted for:</u>				
Debt Service	0	0	52,408	52,408
Classroom Facilities Maintenance	0	0	350,078	350,078
Food Service	0	0	673,586	673,586
Student Managed Activities	0	0	47,863	47,863
District Managed Student Activities	0	0	62,472	62,472
Preschool	0	0	165,161	165,161
Local, State, and Federal Grants	0	0	19,994	19,994
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>1,371,562</u>	<u>1,371,562</u>
<u>Committed to:</u>				
Scholarships	0	0	16,470	16,470
Latchkey Program	0	0	24,484	24,484
Purchases on Order	0	121,571	0	121,571
<i>Total Committed</i>	<u>0</u>	<u>121,571</u>	<u>40,954</u>	<u>162,525</u>
<u>Assigned to:</u>				
Public School Support	71,198	0	0	71,198
Purchases on Order	78,627	0	0	78,627
Capital Improvements	0	1,896,824	0	1,896,824
<i>Total Assigned</i>	<u>149,825</u>	<u>1,896,824</u>	<u>0</u>	<u>2,046,649</u>
Unassigned (Deficit):	<u>8,557,131</u>	<u>0</u>	<u>(3,440)</u>	<u>8,553,691</u>
<i>Total Fund Balances</i>	<u>\$8,783,160</u>	<u>\$2,018,395</u>	<u>\$1,510,038</u>	<u>\$12,311,593</u>

Note 7 – Deposits and Investments

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

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

Inactive deposits are public deposits that the Board 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.

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

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

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

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

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

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. At year end, the School District had no undeposited cash on hand.

Investments Investments are reported at fair value. As of June 30, 2022, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Ratings	Percentage of Total Investment
Fair Value - Level One Input:				
Money Market Mutual Funds	\$21,990	Less than one year	n/a	0.37%
Total Fair Value - Level One Input	<u>21,990</u>			
Fair Value - Level Two Inputs:				
Federal Home Loan Mortgage Corporation Notes				
	249,338	Less than one year	Aaa	4.21%
Federal National Mortgage Association Notes				
	492,944	Less than three years	Aaa	8.31%
Federal Home Loan Bank Notes	764,490	Less than three years	Aaa	12.90%
Federal Farm Credit Bank Notes	2,947,810	Less than three years	Aaa	49.72%
Negotiable Certificates of Deposit	1,451,850	Less than three years	n/a	24.49%
Total Fair Value - Level Two Inputs	<u>5,906,432</u>			
Total	<u>\$5,928,422</u>			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2022. The money market mutual funds are measured at fair value and is valued using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years. The Treasurer cannot make investments which he/she does not reasonably believe can be held until the maturity date. The stated intent of the policy is to avoid the need to sell securities prior to maturity. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the

Maysville Local School District, Ohio
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School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk The credit ratings are by Moody's for all of the School District's securities listed above. The School District has no deposit policy for custodial risk beyond the requirements of State statute.

Concentration of Credit Risk The School District places no limit on the amount it may invest in any one issuer.

Note 8 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property (used in business) located in the School District. Real property tax revenue received in calendar 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2022 represents collections of calendar year 2021 taxes. Public utility real property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Muskingum County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2022, 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 were levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflow of resources for property taxes.

The amount available as an advance at June 30, 2022, was \$1,925,659. \$1,882,509 was available to the General Fund and \$43,150 was available to the Permanent Improvement Fund. The amount available as an advance at June 30, 2021, was \$1,850,224. \$1,710,579 was available to the General Fund, \$109,124 was available to the Debt Service Fund, and \$30,521 was available to the Classroom Facilities Maintenance Special Revenue Fund. During fiscal year 2022, the School District approved the moving of .5 mills from the General Fund to the Permanent Improvement Capital Projects Fund. During fiscal year 2022, the School District also paid in full the building bonds associated with the Ohio Facilities Construction Commission.

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

The assessed values upon which the fiscal year 2022 taxes were collected are:

	2021 Second- Half Collections		2022 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$185,322,110	91.53%	\$208,821,790	91.85%
Public Utility Personal	17,144,930	8.47%	18,528,020	8.15%
Total Assessed Value	\$202,467,040	100.00%	\$227,349,810	100.00%
Tax rate per \$1,000 of assessed valuation	\$39.35		\$39.35	

Note 9 – Receivables

Receivables at June 30, 2022, consisted of property taxes, interfund, accounts (tuition and fees, intergovernmental, and miscellaneous), accrued interest, and intergovernmental. 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 received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The delinquent property taxes amounted to \$627,514 as of June 30, 2022.

A summary of intergovernmental receivables are as follows:

	Amounts
<u>Governmental Activities</u>	
State Foundation Adjustments	\$64,269
School Employees Retirement System Refund	112,538
Bureau of Workers' Compensation Refund	4,183
Medicaid Reimbursements	11,316
Preschool	10,945
Title I	63,177
ESSER Funding	408,842
Title II-A	10,214
21st Century	61,465
Title VI-B	79,013
Total	\$825,962

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Note 10 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Balance 06/30/2021	Additions	Deletions	Balance 06/30/2022
Nondepreciable Capital Assets				
Land	\$729,742	\$0	\$0	\$729,742
Construction in Progress	0	324,065	0	324,065
Total Nondepreciable Capital Assets	<u>729,742</u>	<u>324,065</u>	<u>0</u>	<u>1,053,807</u>
Depreciable Capital Assets				
Land Improvements	4,207,666	553,947	0	4,761,613
Buildings and Improvements	37,137,029	52,836	0	37,189,865
Furniture and Equipment	4,692,293	277,475	(419,336)	4,550,432
Vehicles	2,124,095	42,710	0	2,166,805
Intangible Right to Use Lease - Equipment**	101,269	119,003	(101,269)	119,003
Total Depreciable Capital Assets	<u>48,262,352</u>	<u>1,045,971</u>	<u>(520,605)</u>	<u>48,787,718</u>
Less Accumulated Depreciation/ Amortization				
Land Improvements	(2,189,925)	(124,445)	0	(2,314,370)
Buildings and Improvements	(17,806,037)	(944,379)	0	(18,750,416)
Furniture and Equipment	(4,214,000)	(120,827)	416,424	(3,918,403)
Vehicles	(1,393,440)	(169,103)	0	(1,562,543)
Intangible Right to Use Lease - Equipment**	(91,143)	(22,650)	101,269	(12,524)
Total Accumulated Depreciation/ Amortization	<u>(25,694,545)</u>	<u>(1,381,404) *</u>	<u>517,693</u>	<u>(26,558,256)</u>
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>22,567,807</u>	<u>(335,433)</u>	<u>(2,912)</u>	<u>22,229,462</u>
Governmental Activities Capital Assets, Net	<u>\$23,297,549</u>	<u>(\$11,368)</u>	<u>(\$2,912)</u>	<u>\$23,283,269</u>

*Depreciation expense was charged to governmental functions as follows:

Instruction:		Fiscal	\$7,673
Regular	\$498,124	Operation and Maintenance	81,683
Special	158,026	Pupil Transportation	175,031
Vocational	24,209	Extracurricular	129,645
Support Services:		Food Service Operations	<u>150,106</u>
Pupils	28,643		
Instructional Staff	57,362	Total Depreciation Expense	<u>\$1,381,404</u>
Administration	70,902		

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** Of the current year depreciation total of \$1,381,404, \$22,650 is presented as general government expense on the Statement of Activities related to the School District's intangible asset of copiers, which is included as an Intangible Right to Use Lease. With the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Note 11 – Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2022, the School District contracted with Liberty Mutual Insurance – The Netherlands Insurance Company through the Young Insurance Agency, for property, electronic equipment, commercial articles, valuable papers, crime insurance, general liability insurance, fleet insurance, and builder's risk insurance. Coverage provided is as follows:

Building and Contents-replacement cost	\$72,538,180
Employee Benefit Liability:	
Per occurrence	1,000,000
General Aggregate	3,000,000
Personal and Advertising Injury Limit	1,000,000
Fleet Insurance	1,000,000
Uninsured/Underinsured Motorists	1,000,000
Commercial Umbrella Liability each occurrence	5,000,000
Commercial Umbrella Liability General Aggregate	5,000,000
Products/Completed Operations Aggregate Limit	5,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in insurance coverage from last year.

