



**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY  
SINGLE AUDIT  
FOR THE YEAR ENDED JUNE 30, 2023**



OHIO AUDITOR OF STATE  
KEITH FABER



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Board of Education  
Madison-Plains Local School District  
55 Linson Road SW  
London, OH 43140-9751

We have reviewed the *Independent Auditor's Report* of the Madison-Plains Local School District, Madison County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

March 08, 2024

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

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor’s Report .....	1
Management’s Discussion and Analysis .....	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	15
Statement of Activities .....	16
Fund Financial Statements:	
Balance Sheet-Governmental Funds .....	17
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	20
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) - General Fund .....	21
Statement of Changes in Fiduciary Net Position.....	22
Notes to the Basic Financial Statements.....	23
Required Supplementary Information:	
Schedule of the District’s Proportionate Share of the Net Pension Liability School Employees Retirement System (SERS) of Ohio.....	61
Schedule of the District’s Proportionate Share of the Net Pension Liability State Teachers Retirement System (STRS) of Ohio .....	63
Schedule of District Pension Contributions School Employees Retirement System (SERS) of Ohio.....	65
Schedule of District Pension Contributions State Teachers Retirement System (STRS) of Ohio .....	67
Schedule of the District’s Proportionate Share of the Net OPEB Liability School Employees Retirement System (SERS) of Ohio.....	69
Schedule of the District’s Proportionate Share of the Net OPEB Liability/Asset State Teachers Retirement System (STRS) of Ohio .....	71

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

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Schedule of District OPEB Contributions School Employees Retirement System (SERS) of Ohio.....	73
Schedule of District OPEB Contributions State Teachers Retirement System (STRS) of Ohio .....	75
Notes to the Required Supplementary Information .....	77
Schedule of Expenditures of Federal Awards.....	82
Notes to the Schedule of Expenditures of Federal Awards .....	83
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	84
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.....	86
Schedule of Audit Findings – 2 CFR § 200.515.....	89



## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Madison-Plains Local School District**, Madison County, Ohio (School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Madison-Plains Local School District, Madison County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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

***Supplementary information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 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.



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

December 29, 2023

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

The management's discussion and analysis of Madison-Plains Local School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position increased \$640,523, which represents a 58.49% increase from 2022's net position.
- General revenues accounted for \$13,989,224 in revenue or 74.21% of all governmental activities revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,861,334 or 25.79% of total governmental activities revenues of \$18,850,558.
- The District had \$18,210,035 in expenses related to governmental activities; only \$4,861,334 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$13,989,224 were adequate enough to provide for these programs.
- The District's major governmental funds are the general fund and the permanent improvement fund. The general fund had \$14,351,204 in revenues and \$15,579,972 in expenditures and other financing uses. The general fund's fund balance decreased \$1,228,768 from \$6,571,438 to \$5,342,670.
- The permanent improvement fund had \$1,881,470 in revenues and other financing sources and \$514,900 in expenditures. The permanent improvement fund's fund balance increased \$1,366,570 from \$407,038 to \$1,773,608.

**Using the Basic Financial Statements**

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

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

**Reporting the District as a Whole**

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

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did the District perform financially during fiscal year 2023?" The statement of net position and the statement of activities answer this question. These statements include all non-fiduciary assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses, using the accrual basis of accounting, similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

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

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

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

***Fund Financial Statements***

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

***Governmental Funds***

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

**Reporting the District's Fiduciary Responsibilities**

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

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

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

***Required Supplementary Information***

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2023 and June 30, 2022.