During fiscal year 2022, the School District participated in the Better Business Bureau of Central Ohio Incorporated - Workers' Compensation Program (GRP), an insurance purchasing pool (Note 19) in the Group Retrospective Rating Program. The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating members is calculated as one experience and a common premium rate is applied to all members in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to members that can meet the GRP's selection criteria. The firm of Sheakley provides administrative, cost control, and actuarial services to the GRP.

Medical, dental, and vision insurance is offered to employees through a Self-Insurance Internal Service Fund. Monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of \$340,466 reported in the Internal Service Fund at June 30, 2022, is based on an estimate provided by the third party administrator. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. The School District purchased an aggregate stop-loss coverage policy that covers individual claims in excess of \$100,000 annually.

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

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claim Payments</u>	<u>Balance at End of Year</u>
2021	\$319,392	\$4,193,720	\$4,185,030	\$328,082
2022	328,082	3,175,408	3,163,024	340,466

Note 12 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 0.5 percent COLA for calendar year 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

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The School District's contractually required contribution to SERS was \$406,675 for fiscal year 2022. Of this amount, \$46,958 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent 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. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS

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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 that 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 2022 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$1,336,359 for fiscal year 2022. Of this amount, \$308,305 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.0810005%	0.073818436%	
Prior Measurement Date	<u>0.0801847%</u>	<u>0.075930080%</u>	
Change in Proportionate Share	<u>0.0008158%</u>	<u>-0.002111644%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$2,988,685	\$9,438,351	\$12,427,036
Pension Expense	(\$199,355)	(\$671,031)	(\$870,386)

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$289	\$291,600	\$291,889
Changes of assumptions	62,933	2,618,368	2,681,301
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	41,380	0	41,380
School District contributions subsequent to the measurement date	406,675	1,336,359	1,743,034
Total Deferred Outflows of Resources	\$511,277	\$4,246,327	\$4,757,604
Deferred Inflows of Resources			
Differences between expected and actual experience	\$77,509	\$59,159	\$136,668
Net difference between projected and actual earnings on pension plan investments	1,539,259	8,134,052	9,673,311
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	49,074	970,058	1,019,132
Total Deferred Inflows of Resources	\$1,665,842	\$9,163,269	\$10,829,111

\$1,743,034 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. 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:			
2023	(\$402,048)	(\$1,699,703)	(\$2,101,751)
2024	(320,753)	(1,419,635)	(1,740,388)
2025	(365,980)	(1,420,067)	(1,786,047)
2026	(472,459)	(1,713,896)	(2,186,355)
Total	(\$1,561,240)	(\$6,253,301)	(\$7,814,541)

Actuarial Assumptions - SERS

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

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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 pension liability in the latest actuarial valuation, prepared as of June 30, 2021, compared with June 30, 2020, are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.4 percent	3.00 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	3.50 percent to 18.20 percent 2.5 percent
Investment Rate of Return	7.00 percent net of System expenses	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mortality rates for 2020 were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

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premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	100.00 %	

Discount Rate The total pension liability for 2021 was calculated using the discount rate of 7.00 percent. The discount rate for 2020 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$4,972,435	\$2,988,685	\$1,315,699

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation compared to those used in the June 30, 2020, actuarial valuation are presented below:

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	June 30, 2021	June 30, 2020
Inflation	2.50 percent	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.45 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent	0.0 percent,

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

Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Domestic Equity	28.00%	7.35%
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00%</u>	

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

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit

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payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$17,674,498	\$9,438,351	\$2,478,824

Changes Between the Measurement Date and the Reporting Date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System / State Teachers Retirement System. As of June 30, 2022, no members of the Board of Education elected Social Security. The Board's liability would be 6.2 percent of wages paid.

Note 13 – Defined Benefit OPEB Plans

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

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description – The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider

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organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program.

Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was \$52,433.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution and intergovernmental payable to SERS was \$52,433 for fiscal year 2022.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.0839295%	0.073818436%	
Prior Measurement Date	<u>0.0834776%</u>	<u>0.075930080%</u>	
 Change in Proportionate Share	 <u>0.0004519%</u>	 <u>-0.002111644%</u>	
 Proportionate Share of the:			<u>Total</u>
Net OPEB Liability	\$1,588,435	\$0	\$1,588,435
Net OPEB (Asset)	\$0	(\$1,556,402)	(\$1,556,402)
OPEB Expense	(\$56,201)	(\$154,593)	(\$210,794)

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$16,931	\$55,418	\$72,349
Changes of assumptions	249,188	99,416	348,604
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	6,084	0	6,084
School District contributions subsequent to the measurement date	<u>52,433</u>	<u>0</u>	<u>52,433</u>
Total Deferred Outflows of Resources	<u>\$324,636</u>	<u>\$154,834</u>	<u>\$479,470</u>
 Deferred Inflows of Resources			
Differences between expected and actual experience	\$791,112	\$285,161	\$1,076,273
Changes of assumptions	217,523	928,507	1,146,030
Net difference between projected and actual earnings on OPEB plan investments	34,509	431,407	465,916
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>156,206</u>	<u>107,077</u>	<u>263,283</u>
Total Deferred Inflows of Resources	<u>\$1,199,350</u>	<u>\$1,752,152</u>	<u>\$2,951,502</u>

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\$52,433 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. 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:			
2023	(\$218,820)	(\$471,001)	(\$689,821)
2024	(219,062)	(460,203)	(679,265)
2025	(214,621)	(421,486)	(636,107)
2026	(171,946)	(183,898)	(355,844)
2027	(80,593)	(61,970)	(142,563)
Thereafter	(22,105)	1,240	(20,865)
Total	(\$927,147)	(\$1,597,318)	(\$2,524,465)

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, 2021, compared with June 30, 2020, are presented below:

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	June 30, 2021	June 30, 2020
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate:		
Measurement Date	1.92 percent	2.45 percent
Prior Measurement Date	2.45 percent	3.13 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation		
Measurement Date	2.27 percent	2.63 percent
Prior Measurement Date	2.63 percent	3.22 percent
Medical Trend Assumption		
Medicare	5.125 to 4.40 percent	5.25 to 4.75 percent
Pre-Medicare	6.75 to 4.40 percent	7.00 to 4.75 percent

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

For 2020, mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020, and was adopted by the Board in 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 log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. 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.

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 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 is 1.92 percent at June 30, 2021 and 2.45 percent at June 30, 2020.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	\$1,968,263	\$1,588,435	\$1,285,001
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$1,222,964	\$1,588,435	\$2,076,590

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation and the June 30, 2020 actuarial valuation are presented below:

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	June 30, 2021	June 30, 2020
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.45 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	5.00 percent initial, 4 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-16.18 percent initial, 4 percent ultimate	-6.69 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	6.50 percent initial, 4 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	29.98 initial, 4 percent ultimate	11.87 initial, 4 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2021.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$1,313,362)	(\$1,556,402)	(\$1,759,424)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$1,751,198)	(\$1,556,402)	(\$1,315,518)

Changes Between the Measurement Date and the Reporting date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability is unknown.

Note 14 – Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees who qualify earn twelve to twenty-four days of vacation per fiscal year, depending upon length of service. All employees who qualify for vacation time can accrue up to a maximum of the immediately preceding two years, plus the prorated portion of earned but unused vacation time of the current year. The School District pays accumulated, unused vacation hours to employees who qualify for vacation time upon termination of employment at the employee's current rate of pay. Teachers, administrators, and staff who work less than 260 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 249 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 62 days.

Life Insurance

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Sun Life Financial in the amount of \$25,000 for all employees enrolled.

Note 15 – Capitalized Leases

For fiscal year 2022, GASB Statement No. 87, Lease was effective. This GASB pronouncement had no effect on beginning net position/fund balance.

In prior years, the School District entered into a capital lease for six new school buses. This lease for school buses meets the criteria of a financed purchased under GASB Statement No. 87. The School District also entered into a lease for copiers in prior years. This copier lease meets the criteria of a lease payable and an intangible right to use under GASB Statement No. 87. Both leases have been moved to Long-Term Obligations (See Note 16).

Maysville Local School District, Ohio
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Note 16 – Long-Term Obligations

The changes in the School District’s long-term obligations during fiscal year 2022 were as follows:

	Principal Outstanding 06/30/2021	Additions	Deductions	Principal Outstanding 06/30/2022	Due in One Year
School Improvement Refunding General Obligation Bonds:					
Term Bonds - 2007 - 5.25%	\$355,000	\$0	\$355,000	\$0	\$0
Bond Premium	10,933	0	10,933	0	0
Total Long-Term Bonds	<u>365,933</u>	<u>0</u>	<u>365,933</u>	<u>0</u>	<u>0</u>
Net Pension Liability:					
SERS	5,303,585	0	2,314,900	2,988,685	0
STRS	18,372,378	0	8,934,027	9,438,351	0
Total Net Pension Liability	<u>23,675,963</u>	<u>0</u>	<u>11,248,927</u>	<u>12,427,036</u>	<u>0</u>
Net OPEB Liability - SERS	<u>1,814,241</u>	<u>0</u>	<u>225,806</u>	<u>1,588,435</u>	<u>0</u>
Financed Purchase - School Buses - 2.15%	<u>390,707</u>	<u>0</u>	<u>127,482</u>	<u>263,225</u>	<u>130,223</u>
Leases Payable	<u>9,897</u>	<u>119,003</u>	<u>22,421</u>	<u>106,479</u>	<u>19,595</u>
Compensated Absences Payable	<u>1,789,855</u>	<u>94,884</u>	<u>147,133</u>	<u>1,737,606</u>	<u>140,929</u>
Total General Long-Term Obligations	<u><u>\$28,046,596</u></u>	<u><u>\$213,887</u></u>	<u><u>\$12,137,702</u></u>	<u><u>\$16,122,781</u></u>	<u><u>\$290,747</u></u>

2007 School Improvement Refunding General Obligation Bonds – The School District had previously issued 2000 School Facilities Improvement General Obligation Bonds for school improvements that were partially refunded through the 2007 School Improvement Refunding General Obligation Bonds. At the date of refunding, \$2,311,754 was deposited in an irrevocable trust to provide for all future debt service payments on the refunded 2000 School Facilities Improvement General Obligation Bonds. As all of the legal steps had been taken to refund the debt, the balance of the outstanding bonds refunded was removed from the School District’s financial statements. On December 1, 2009, the 2007 school improvement refunding general obligation bonds were called and paid in full and the escrow account was closed.

On August 16, 2006, the School District issued \$2,170,000 of School Improvement Refunding General Obligation Bonds that were issued to partially refund the 2000 School Facilities Improvement General Obligation Bonds. The bonds were issued for a sixteen year period with a final maturity at December 1, 2021. The \$2,170,000 School Improvement Refunding General Obligation Bonds were issued at a premium in the amount of \$174,936. The partial advance refunding resulted in a difference between the net carrying amount of the debt and the acquisition price, in the amount of \$131,754. This difference is being reported in the accompanying financial statements as deferred outflows of resources – deferred charge on refunding and is being amortized to interest expense over the life of the bonds using the straight-line method. The fiscal year 2022 amortization of this is \$8,231. The bond was paid in full in fiscal year 2022.

The School District's overall legal debt margin was \$20,513,891, with an unvoted debt margin of \$227,350 at June 30, 2022.

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Compensated Absences and Net Pension/OPEB Liability - Compensated absences are paid from the fund from which the employees' salaries are paid, which includes the General Fund and the Food Service Special Revenue Fund. The School District pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension / OPEB liability. However, employer pension contributions are made from the following funds: General Fund and the Food Service, Latchkey, Preschool, ESSER, 21st Century, Title VI-B, Title I, and Title II-A Special Revenue Funds. For additional information related to the net pension/OPEB liability, see Notes 12 and 13.

Financed Purchase - The School District has entered into a financed purchase for six school buses, where ownership of the underlying assets transfers to the School District by the end of the contract. The School District disbursed \$127,483 from the Permanent Improvement Capital Projects Fund to pay these costs for the fiscal year ended June 30, 2022. Future finance purchase payments are as follows:

Year	Principal	Interest	Total
2023	\$130,223	\$5,659	\$135,882
2024	133,002	2,880	135,882
Total	\$263,225	\$8,539	\$271,764

Leases Payable – In prior years, the School District entered into a lease agreement for copiers at 7.2 percent interest for five years. Due to the implementation of GASB Statement No. 87 in fiscal year 2022, the lease met the criteria of a lease and the capital lease was moved to a lease payable. The lease was paid in full during fiscal year 2022 and \$9,897 in principal and \$179 in interest payments were paid from the General Fund. During fiscal year 2022, the School District entered into a new five year lease agreement for copiers at 7.21 percent interest. Principal paid on the new copier lease was \$12,524 and interest paid was \$4,053. A summary of the remaining principal and interest amounts for the lease are as follows:

Year	Principal	Interest	Total
2023	\$19,595	\$6,455	\$26,050
2024	22,901	5,517	28,418
2025	24,608	3,810	28,418
2026	26,442	1,976	28,418
2027	12,933	258	13,191
Total	\$106,479	\$18,016	\$124,495

Note 17 – Interfund Balances

Interfund balances at June 30, 2022, consist of the following individual fund receivables and payables:

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	Interfund Receivable	Interfund Payable
Major Fund:		
General Fund	\$271,192	\$8,527
Other Nonmajor Governmental Funds:		
Preschool	0	4,740
Title VI-B	2,032	0
ESSER	0	97,750
21st Century	37,822	11,029
Title I	11,000	0
Total Other Nonmajor Governmental Funds	50,854	113,519
Self Insurance Internal Service Fund	0	200,000
Total All Funds	\$322,046	\$322,046

Interfund balances are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed. The loans made to the ESSER and 21st Century Funds were made to cover actual cash deficits until federal and other monies are received.

The interfund balance with the Self Insurance Internal Service Fund was due to the General Fund providing an advance to cover expenses until additional monies could be received from the various governmental funds and employees for insurance coverage.

Note 18 – Jointly Governed Organizations

Licking Area Computer Association

The School District is a participant in the Licking Area Computer Association (LACA) which is a computer consortium. LACA is an association which services 25 school districts, educational service centers, community schools, and non-public schools within the boundaries of Licking, Muskingum, Fairfield, Perry, Knox, and Medina 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 LACA consists of the superintendents from all participating districts. The continued existence of LACA is not dependent on the School District's continued participation and no equity interest exists. The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. The School District's total payments to LACA for computer services for fiscal year 2022 were \$112,044. Financial information may be obtained from LACA at 150 South Quentin Road, Newark, Ohio 43055.

Mid-East Career and Technology Centers

The Mid-East Career and Technology Center is a jointly governed organization providing vocational education services to its fourteen member school districts. The Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one member from each of the participating school district's boards. The board possesses its own budgeting and taxing authority. The continued existence of the Center is not dependent on the School District's continued participation and no

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equity interest exists. During fiscal year 2022, the School District made no contributions to the Center. To obtain financial information write to the Mid-East Career and Technology Center, Nanette Nolder, Treasurer, at 400 Richards Road, Zanesville, Ohio 43701.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (CORAS) is a jointly governed organization composed of over 130 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided; and three from Ohio University College of Education. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Coalition. During fiscal year 2022, the School District paid \$10,475 to the Coalition. The financial information for the Coalition can be obtained from the Executive Director, at 322 Patton Hall, Ohio University, Athens, Ohio 45701.

Ohio Coalition of Equity and Adequacy of School Funding

The Ohio Coalition of Equity and Adequacy of School Funding is organized as a council of governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition was organized to challenge the constitutionality of the Ohio school funding system. The purpose of the Coalition is to bring about greater equity and adequacy of public school funding in Ohio. The Coalition is governed by a Steering Committee of 90 school district representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The Committee exercised total control over the operations of the Coalition including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The membership of the coalition includes over 500 school districts throughout the State of Ohio. Member school districts, joint vocational schools, and educational service centers pay annual dues and supplemental dues based on their pupil enrollment. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest or financial responsibility for the Coalition. During fiscal year 2022, the School District paid \$4,066 to the Coalition. The fiscal agent for the Coalition is the Muskingum Valley Educational Service Center. Financial information may be obtained from the Ohio Coalition of Equity and Adequacy of School Funding at 50 South Young Street, Suite M-102, Columbus, Ohio 43215.