	<b>Net Position</b>	
	Governmental Activities 2023	Governmental Activities 2022
<b><u>Assets</u></b>		
Current and other assets	\$ 18,194,611	\$ 14,267,977
Net OPEB asset	1,373,371	1,111,200
Capital assets, net	<u>6,330,239</u>	<u>6,400,314</u>
Total assets	<u>25,898,221</u>	<u>21,779,491</u>
<b><u>Deferred Outflows of Resources</u></b>		
Pension & OPEB	<u>3,731,117</u>	<u>3,724,784</u>
Total deferred outflows of resources	<u>3,731,117</u>	<u>3,724,784</u>
<b><u>Liabilities</u></b>		
Current liabilities	1,795,486	1,851,279
Long-term liabilities:		
Due within one year	34,457	63,430
Due in more than one year:		
Pension & OPEB	15,605,001	9,920,024
Other amounts	<u>740,033</u>	<u>717,778</u>
Total liabilities	<u>18,174,977</u>	<u>12,552,511</u>
<b><u>Deferred Inflows of Resources</u></b>		
Property taxes levied for next year	8,116,701	4,322,120
Payments in lieu of taxes	-	10,414
Pension & OPEB	<u>3,792,312</u>	<u>9,714,405</u>
Total deferred inflows of resources	<u>11,909,013</u>	<u>14,046,939</u>
<b><u>Net Position</u></b>		
Net investment in capital assets	6,330,239	6,400,313
Restricted	2,648,359	1,048,504
Unrestricted (deficit)	<u>(9,433,250)</u>	<u>(8,543,992)</u>
Total net position	<u>\$ (454,652)</u>	<u>\$ (1,095,175)</u>

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

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27." The School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

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

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

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

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

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

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

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

*Analysis of Net Position*

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$454,652.

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

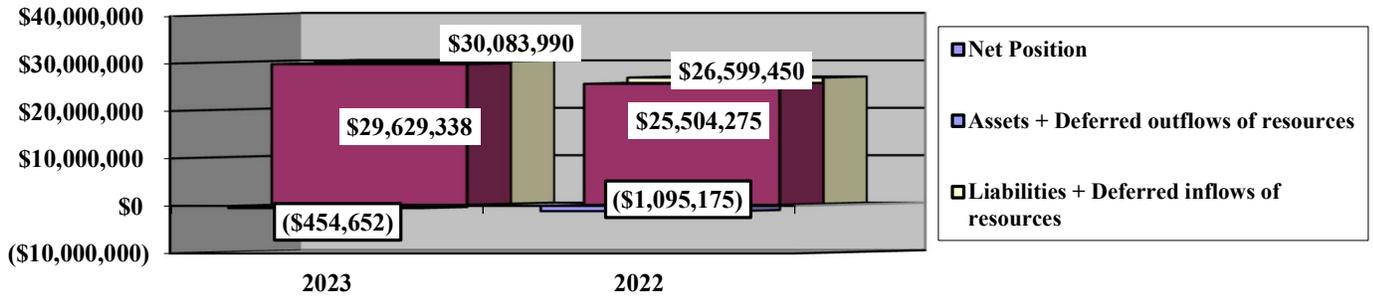
The net pension liability increased and the deferred inflows of resources related to pension decreased. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year’s large positive investment returns. This factor is outside of the control of the District. The District contributes its statutorily required contributions to the pension and OPEB systems; however, it’s the pension and OPEB systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

Capital assets reported on the government-wide statements represented 24.44% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment and vehicles. The District did not have any outstanding debt associated with capital assets.

A portion of the District’s net position, \$2,648,359 represents resources that are subject to external restriction on how they may be used. The remaining balance governmental activities of unrestricted net position is a deficit of \$9,433,250, which is caused by the reporting of the net pension and OPEB liability described above.

The graph below shows the District’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2023 and June 30, 2022.

**Governmental Activities**



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

The table below shows the change in net position for fiscal years 2023 and 2022.