Note 19 – Purchasing Pools

Better Business Bureau of Central Ohio Incorporated - Workers' Compensation Program

The School District participated in a group retrospective rating program in calendar year 2019 and calendar year 2020 as established under Section 4123.29 of the Ohio Revised Code. The Better Business Bureau of Central Ohio Incorporated - Workers' Compensation Program, an insurance purchasing pool established through the Better Business Bureau of Ohio, Incorporated. The Program's business and affairs are conducted by the President and CEO of the Better Business Bureau. During fiscal year 2022, the School District paid an enrollment fee of \$896 to the Program to cover the costs of administering the program.

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Ohio School Benefits Cooperative

The School District participates in the Ohio School Benefits Cooperative, a claims servicing and group purchasing pool comprised of thirty nine members. The Ohio School Benefits Cooperative (OSBC) is created and organized pursuant to and as authorized by Section 9.833 of the Ohio Revised Code. OSBC is governed by a nine member Board of Directors, all of whom must be school district and/or educational service center administrators. The Muskingum Valley Educational Service Center serves as the fiscal agent for OSBC. OSBC is an unincorporated, non-profit association of its members which was created for the purpose of enabling members of the Plan to maximize benefits and/or reduce costs of medical, prescription drug, vision, dental, life and/or other group insurance coverage for their employees, and the eligible dependents and designated beneficiaries of such employees.

Participants pay an initial \$500 membership fee to OSBC. OSBC offers two options to participants. Participants may enroll in the joint insurance purchasing program for medical, prescription drug, vision dental and/or life insurance. A second option is available for self-insured participants that provides for the purchase of stop loss insurance coverage through OSBC's third party administrator. Medical Mutual/Antares is the Administrator of the OSBC. On November 1, 2005, the School District elected to participate in the self-insured purchasing program for medical, prescription drug, dental, and vision coverage.

META Solutions

The School District participates in META Solutions, a purchasing pool. META Solutions was created pursuant to Chapter 167 of the Ohio Revised Code. META Solutions is a purchasing pool created to aid school districts with purchasing services and products at discounted rates. META Solutions operates under a Board of Directors consisting of twelve members. The Board of Directors is made up of representatives from member school districts. The Board of Directors exercises total control over the operation of META Solutions including budgeting, appropriating, contracting, and designating management. The School District paid \$640 during fiscal year 2022 for utility billing monitoring services. META memberships became free effective July 1, 2017. Financial information can be obtained from META Solutions at 100 Executive Drive, Marion, Ohio 43302.

Note 20 – Set-Asides

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

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

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	Capital Improvements Reserve
Set-aside Reserve Balance as of June 30, 2021	\$0
Current Year Set-aside Requirement	341,870
Current Year Offsets	(211,927)
Qualifying Disbursements	(201,172)
Total	(\$71,229)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0

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

Note 21 – Significant Commitments

Encumbrances

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

Governmental Funds:	
General Fund	\$87,309
Permanent Improvement Fund	151,843
Nonmajor Governmental Funds	1,959,119
Total	\$2,198,271

Contractual Commitments

As of June 30, 2022, the School District had contractual purchase commitments for the following projects:

Project	Fund	Original Contract	Paid to Date	Amount Remaining
Outdoor Playground	ESSER	\$1,092,599	\$9,082	\$1,083,517
Media Center	21st Century and Classroom Facilities	485,420	314,983	170,437
	Total	\$1,578,019	\$324,065	\$1,253,954

Note 22 – Contingencies

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other

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applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2022.

School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2022 have been finalized. The impact of FTE adjustments are not significant to the School District.

Litigation

The School District is currently not a party to any material legal proceedings.

Note 23 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During fiscal year 2022, the School District received COVID-19 funding in the form of Elementary and Secondary School Emergency Relief and American Rescue Plan funding. The School District's investment portfolio and the investments of the pension and other employee benefit plans in which the School District participates fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the School District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 24 – Related Party Transactions

During fiscal year 2022, the Foxfire Intermediate School paid the Sponsor \$52,393 for the sponsorship fee. As of June 30, 2022, there were no amounts owed by the Intermediate School to the Sponsor.

During fiscal year 2022, the Foxfire High School paid the Sponsor \$183,189 for the sponsorship fee, supplies, utilities, and transportation. As of June 30, 2022, there were no outstanding expenses owed to the Sponsor.

Note 25 – Foxfire Intermediate School and Foxfire High School Component Units

Basis of Presentation

The Foxfire Intermediate School and the Foxfire High School are accounted for using a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities are included on the statement of net assets. The Foxfire Intermediate School and the Foxfire High School use the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized at the time they are incurred.

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Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The Foxfire Intermediate School and Foxfire High School's financial statements are prepared using the accrual basis of accounting. 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. Revenue resulting from nonexchange transactions, in which the Foxfire Intermediate School and Foxfire High School receives value without directly giving equal value in return, such as grants and entitlements, are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Foxfire Intermediate School and Foxfire High School must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Foxfire Intermediate School and Foxfire High School on a reimbursement basis. Expenses are recognized at the time they are incurred.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Foxfire Intermediate School and Foxfire High School, deferred outflows of resources are reported on the statement of net position for pension and OPEB plans.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the Foxfire Intermediate School and Foxfire High School, deferred inflows of resources include pension and OPEB plans. These amounts have been recorded as a deferred inflow on the statement of net position. Deferred inflows of resources related to pension and OPEB plans are reported on the statement of net position.

Pensions/Other Postemployment Benefits (OPEB)

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

Capital Assets

Property and equipment are recorded at cost if purchased or at estimated fair market value at the date of donation. Expenditures for major additions and improvements are capitalized. Minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. The Foxfire Intermediate School and the Foxfire High School report capital asset depreciation using the straight-line method over the estimated useful life.

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The Foxfire Intermediate School's capital assets during fiscal year 2022 consisted of land, buildings and improvements, and equipment valued at \$1,342,718, with accumulated depreciation of \$272,039 and a remaining book value of \$1,070,679.

The Foxfire High School's capital assets during fiscal year 2022 consisted of land, buildings and improvements, and equipment valued at \$2,363,748 with accumulated depreciation of \$365,780 and a remaining book value of \$1,997,968.

Change in Accounting Principles

The Foxfire Intermediate School and Foxfire High School implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*.

GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the Foxfire Intermediate School and the Foxfire High School's 2022 financial statements; however, both did not have any items that qualified under GASB Statement 87 and there was no effect on beginning net position.

The Foxfire Intermediate School and the Foxfire High School also implemented *Implementation Guide No. 2020-1*, GASB Statement No. 92 –*Omnibus 2020*, and GASB Statement No. 97 - *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. These changes were incorporated in their 2022 financial statements; however, there was no effect on beginning net position.

The Foxfire Intermediate School and the Foxfire High School also implemented the Governmental Accounting Standards Board's (GASB) Statement No. 98, *The Annual Comprehensive Financial Report*. GASB 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for State and local governments.

For fiscal year 2022, the Foxfire Intermediate School and the Foxfire High School modified its approach related to the eligibility requirements of certain grants. This change in approach had no effect on beginning net position.

Related Party Transactions

The Board of Directors of the Foxfire Intermediate School consists of five community members recommended by the Executive Director of the Foxfire Intermediate School after consulting with Maysville Local School District's (Sponsor) Superintendent. The Foxfire Intermediate School is presented as a component unit of the Sponsor. During fiscal year 2022, the Foxfire Intermediate School paid the Sponsor \$52,393 for the sponsorship fee. As of June 30, 2022, there were no amounts owed by the Foxfire Intermediate School to the Sponsor.