	<b>Change in Net Position</b>	
	Governmental Activities 2023	Governmental Activities 2022
	<u>2023</u>	<u>2022</u>
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 1,084,034	\$ 818,947
Operating grants and contributions	1,597,300	2,527,290
Capital grants and contributions	2,180,000	-
General revenues:		
Property taxes	5,255,817	7,632,861
Income taxes	3,162,748	2,884,025
Grants and entitlements	5,295,386	5,611,956
Payments in lieu of taxes	12,583	21,660
Other	262,690	107,074
Total revenues	<u>18,850,558</u>	<u>19,603,813</u>
Program expenses:		
Instruction:		
Regular	7,368,008	7,021,591
Special	1,908,974	1,486,312
Vocational	312,041	273,552
Support services:		
Pupil	1,004,144	848,444
Instructional staff	552,636	659,161
Board of education	126,996	65,848
Administration	1,485,696	1,359,528
Fiscal	652,614	609,216
Operations and maintenance	1,270,104	994,839
Pupil transportation	1,643,282	1,255,896
Central	324,796	212,379
Operations of non-instructional services:		
Food service operations	728,206	651,761
Other non-instructional services	15,562	-
Extracurricular activities	<u>816,976</u>	<u>674,191</u>
Total expenses	<u>18,210,035</u>	<u>16,112,718</u>
Change in net position	640,523	3,491,095
Net position (deficit) at beginning of year	<u>(1,095,175)</u>	<u>(4,586,270)</u>
Net position (deficit) at end of year	<u>\$ (454,652)</u>	<u>\$ (1,095,175)</u>

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

Overall, expenses of the governmental activities increased \$2,097,317. This increase is primarily the result of an increase in pension expense. This increase was the result of an increase in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income on investments compared to previous years.

**Governmental Activities**

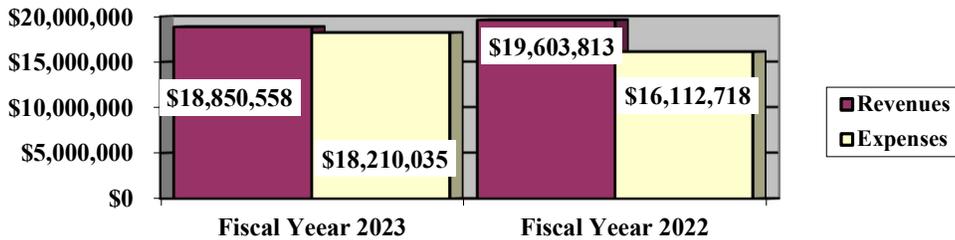
The net position of the District’s governmental activities increased \$640,523. Total governmental expenses of \$18,210,035 were offset by program revenues of \$4,861,334 and general revenues of \$13,989,224. Program revenues supported 26.70% of the total governmental expenses.

In the area of program revenues, operating grants and contributions decreased, which is primarily attributable to Elementary and Secondary School Emergency (ESSER) funding received in the prior year in response to the COVID-19 pandemic. The capital grants in 2023 were for school bus purchases and school safety improvements.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements. These two revenue sources represent 55.97% of total governmental revenue. The decrease in property tax revenue was due to a decrease in the amount of taxes available for advance in fiscal year 2023, which is a result of the timing of tax collection by the County.

The graph below presents the District’s governmental activities revenue and expenses for fiscal years 2023 and 2022.

**Governmental Activities - Revenues and Expenses**



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for fiscal years 2023 and 2022. That is, it identifies the cost of these services supported by tax revenue and unrestricted State grants and entitlements.