The Board of Directors of the Foxfire High School consists of five community members recommended by the Executive Director of the Foxfire High School after consulting with Maysville Local School District's (Sponsor) Superintendent. The Foxfire High School is presented as a component unit of the Sponsor.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
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During fiscal year 2022, \$183,189 was paid to the Sponsor for the sponsorship fee, supplies, utilities, and transportation. As of June 30, 2022, there were no outstanding expenses owed by Foxfire High School to the Sponsor.

Expenses

The chart below represents the Foxfire Intermediate School's fiscal year 2022 expenses on a cash basis.

	Regular Instruction (1100 Function codes)	Special Instruction (1200 Function codes)	Other Instruction (1400 and 1900 Function Codes)	Support Services (2000 Function Codes)	Non- Instructional (3000 through 7000 Function Codes)	Total
<i>Direct expenses:</i>						
Salaries & wages (100 object codes)	\$459,352	\$351,715	\$750	\$228,326	\$1,750	\$1,041,893
Employees' benefits (200 object codes)	207,463	113,594	222	81,986	270	403,535
Professional and technical services (400 object codes)	4,844	0	81,207	473,658	300	560,009
Supplies (500 object codes)	15,291	1,165	0	0	0	16,456
Principal (810 object code)	0	0	0	0	63,763	63,763
Interest (820 object code)	0	0	0	0	34,273	34,273
Total expenses	\$686,950	\$466,474	\$82,179	\$783,970	\$100,356	\$2,119,929

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Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

The chart below represents the Foxfire High School’s fiscal year 2022 expenses on a cash basis.

	Regular Instruction (1100 Function codes)	Special Instruction (1200 Function codes)	Other Instruction (1300 and 1900 Function Codes)	Support Services (2000 Function Codes)	Non- Instructional (3000 through 7000 Function Codes)	Total
<i>Direct expenses:</i>						
Salaries & wages (100 object codes)	\$410,073	\$201,815	\$139,142	\$820,420	\$6,692	\$1,578,142
Employees’ benefits (200 object codes)	122,770	77,155	11,237	298,786	1,034	510,982
Professional and technical services (410 object codes)	32,940	0	203,010	474,086	171,814	881,850
Property services (420 object codes)	0	0	0	41,041	0	41,041
Travel/Meeting Expense (430 object codes)	0	0	0	85	0	85
Advertising /Phone/ Postage/Utilities (440 and 450 object codes)	30,071	0	85,820	0	0	115,891
Transportation (480 object codes)	0	0	5,000	0	0	5,000
Supplies (500 object codes)	59,248	0	16,934	30,165	5,611	111,958
Equipment (640 object codes)	3,749	0	0	479,198	189,842	672,789
Principal (810 object code)	0	0	0	0	63,763	63,763
Interest (820 object code)	0	0	0	0	34,273	34,273
Total expenses	<u>\$658,851</u>	<u>\$278,970</u>	<u>\$461,143</u>	<u>\$2,143,781</u>	<u>\$473,029</u>	<u>\$4,015,774</u>

Defined Benefit Pension Plans

Net Pension Liability

The Foxfire Intermediate School contractually required contribution to SERS was \$17,050 for fiscal year 2022. Of this amount, \$1,131 is reported as an intergovernmental payable. The Foxfire Intermediate School’s contractually required contribution to STRS was \$118,940 for fiscal year 2022. Of this amount, \$27,846 is reported as an intergovernmental payable.

The Foxfire High School contractually required contribution to SERS was \$100,084 for fiscal year 2022. Of this amount, \$18,852 is reported as an intergovernmental payable. The Special Funding Situation contractually required contributions to SERS was \$10,434 (which is included as part of the \$100,084) for fiscal year 2022. The Foxfire High School’s contractually required contribution to STRS was \$159,733 for fiscal year 2022. Of this amount, \$21,547 is reported as an intergovernmental payable.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Foxfire Intermediate School and Foxfire High School's proportion of the net pension liability was based on the Foxfire Intermediate School and Foxfire High School'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:

Foxfire Intermediate School

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net Pension Liability:			
Prior Measurement Date	0.00384450%	0.00533862%	
Current Measurement Date	<u>0.00381500%</u>	<u>0.00697421%</u>	
Change in Proportionate Share	<u>-0.00002950%</u>	<u>0.00163559%</u>	
			<u>Total</u>
Proportionate Share of the Net Pension Liability	\$140,761	\$891,714	\$1,032,475
Pension Expense	\$41,301	\$39,394	\$80,695

Foxfire High School

	<u>SERS</u>		<u>STRS</u>	
	<u>Foxfire High School</u>	<u>Specal Funding Situation</u>		
Proportion of the Net Pension Liability:				
Prior Measurement Date	0.02071700%	0.00204890%	0.00967395%	
Current Measurement Date	<u>0.01777599%</u>	<u>0.00197511%</u>	<u>0.00805513%</u>	
Change in Proportionate Share	<u>-0.00294101%</u>	<u>-0.00007379%</u>	<u>-0.00161882%</u>	
				<u>Total</u>
Proportionate Share of the Net Pension Liability	\$655,880	\$72,876	\$1,029,921	\$1,758,677
Pension Expense	(\$104,124)	(\$11,569)	\$80,894	(\$34,799)

At June 30, 2022, the Foxfire Intermediate School and Foxfire High School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Foxfire Intermediate School

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$13	\$27,549	\$27,562
Changes of assumptions	2,964	247,378	250,342
Changes in proportionate Share and difference between Intermediate School contributions and proportionate share of contributions	28,469	761,131	789,600
Intermediate School contributions subsequent to the measurement date	17,050	118,940	135,990
Total Deferred Outflows of Resources	<u>\$48,496</u>	<u>\$1,154,998</u>	<u>\$1,203,494</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$3,651	\$5,589	\$9,240
Net difference between projected and actual earnings on pension plan investments	72,497	768,488	840,985
Changes in Proportionate Share and Difference between Intermediate School contributions and proportionate share of contributions	1,444	35,782	37,226
Total Deferred Inflows of Resources	<u>\$77,592</u>	<u>\$809,859</u>	<u>\$887,451</u>

\$135,990 reported as deferred outflows of resources related to pension resulting from Foxfire Intermediate School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. 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:			
2022	\$9,710	\$84,555	\$94,265
2023	(16,366)	106,372	90,006
2024	(17,238)	114,158	96,920
2025	(22,252)	(78,886)	(101,138)
Total	<u>(\$46,146)</u>	<u>\$226,199</u>	<u>\$180,053</u>

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
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Foxfire High School

	SERS		STRS	Total
	Foxfire High School	Special Funding Situation		
Deferred Outflows of Resources				
Differences between expected and actual experience	\$64	\$7	\$31,819	\$31,890
Changes of assumptions	13,810	1,535	285,719	301,064
Changes in Proportionate Share and Difference between High School contributions and proportionate share of contributions	0	0	92,663	92,663
High School contributions subsequent to the measurement date	<u>89,650</u>	<u>10,434</u>	<u>159,733</u>	<u>259,817</u>
Total Deferred Outflows of Resources	<u>\$103,524</u>	<u>\$11,976</u>	<u>\$569,934</u>	<u>\$685,434</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$17,010	\$1,890	\$6,456	\$25,356
Net difference between projected and actual earnings on pension plan investments	337,799	37,533	887,594	1,262,926
Changes in Proportionate Share and Difference between High School contributions and proportionate share of contributions	<u>127,669</u>	<u>14,186</u>	<u>708,785</u>	<u>850,640</u>
Total Deferred Inflows of Resources	<u>\$482,478</u>	<u>\$53,609</u>	<u>\$1,602,835</u>	<u>\$2,138,922</u>

\$259,817 reported as deferred outflows of resources related to pension resulting from Foxfire High School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. 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
	Foxfire High School	Special Funding Situation		
Fiscal Year Ending June 30:				
2023	(\$172,047)	(\$19,116)	(\$267,192)	(\$458,355)
2024	(112,557)	(12,506)	(336,880)	(\$461,943)
2025	(80,317)	(8,924)	(337,638)	(\$426,879)
2026	<u>(103,683)</u>	<u>(11,521)</u>	<u>(250,924)</u>	<u>(\$366,128)</u>
Total	<u>(\$468,604)</u>	<u>(\$52,067)</u>	<u>(\$1,192,634)</u>	<u>(\$1,713,305)</u>

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

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
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Foxfire Intermediate School (SERS)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Intermediate School's proportionate share of the net pension liability	\$234,194	\$140,761	\$61,967

Foxfire High School (SERS)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
High School's proportionate share of the net pension liability	\$1,091,227	\$655,880	\$288,737
Special Funding Situation's proportionate share of the net pension liability	\$121,248	\$72,876	\$32,082

The following table presents the Foxfire Intermediate School's and Foxfire High School's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the Intermediate School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

Foxfire Intermediate School (STRS)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Intermediate School's proportionate share of the net pension liability	\$1,669,849	\$891,714	\$234,194

Foxfire High School (STRS)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
High School's proportionate share of the net pension liability	\$1,928,656	\$1,029,921	\$270,491

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System / State Teachers Retirement System. As of June 30, 2022, none of the Foxfire Intermediate School Board of Education members elected Social Security and none of the Foxfire High School Board of Education members elected Social Security.