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

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

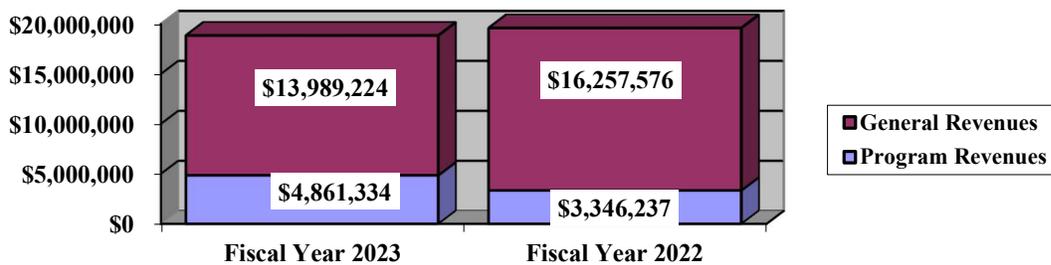
**Governmental Activities**

	Total Cost of Services <u>2023</u>	Net Cost of Services <u>2023</u>	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2022</u>
Program expenses:				
Instruction:				
Regular	\$ 7,368,008	\$ 6,724,465	\$ 7,021,591	\$ 5,729,282
Special	1,908,974	1,287,236	1,486,312	1,125,616
Vocational	312,041	257,557	273,552	262,650
Support services:				
Pupil	1,004,144	870,275	848,444	811,677
Instructional staff	552,636	463,448	659,161	398,924
Board of education	126,996	126,996	65,848	65,848
Administration	1,485,696	1,431,636	1,359,528	1,290,880
Fiscal	652,614	652,614	609,216	609,216
Operations and maintenance	1,270,104	849,399	994,839	994,839
Pupil transportation	1,643,282	(173,158)	1,255,896	1,246,799
Central	324,796	317,596	212,379	208,836
Operation of non-instructional services:				
Food service operations	728,206	69,048	651,761	(312,774)
Other non-instructional services	15,562	15,562	-	-
Extracurricular activities	816,976	456,027	674,191	334,688
Total expenses	<u>\$ 18,210,035</u>	<u>\$ 13,348,701</u>	<u>\$ 16,112,718</u>	<u>\$ 12,766,481</u>

The dependence upon tax revenues during fiscal year 2023 for governmental activities is apparent, as 86.24% of instruction activities are supported through taxes and other general revenues. In fiscal year 2023, 73.30% of total governmental activities program expenses were supported by general revenues. The District’s taxpayers and unrestricted grants and entitlements from the State of Ohio as a whole, are the primary support for the District’s students.

The graph below presents the District’s governmental activities revenue for fiscal years 2023 and 2022.

**Governmental Activities - General and Program Revenues**



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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

**The District's Funds**

The District's governmental funds reported a combined fund balance of \$7,552,820, which is \$190,944 greater than last year's total balance of \$7,361,876. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and June 30, 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Change
General	\$ 5,342,670	\$ 6,571,438	\$ (1,228,768)
Permanent improvement	1,773,608	407,038	1,366,570
Nonmajor governmental	436,542	383,400	53,142
Total	<u>\$ 7,552,820</u>	<u>\$ 7,361,876</u>	<u>\$ 190,944</u>

**General Fund**

The District's general fund balance decreased \$1,228,768 during fiscal year 2023.

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

	2023 Amount	2022 Amount	Change	Change
<b><u>Revenues</u></b>				
Taxes	\$ 8,104,305	\$ 10,213,065	\$ (2,108,760)	(20.65) %
Tuition and fees	387,225	357,958	29,267	8.18 %
Earnings on investments	87	5	82	1,640.00 %
Extracurricular	11,780	11,775	5	0.04 %
Other	263,308	113,012	150,296	132.99 %
Payments in lieu of taxes	12,583	21,660	(9,077)	(41.91) %
Intergovernmental	5,571,916	5,569,997	1,919	0.03 %
Total	<u>\$ 14,351,204</u>	<u>\$ 16,287,472</u>	<u>\$ (1,936,268)</u>	<u>(11.89) %</u>

Revenues of the general fund decreased \$1,936,268 or 11.89%. This decrease was a result in the amount of taxes available for advance from Madison County, which is based on the timing of tax collection. All other revenue remained relatively unchanged from previous year.

	2023 Amount	2022 Amount	Change	Change
<b><u>Expenditures</u></b>				
Instruction	\$ 8,559,192	\$ 8,324,589	\$ 234,603	2.82 %
Support services	6,481,010	5,967,644	513,366	8.60 %
Extracurricular activities	494,770	458,066	36,704	8.01 %
Debt service	-	43,535	(43,535)	(100.00) %
Total	<u>\$ 15,534,972</u>	<u>\$ 14,793,834</u>	<u>\$ 741,138</u>	<u>5.01 %</u>

Expenditures of the general fund increased \$741,138 or 5.01%. In fiscal year 2022, the District received ESSER grant funds and was able to expense costs that are normally paid from the general fund to the nonmajor special revenue fund. The District used less ESSER funding in fiscal year 2023. In addition, the District costs for salaries and benefits increased in accordance with negotiated labor agreements. The debt service payments were for a copier lease that ended in fiscal year 2022.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED

***General Fund Budgeting Highlights***

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

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

For the general fund, original and final budgeted revenues and other financing sources were \$16,166,984 and \$16,915,523, respectively. Actual revenues and other financing sources were \$17,102,044, which were \$186,521 higher than the final budgeted revenues and other financing sources.