Postemployment Benefits

For fiscal year 2022, the Foxfire Intermediate School's surcharge obligation was \$2,188. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Foxfire Intermediate School's contractually required contribution to SERS was \$2,188 for fiscal year 2022 and all was reported as an intergovernmental payable.

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
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For fiscal year 2022, the Foxfire High School's surcharge obligation was \$6,995. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The Foxfire High School's contractually required contribution to SERS was \$6,995 for fiscal year 2022 and all was reported as an intergovernmental payable. The Special Funding Situation contractually required contributions to SERS was \$700 (which was included as part of the \$6,995) for fiscal year 2022.

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The Foxfire Intermediate School and Foxfire High School's proportion of the net OPEB liability (asset) was based on the Foxfire Intermediate School and Foxfire High School'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:

Foxfire Intermediate School

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net OPEB Liability:			
Prior Measurement Date	0.00372320%	0.00533862%	
Current Measurement Date	<u>0.00380190%</u>	<u>0.00697421%</u>	
Change in Proportionate Share	<u>0.00007870%</u>	<u>0.00163559%</u>	
			<u>Total</u>
Proportionate Share of the:			
Net OPEB Liability	\$71,956	\$0	\$71,956
Net OPEB (Asset)	\$0	(\$147,046)	(\$147,046)
OPEB Expense	\$2,962	(\$31,281)	(\$28,319)

Foxfire High School

	<u>SERS</u>		<u>STRS</u>	
	<u>Foxfire</u>	<u>Special</u>		
	<u>High School</u>	<u>Funding Situation</u>		
Proportion of the Net OPEB Liability:				
Prior Measurement Date	0.01992350%	0.00197050%	0.00967395%	
Current Measurement Date	<u>0.01686609%</u>	<u>0.00187401%</u>	<u>0.00805513%</u>	
Change in Proportionate Share	<u>-0.00305741%</u>	<u>-0.00009649%</u>	<u>-0.00161882%</u>	
				<u>Total</u>
Proportionate Share of the:				
Net OPEB Liability	\$319,206	\$35,467	\$0	\$354,673
Net OPEB (Asset)	\$0	\$0	(\$169,837)	(\$169,837)
OPEB Expense	(\$6,010)	(\$668)	\$28,612	\$21,934

At June 30, 2022, the Foxfire Intermediate School and Foxfire High School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
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Foxfire Intermediate School

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$767	\$5,236	\$6,003
Changes of assumptions	11,288	9,392	20,680
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	44,717	5,132	49,849
Intermediate School contributions subsequent to the measurement date	2,188	0	2,188
Total Deferred Outflows of Resources	<u>\$58,960</u>	<u>\$19,760</u>	<u>\$78,720</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$35,836	\$26,941	\$62,777
Changes of assumptions	9,853	87,723	97,576
Net difference between projected and actual earnings on OPEB plan investments	1,563	40,758	42,321
Changes in Proportionate Share and Difference between Intermediate School contributions and proportionate share of contributions	16,268	45,009	61,277
Total Deferred Inflows of Resources	<u>\$63,520</u>	<u>\$200,431</u>	<u>\$263,951</u>

\$2,188 reported as deferred outflows of resources related to OPEB resulting from Foxfire Intermediate School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. 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:			
2023	(\$4,405)	(\$61,175)	(\$65,580)
2024	(4,416)	(60,154)	(64,570)
2025	(1,304)	(38,297)	(39,601)
2026	2,648	(16,528)	(13,880)
2027	1,648	(4,790)	(3,142)
Thereafter	(919)	273	(646)
Total	<u>(\$6,748)</u>	<u>(\$180,671)</u>	<u>(\$187,419)</u>

Maysville Local School District, Ohio
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Foxfire High School

	SERS		STRS	Total
	Foxfire High School	Special Funding Situation		
Deferred Outflows of Resources				
Differences between expected and actual experience	\$3,402	\$378	\$6,047	\$9,827
Changes of assumptions	50,076	5,564	10,848	66,488
Changes in proportionate Share and difference between High School contributions and proportionate share of contributions	56,291	6,255	98,003	160,549
High School contributions subsequent to the measurement date	6,295	700	0	6,995
Total Deferred Outflows of Resources	<u>\$116,064</u>	<u>\$12,897</u>	<u>\$114,898</u>	<u>\$243,859</u>
Deferred Inflows of Resources				
Differences between expected and actual experience	\$158,978	\$17,664	\$31,117	\$207,759
Changes of assumptions	43,713	4,857	101,320	149,890
Net difference between projected and actual earnings on OPEB plan investments	6,934	771	47,076	54,781
Changes in Proportionate Share and Difference between High School contributions and proportionate share of contributions	120,774	13,419	5,158	139,351
Total Deferred Inflows of Resources	<u>\$330,399</u>	<u>\$36,711</u>	<u>\$184,671</u>	<u>\$551,781</u>

\$6,995 reported as deferred outflows of resources related to OPEB resulting from Foxfire High School contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. 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
	Foxfire High School	Special Funding Situation		
Fiscal Year Ending June 30:				
2023	(\$38,690)	(\$4,299)	(\$5,915)	(\$48,904)
2024	(38,739)	(4,304)	(4,739)	(47,782)
2025	(46,886)	(5,210)	(30,807)	(82,903)
2026	(50,391)	(5,599)	(20,789)	(76,779)
2027	(33,855)	(3,762)	(7,542)	(45,159)
Thereafter	(12,069)	(1,340)	19	(13,390)
Total	<u>(\$220,630)</u>	<u>(\$24,514)</u>	<u>(\$69,773)</u>	<u>(\$314,917)</u>

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
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The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

Foxfire Intermediate School (SERS)

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
Intermediate School's proportionate share of the net OPEB liability	\$89,160	\$71,956	\$58,209

	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
Intermediate School's proportionate share of the net OPEB liability	\$55,399	\$71,956	\$94,067

Foxfire High School (SERS)

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
High School's proportionate share of the net OPEB liability	\$395,533	\$319,206	\$258,228
Special Funding Situation's proportionate share of the net OPEB liability	\$43,948	\$35,467	\$28,692

	1% Decrease (5.75 % decreasing to 3.40%)	Current Trend Rate (6.75 % decreasing to 4.40%)	1% Increase (7.75 % decreasing to 5.40%)
High School's proportionate share of the net OPEB liability	\$245,761	\$319,206	\$417,302
Special Funding Situation's proportionate share of the net OPEB liability	\$27,307	\$35,467	\$46,367

The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

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Notes to the Basic Financial Statements
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Foxfire Intermediate School (STRS)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Intermediate School's proportionate share of the net OPEB asset	(\$124,084)	(\$147,046)	(\$166,227)
	1% Decrease	Current Trend Rate	1% Increase
Intermediate School's proportionate share of the net OPEB asset	(\$165,449)	(\$147,046)	(\$124,287)

Foxfire High School (STRS)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
High School's proportionate share of the net OPEB asset	(\$143,315)	(\$169,837)	(\$191,990)
	1% Decrease	Current Trend Rate	1% Increase
High School's proportionate share of the net OPEB asset	(\$191,092)	(\$169,837)	(\$143,550)