General fund original and final appropriations and other financing uses were \$15,988,029 and \$16,418,226, respectively. The actual budget basis expenditures and other financing uses of \$15,904,654 were \$513,572 lower than the final budgeted appropriations and other financing uses.

**Capital Assets**

***Capital Assets***

At the end of fiscal year 2023, the District had \$6,330,239 invested in land, land improvements, buildings and improvements, furniture and equipment, vehicles, infrastructure, right to use-software, and textbooks.

The following table shows June 30, 2023 balances compared to June 30, 2022.

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

	Governmental Activities	
	2023	2022
Land	\$ 202,377	\$ 202,377
Land improvements	363,256	427,840
Building and improvements	3,443,168	3,620,986
Furniture and fixtures	1,184,794	1,180,726
Vehicles	1,088,811	900,122
Infrastructure	25,219	37,454
Right to use - software	10,753	-
Textbooks	11,861	30,809
Total	\$ 6,330,239	\$ 6,400,314

The decrease in capital assets, net of depreciation, of \$70,075 is attributable to current year depreciation of \$633,260 exceeding capital outlays of \$563,185 during 2023. See Note 9 to the basic financial statements for additional information on the District's capital assets.

**Current Financial Related Activities**

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
UNAUDITED**

The School District is entering the second year of a three year negotiated agreement with the Madison Plains Education Association and the Ohio Association of Public School Employees. The School District completed negotiations with both MPEA and OAPSE in summer 2022. A three year contract was agreed upon. The MPEA contract calls for a 1 percent base increase in the first year, a 1 percent base increase in the second year, and a 1 percent increase in year three of the agreement on a traditional column and step salary schedule (Legacy Schedule), as well as an optional performance based alternative salary schedule (MP COMPASS Schedule) at a maximum 4 percent overall increase to the group in the first year, a maximum 4 percent overall increase to the group in year two, and a maximum 5 percent overall increase to the group in year three of the agreement. The OAPSE contract calls for a 3 percent base increase in the first, second and third year of the agreement on a traditional column and step salary schedule with \$0.25 increments between each step. Each agreement also calls for an insurance cap of 12 percent. Should the insurance increase exceed 12 percent the percentage split between the School District and the employees of premium costs increases from an 80/20 School District/Employee percentage split, to a 50/50 School District/Employee percentage split.

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

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

The district was on the ballot May 2, 2023 for a \$63 million bond issue to fund a \$68 million pk-12 new facility project in partnership with the Ohio Facilities Construction Commission (OFCC) to replace existing facilities. The issue failed. The district is back on the ballot November 7, 2023 at a lesser \$55 million bond issue for the same \$68 million project with the additional \$7.6 million to come from existing district funds and revenue sources. The district has also secured financing with the United States Dept. of Agriculture – Rural Development office (USDA-RD) at a lower guaranteed 3.625% finance rate for a maximum of 37 years should the bond issue pass.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact: Mr. Todd Mustain, Treasurer of Madison-Plains Local School District, at 55 Linson road SW, London, Ohio 43140.

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

STATEMENT OF NET POSITION  
JUNE 30, 2023

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and cash equivalents	\$ 8,266,687
Receivables:	
Property taxes	8,468,985
Income taxes	1,169,392
Intergovernmental	280,803
Prepayments	2,809
Materials and supplies inventory	1,201
Inventory held for resale	4,734
Net OPEB asset	1,373,371
Capital assets:	
Nondepreciable capital assets	202,377
Depreciable capital assets, net	6,127,862
Capital assets, net	6,330,239
Total assets	25,898,221
 <b>Deferred outflows of resources:</b>	
Pension	3,431,451
OPEB	299,666
Total deferred outflows of resources	3,731,117
 <b>Liabilities:</b>	
Accounts payable	273,476
Contracts payable	57,978
Accrued wages and benefits payable	1,188,152
Intergovernmental payable	33,862
Pension and postemployment benefits payable	242,018
Long-term liabilities:	
Due within one year	34,457
Due in more than one year:	
Net pension liability	14,808,114
Net OPEB liability	796,887
Other amounts due in more than one year	740,033
Total liabilities	18,174,977
 <b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year	8,116,701
Pension	1,541,547
OPEB	2,250,765
Total deferred inflows of resources	11,909,013
 <b>Net position:</b>	
Investment in capital assets	6,330,239
Restricted for:	
Capital projects	1,789,077
State funded programs	32,458
Federally funded programs	322,176
Food service operations	117,099
Student activities	309,204
Other purposes	78,345
Unrestricted (deficit)	(9,433,250)
Total net position (deficit)	\$ (454,652)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Expenses	Charges for Services and Sales	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position Governmental Activities
<b>Governmental activities:</b>					
Instruction:					
Regular	\$ 7,368,008	\$ 190,924	\$ 452,619	\$ -	\$ (6,724,465)
Special	1,908,974	202,071	419,667	-	(1,287,236)
Vocational	312,041	-	54,484	-	(257,557)
Support services:					
Pupil	1,004,144	-	133,869	-	(870,275)
Instructional staff	552,636	-	89,188	-	(463,448)
Board of education	126,996	-	-	-	(126,996)
Administration	1,485,696	-	54,060	-	(1,431,636)
Fiscal	652,614	-	-	-	(652,614)
Operations and maintenance	1,270,104	705	-	420,000	(849,399)
Pupil transportation	1,643,282	-	56,440	1,760,000	173,158
Central	324,796	-	7,200	-	(317,596)
Operation of non-instructional services:					
Food service operations	728,206	344,552	314,606	-	(69,048)
Other non-instructional services	15,562	-	-	-	(15,562)
Extracurricular activities	816,976	345,782	15,167	-	(456,027)
Totals	\$ 18,210,035	\$ 1,084,034	\$ 1,597,300	\$ 2,180,000	(13,348,701)
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					5,014,255
Capital outlay					241,562
Payments in lieu of taxes					12,583
Income taxes levied for:					
General purposes					3,162,748
Grants and entitlements not restricted to specific programs					5,295,386
Investment earnings					87
Miscellaneous					262,603
Total general revenues					13,989,224
Change in net position					640,523
<b>Net position at beginning of year</b>					(1,095,175)
<b>Net position at end of year</b>					\$ (454,652)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and cash equivalents	\$ 5,503,647	\$ 1,831,323	\$ 931,717	\$ 8,266,687
Receivables:				
Property taxes	8,074,516	394,469	-	8,468,985
Income taxes	1,169,392	-	-	1,169,392
Intergovernmental	165,777	-	115,026	280,803
Prepayments	2,809	-	-	2,809
Materials and supplies inventory	-	-	1,201	1,201
Inventory held for resale	-	-	4,734	4,734
Due from other funds	420,568	-	-	420,568
Total assets	<u>\$ 15,336,709</u>	<u>\$ 2,225,792</u>	<u>\$ 1,052,678</u>	<u>\$ 18,615,179</u>
<b>Liabilities:</b>				
Accounts payable	\$ 139,790	\$ -	\$ 133,686	\$ 273,476
Contracts payable	-	57,978	-	57,978
Accrued wages and benefits payable	1,144,348	-	43,804	1,188,152
Compensated absences payable	9,445	-	-	9,445
Intergovernmental payable	31,581	-	2,281	33,862
Pension and postemployment benefits payable	234,075	-	7,943	242,018
Due to other funds	-	-	420,568	420,568
Total liabilities	<u>1,559,239</u>	<u>57,978</u>	<u>608,282</u>	<u>2,225,499</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year	7,737,964	378,737	-	8,116,701
Delinquent property tax revenue not available	330,817	15,469	-	346,286
Income tax revenue not available	219,568	-	-	219,568
Intergovernmental revenue not available	146,451	-	7,854	154,305
Total deferred inflows of resources	<u>8,434,800</u>	<u>394,206</u>	<u>7,854</u>	<u>8,836,860</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory	-	-	1,201	1,201
Prepays	2,809	-	-	2,809
Restricted:				
Capital improvements	-	1,773,608	-	1,773,608
Food service operations	-	-	130,343	130,343
State funded programs	-	-	32,458	32,458
Federally funded programs	-	-	322,176	322,176
Extracurricular	-	-	309,204	309,204
Other purposes	-	-	78,323	78,323
Assigned:				
Student instruction	78,555	-	-	78,555
Student and staff support	253,080	-	-	253,080
Extracurricular activities	620	-	-	620
Other purposes	24,033	-	-	24,033
Unassigned (deficit)	4,983,573	-	(437,163)	4,546,410
Total fund balances	<u>5,342,670</u>	<u>1,773,608</u>	<u>436,542</u>	<u>7,552,820</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 15,336,709</u>	<u>\$ 2,225,792</u>	<u>\$ 1,052,678</u>	<u>\$ 18,615,179</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2023