Long-Term Obligations

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

	Outstanding 06/30/2021	Additions	Deletions	Outstanding 06/30/2022	Due Within One Year
Loans from Direct Placement	\$646,485	\$0	\$63,763	\$582,722	\$67,343
Net Pension Liability:					
SERS	254,283	0	113,522	140,761	0
STRS	1,291,757	0	400,043	891,714	0
Total Net Pension Liability	1,546,040	0	513,565	1,032,475	0
Net OPEB Liability:					
SERS	80,917	0	8,961	71,956	0
Compensated Absences	12,071	22,407	0	34,478	0
Total Long-Term Obligations	\$2,285,513	\$22,407	\$586,289	\$1,721,631	\$67,343

Maysville Local School District, Ohio
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The changes in the Foxfire High School’s long-term obligations during the year consist of the following:

	Outstanding 06/30/2021	Additions	Deletions	Outstanding 06/30/2022	Due Within One Year
Loans from Direct Placement	\$646,485	\$0	\$63,763	\$582,722	\$67,343
Net Pension Liability:					
SERS	1,505,785	0	777,029	728,756	0
STRS	2,340,751	0	1,310,830	1,029,921	0
Total Net Pension Liability	3,846,536	0	2,087,859	1,758,677	0
Net OPEB Liability:					
SERS	475,828	0	121,155	354,673	0
Compensated Absences	89,313	24,846	0	114,159	0
Total Long-Term Obligations	<u>\$5,058,162</u>	<u>\$24,846</u>	<u>\$2,272,777</u>	<u>\$2,810,231</u>	<u>\$67,343</u>

On August 9, 2019, the Foxfire Intermediate School, together with the Foxfire High School, purchased the facilities utilized by the Foxfire Intermediate School and Foxfire High School from the Sponsor. The purchase price was \$1,500,000. The Foxfire Intermediate School and the Foxfire High School received a loan through a direct borrowing from Peoples State Bank which matures August 9, 2026. The loan was for \$1,500,000 and was issued in both the Foxfire Intermediate School and the Foxfire High School’s names and repayments will be made fifty percent from the Foxfire Intermediate School and fifty percent from the Foxfire High School.

The following is a summary of the Foxfire Intermediate School’s future annual debt service requirements for long-term obligations:

Fiscal Year Ending June 30,	Principal	Interest
2023	\$67,343	\$30,693
2024	71,054	26,982
2025	75,113	22,923
2026	79,330	18,705
2027	289,882	4,019
Total	<u>\$582,722</u>	<u>\$103,322</u>

The following is a summary of the Foxfire High School’s future annual debt service requirements for long-term obligations:

Fiscal Year Ending June 30,	Principal	Interest
2023	\$67,343	\$30,693
2024	71,054	26,982
2025	75,113	22,923
2026	79,330	18,705
2027	289,882	4,019
Total	<u>\$582,722</u>	<u>\$103,322</u>

Maysville Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During fiscal year 2022, the Foxfire Intermediate School and the Foxfire High School received COVID-19 funding in the form of the Elementary and Secondary School Emergency Relief funding and American Rescue Plan Elementary and Secondary Relief funding. The financial impact of COVID-19 and the continuing recovery measures will impact subsequent periods of the Foxfire Intermediate School and the Foxfire High School. The impact on the Foxfire Intermediate School and the Foxfire High School's future operating costs, revenues, and additional recovery from funding, either federal or State, cannot be estimated. The Foxfire Intermediate School and the Foxfire High School's investment portfolio and the investments of the pension and other employee benefit plans in which the Foxfire Intermediate School and the Foxfire High School participates fluctuate with market conditions, and due to market volatility, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined.

Relationship between Foxfire High School and Foxfire Intermediate School

Foxfire High School and Foxfire Intermediate School share the same building, in which certain utilities, insurance and maintenance expenses are paid exclusively by Foxfire High School. Additionally, employees paid exclusively by Foxfire High School are also utilized by Foxfire Intermediate School. The amount of these shared services paid by Foxfire High School and benefiting Foxfire Intermediate School totaled approximately \$391,353 for fiscal year 2022.

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Maysville Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Nine Fiscal Years (1) **

	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.0810005%	0.0801847%	0.0838181%	0.0902630%
School District's Proportionate Share of the Net Pension Liability	\$2,988,685	\$5,303,585	\$5,014,984	\$5,169,529
School District's Covered Payroll	\$2,920,700	\$2,809,964	\$2,874,237	\$2,905,800
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	102.33%	188.74%	174.48%	177.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%	71.36%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

See accompanying notes to required supplementary information

2018	2017	2016	2015	2014
0.0895916%	0.0970485%	0.0965744%	0.0939690%	0.0939690%
\$5,352,900	\$7,103,055	\$5,510,629	\$4,755,718	\$5,588,035
\$2,995,957	\$3,005,071	\$2,901,886	\$2,764,502	\$2,746,107
178.67%	236.37%	189.90%	172.03%	203.49%
69.50%	62.98%	69.16%	71.70%	65.52%

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

	2022	2021	2020
School District's Proportion of the Net OPEB Liability	0.0839295%	0.0834776%	0.0859411%
School District's Proportionate Share of the Net OPEB Liability	\$1,588,435	\$1,814,241	\$2,161,238
School District's Covered Payroll	\$2,920,700	\$2,809,964	\$2,874,237
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	54.39%	64.56%	75.19%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%

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

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

See accompanying notes to required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.0912432%	0.0911711%	0.0980030%
\$2,531,333	\$2,446,793	\$2,793,448
\$2,905,800	\$2,995,957	\$3,005,071
87.11%	81.67%	92.96%
13.57%	12.46%	11.49%

Maysville Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Nine Fiscal Years (1) **

	2022	2021	2020	2019
School District's Proportion of the Net Pension Liability	0.073818436%	0.075930080%	0.078166990%	0.080468900%
School District's Proportionate Share of the Net Pension Liability	\$9,438,351	\$18,372,378	\$17,286,160	\$17,693,304
School District's Covered Payroll	\$9,173,693	\$9,154,943	\$9,197,400	\$9,185,293
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	102.88%	200.68%	187.95%	192.63%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%	77.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each year.

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

See accompanying notes to required supplementary information

2018	2017	2016	2015	2014
0.082180010%	0.086374070%	0.085569810%	0.090065160%	0.090065160%
\$19,522,038	\$28,912,005	\$23,648,993	\$21,906,964	\$26,095,432
\$9,053,314	\$9,093,564	\$8,847,457	\$9,093,300	\$10,063,485
215.63%	317.94%	267.30%	240.91%	259.31%
75.30%	66.80%	72.10%	74.70%	69.30%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>
School District's Proportion of the Net OPEB (Asset) Liability	0.073818436%	0.075930080%	0.078166990%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$1,556,402)	(\$1,334,470)	(\$1,294,632)
School District's Covered Payroll	\$9,173,693	\$9,154,943	\$9,197,400
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-16.97%	-14.58%	-14.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset) Liability	174.70%	182.10%	174.70%

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

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

See accompanying notes to required supplementary information

2019	2018	2017
0.080468900%	0.082180010%	0.086374070%
(\$1,293,052)	\$3,206,361	\$4,619,308
\$9,185,293	\$9,053,314	\$9,093,564
-14.08%	35.42%	50.80%
176.00%	47.10%	37.30%

Maysville Local School District, Ohio
Required Supplementary Information
Schedule of the School District Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Pension Liability				
Contractually Required Contribution	\$406,675	\$408,898	\$393,395	\$388,022
Contributions in Relation to the Contractually Required Contribution	<u>(406,675)</u>	<u>(408,898)</u>	<u>(393,395)</u>	<u>(388,022)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$2,904,821	\$2,920,700	\$2,809,964	\$2,874,237
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>
Net OPEB Liability				
Contractually Required Contribution (2)	\$52,433	\$55,798	\$54,905	\$67,033
Contributions in Relation to the Contractually Required Contribution	<u>(52,433)</u>	<u>(55,798)</u>	<u>(54,905)</u>	<u>(67,033)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Contributions as a Percentage of Covered Payroll	<u>1.81%</u>	<u>1.91%</u>	<u>1.95%</u>	<u>2.33%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.81%</u>	<u>15.91%</u>	<u>15.95%</u>	<u>15.83%</u>

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

(2) Includes Surcharge

See accompanying notes to required supplementary information

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$392,283	\$419,434	\$420,710	\$382,469	\$383,160	\$380,061
<u>(392,283)</u>	<u>(419,434)</u>	<u>(420,710)</u>	<u>(382,469)</u>	<u>(383,160)</u>	<u>(380,061)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,905,800	\$2,995,957	\$3,005,071	\$2,901,886	\$2,764,502	\$2,746,107
<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>	<u>13.86%</u>	<u>13.84%</u>
\$62,363	\$50,876	\$48,110	\$73,551	\$50,373	\$49,640
<u>(62,363)</u>	<u>(50,876)</u>	<u>(48,110)</u>	<u>(73,551)</u>	<u>(50,373)</u>	<u>(49,640)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>2.15%</u>	<u>1.70%</u>	<u>1.60%</u>	<u>2.53%</u>	<u>1.82%</u>	<u>1.81%</u>
<u>15.65%</u>	<u>15.70%</u>	<u>15.60%</u>	<u>15.71%</u>	<u>15.68%</u>	<u>15.65%</u>

Maysville Local School District, Ohio
Required Supplementary Information
Schedule of the School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Pension Liability				
Contractually Required Contribution	\$1,336,359	\$1,284,317	\$1,281,692	\$1,287,636
Contributions in Relation to the Contractually Required Contribution	<u>(1,336,359)</u>	<u>(1,284,317)</u>	<u>(1,281,692)</u>	<u>(1,287,636)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$9,545,421	\$9,173,693	\$9,154,943	\$9,197,400
Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

See accompanying notes to required supplementary information

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$1,285,941	\$1,267,464	\$1,273,099	\$1,238,644	\$1,182,129	\$1,308,253
<u>(1,285,941)</u>	<u>(1,267,464)</u>	<u>(1,273,099)</u>	<u>(1,238,644)</u>	<u>(1,182,129)</u>	<u>(1,308,253)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$9,185,293	\$9,053,314	\$9,093,564	\$8,847,457	\$9,093,300	\$10,063,485
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.00%</u>	<u>13.00%</u>
\$0	\$0	\$0	\$0	\$90,933	\$100,635
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(90,933)</u>	<u>(100,635)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

Maysville Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2022, an assumption of 2.0 percent was used for COLA or Ad Hoc Cola. For fiscal years 2018 through 2021, an assumption of 2.5 percent was used. Prior to 2018, an assumption of 3 percent was used.

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

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

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

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

Changes in Assumptions - STRS

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

Maysville Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

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

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

Net OPEB Liability

Changes in Assumptions – SERS

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

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

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

Maysville Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

Municipal Bond Index Rate:	
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

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

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

Changes in Benefit Terms – STRS OPEB

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

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

Maysville Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

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

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

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

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**MAYSVILLE LOCAL SCHOOL DISTRICT
MUSKINGUM COUNTY**

**SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FEDERAL GRANTOR Pass-Through Grantor Program Title	Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal Receipts	Total Federal Disbursements
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Non-Cash Assistance:				
National School Lunch Program	10.555	2021/2022	\$90,349	\$90,349
Cash Assistance:				
School Breakfast Program	10.553	2021/2022	587,838	471,530
National School Lunch Program	10.555	2021/2022	1,109,397	893,397
COVID-19 CN COVID Food Pro Manf.	10.555	2021/2022	34,559	34,559
COVID-19 CNP COVID3 Emergency CST	10.555	2021/2022	4,603	4,603
Cash Assistance Subtotal			<u>1,736,397</u>	<u>1,404,089</u>
Total Child Nutrition Cluster			1,826,746	1,494,438
COVID-19 SNAP State/Local PEBT	10.649	2021/2022	<u>3,063</u>	<u>3,063</u>
Total U.S. Department of Agriculture			1,829,809	1,497,501
U.S. DEPARTMENT OF TREASURY				
<i>Passed Through Ohio Department of Education:</i>				
COVID-19 Coronavirus Relief Fund - Broadband Ohio Connectivity	21.019	2022	<u>3,335</u>	<u>2,687</u>
Total U.S. Department of Treasury			3,335	2,687
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010	2021 2022	91,024 <u>424,745</u>	91,024 <u>424,745</u>
Total Title I Grants to Local Educational Agencies			515,769	515,769
Special Education Cluster:				
Special Education Grants to States	84.027	2021 2022	83,611 389,330	83,611 389,330
COVID-19 Special Education Grants	84.027X	2022	<u>33,051</u>	<u>33,051</u>
Total Special Education Grants to States			505,992	505,992
COVID-19 Special Education Preschool Grants	84.173X	2022	6,775	6,775
Special Education Preschool Grants	84.173	2022	<u>16,222</u>	<u>16,222</u>
Total Special Education Preschool Grants to States			<u>22,997</u>	<u>22,997</u>
Total Special Education Cluster			528,989	528,989
Twenty-First Century Community Learning Centers	84.287	2021 2022	42,224 602,364	39,034 611,231
Total Twenty-First Century Community Learning Centers			<u>644,588</u>	<u>650,265</u>
Supporting Effective Instruction State Grants	84.367	2022	<u>32,858</u>	<u>32,858</u>
Total Supporting Effective Instruction State Grants			32,858	32,858
Student Support & Academic Enrichment Program	84.424	2022	<u>33,069</u>	<u>33,069</u>
Total Student Support & Academic Enrichment Program			33,069	33,069
Education Stabilization Fund				
COVID-19 Elementary and Secondary School Relief Fund	84.425D	2022	642,702	635,048
COVID-19 ARP ESSER Fund	84.425U	2022	834,981	890,403
COVID-19 ARP Homeless Fund	84.425W	2022	<u>14,846</u>	<u>14,846</u>
Total Education Stabilization Fund			<u>1,492,529</u>	<u>1,540,297</u>
Total U.S. Department of Education			3,247,802	3,301,247
Total Federal Awards Receipts and Expenditures			<u>\$5,080,946</u>	<u>\$4,801,435</u>

The accompanying notes are an integral part of this Schedule.

**MAYSVILLE LOCAL SCHOOL DISTRICT
MUSKINGUM COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) includes the federal award activity of Maysville Local School District (the School District), under programs of the federal government for the year ended June 30, 2022. 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, changes in net position, or cash flows of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - SUBRECIPIENTS

The School District did not provide funds to subreipients during the audit period.

NOTE E - 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 F – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Maysville Local School District
Muskingum County
3715 Panther Drive
Zanesville, Ohio 43701

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Maysville Local School District, Muskingum County, Ohio (the School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated February 17, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

February 17, 2023

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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

Maysville Local School District
Muskingum County
3715 Panther Drive
Zanesville, Ohio 43701

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Maysville Local School District's, Muskingum County, Ohio (the School District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Maysville Local School District's major federal program for the year ended June 30, 2022. Maysville Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Maysville 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, 2022.

Basis for Opinion on the Major Federal Program

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

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

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The School District's basic financial statements include the operations of the Foxfire High School and Foxfire Intermediate School, which expended \$1,119,869 and \$427,887, respectively, in federal awards which is not included in the School District's Schedule of Receipts and Expenditures of Federal Awards during the year ended June 30, 2022. Our compliance audit, described in the "Opinion on the Major Federal Program," does not include the operations of the Foxfire High School because the Foxfire High School engaged separately to perform an audit of compliance in accordance with the Uniform Guidance for the year ended June 30, 2022, and does not include the operations of the Foxfire Intermediate School because the Foxfire Intermediate School expended less than \$750,000 of Federal awards for the year ended June 30, 2022

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

February 17, 2023

**MAYSVILLE LOCAL SCHOOL DISTRICT
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Education Stabilization Fund - AL# 84.425D/84.425U/84.425W
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



MAYSVILLE LOCAL SCHOOL DISTRICT

MUSKINGUM COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/7/2023

88 East Broad 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
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