<b>Total governmental fund balances</b>		\$	7,552,820
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			6,330,239
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Property taxes receivable	\$	346,286	
Income taxes receivable		219,568	
Intergovernmental receivable		154,305	
Total		154,305	720,159
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.			
Deferred outflows - pension		3,431,451	
Deferred inflows - pension		(1,541,547)	
Net pension liability		(14,808,114)	
Deferred outflows - OPEB		299,666	
Deferred inflows - OPEB		(2,250,765)	
Net OPEB asset		1,373,371	
Net OPEB liability		(796,887)	
Total		(796,887)	(14,292,825)
Long-term liabilities are not due and payable in the current period therefore are not reported in the funds.			(765,045)
<b>Net position of governmental activities</b>		<b>\$</b>	<b>(454,652)</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 4,941,071	\$ 238,095	\$ -	\$ 5,179,166
Income taxes	3,163,234	-	-	3,163,234
Intergovernmental	5,571,916	1,618,375	1,967,997	9,158,288
Investment earnings	87	-	-	87
Tuition and fees	387,225	-	-	387,225
Extracurricular	11,780	-	339,422	351,202
Rental income	705	-	-	705
Charges for services	-	-	344,552	344,552
Contributions and donations	46,392	-	19,667	66,059
Payment in lieu of taxes	12,583	-	-	12,583
Miscellaneous	216,211	-	350	216,561
Total revenues	<u>14,351,204</u>	<u>1,856,470</u>	<u>2,671,988</u>	<u>18,879,662</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	6,503,447	-	811,104	7,314,551
Special	1,744,570	-	202,275	1,946,845
Vocational	311,175	-	5,531	316,706
Support services:				
Pupil	972,101	-	53,865	1,025,966
Instructional staff	411,237	-	166,247	577,484
Board of education	127,420	-	-	127,420
Administration	1,508,315	-	69,843	1,578,158
Fiscal	661,978	8,610	-	670,588
Operations and maintenance	1,140,086	48,189	64,178	1,252,453
Pupil transportation	1,344,243	245,379	190,206	1,779,828
Central	315,630	-	3,182	318,812
Operation of non-instructional services:				
Food service operations	-	-	735,402	735,402
Other non-instructional services	-	-	15,229	15,229
Extracurricular activities	494,770	-	321,784	816,554
Facilities acquisition and construction	-	212,722	-	212,722
Total expenditures	<u>15,534,972</u>	<u>514,900</u>	<u>2,638,846</u>	<u>18,688,718</u>
Excess of revenues over (under) expenditures	<u>(1,183,768)</u>	<u>1,341,570</u>	<u>33,142</u>	<u>190,944</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	25,000	20,000	45,000
Transfers (out)	(45,000)	-	-	(45,000)
Total other financing sources (uses)	<u>(45,000)</u>	<u>25,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balances	(1,228,768)	1,366,570	53,142	190,944
<b>Fund balances at beginning of year</b>	<u>6,571,438</u>	<u>407,038</u>	<u>383,400</u>	<u>7,361,876</u>
<b>Fund balances at end of year</b>	<u>\$ 5,342,670</u>	<u>\$ 1,773,608</u>	<u>\$ 436,542</u>	<u>\$ 7,552,820</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON, 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, 2023

<b>Net change in fund balances - total governmental funds</b>	\$	190,944
 <i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 563,185	
Current year depreciation	(633,260)	
Total		(70,075)
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	76,651	
Income taxes	(486)	
Intergovernmental	(105,269)	
Total		(29,104)
 Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	1,300,276	
OPEB	43,224	
Total		1,343,500
 Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(1,221,079)	
OPEB	383,199	
Total		(837,880)
 Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		43,138
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>640,523</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes	\$ 7,553,673	\$ 7,803,742	\$ 7,767,271	\$ (36,471)
Income taxes	2,601,110	3,109,656	3,162,073	52,417
Intergovernmental	5,477,201	5,467,255	5,564,357	97,102
Investment earnings	5	5	87	82
Tuition and fees	322,125	321,995	349,200	27,205
Extracurricular	-	-	340	340
Rental income	100	100	705	605
Charges for services	-	-	-	-
Contributions and donations	500	500	41,824	41,324
Payment in lieu of taxes	12,583	12,583	12,583	-
Miscellaneous	199,687	199,687	187,084	(12,603)
Total revenues	<u>16,166,984</u>	<u>16,915,523</u>	<u>17,085,524</u>	<u>170,001</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	7,078,575	6,960,369	6,650,594	309,775
Special	1,693,485	1,738,411	1,777,903	(39,492)
Vocational	318,915	309,526	308,779	747
Support services:				
Pupil	962,974	979,954	986,396	(6,442)
Instructional staff	516,503	536,421	419,179	117,242
Board of education	83,081	127,182	115,314	11,868
Administration	1,583,915	1,553,499	1,500,462	53,037
Fiscal	694,271	682,426	671,576	10,850
Operations and maintenance	1,072,807	1,265,406	1,205,404	60,002
Pupil transportation	1,275,803	1,443,308	1,418,726	24,582
Central	255,892	345,450	300,315	45,135
Extracurricular activities	430,219	426,953	500,685	(73,732)
Total expenditures	<u>15,966,440</u>	<u>16,368,905</u>	<u>15,855,333</u>	<u>513,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>200,544</u>	<u>546,618</u>	<u>1,230,191</u>	<u>683,573</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures	-	-	3,205	3,205
Transfers (out)	(21,589)	(49,321)	(49,321)	-
Sale of assets	-	-	13,315	13,315
Total other financing sources (uses)	<u>(21,589)</u>	<u>(49,321)</u>	<u>(32,801)</u>	<u>16,520</u>
Net change in fund balance	178,955	497,297	1,197,390	700,093
<b>Fund balance at beginning of year</b>	4,070,955	4,070,955	4,070,955	-
<b>Prior year encumbrances appropriated</b>	260,466	260,466	260,466	-
<b>Fund balance at end of year</b>	<u>\$ 4,510,376</u>	<u>\$ 4,828,718</u>	<u>\$ 5,528,811</u>	<u>\$ 700,093</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<b>Additions:</b>	
Amounts received as fiscal agent	\$ 833
Total additions	<u>833</u>
<b>Deductions:</b>	
Distributions as fiscal agent	<u>847</u>
Total deductions	<u>847</u>
Change in net position	(14)
<b>Net position at beginning of year</b>	<u>14</u>
<b>Net position at end of year</b>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

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

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

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

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

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

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

**A. Reporting Entity**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

*JOINTLY GOVERNED ORGANIZATION*

Miami Valley Educational Computer Association

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

Tolles Career and Technical Center

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

Southwestern Ohio Educational Purchasing Council Medical Insurance and Benefit Plan Trust

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

**B. Fund Accounting**

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

*GOVERNMENTAL FUNDS*

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

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

Permanent improvement fund - This fund is used to account for transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

The other governmental funds of the District account for grants and other resources to which the District is bound to observe constraints imposed upon the use of the resources.

*PROPRIETARY FUNDS*

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

*FIDUCIARY FUNDS*

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

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

**C. Basis of Presentation**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

**D. Measurement Focus**

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

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

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

**E. Basis of Accounting**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 11 and 12 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 11 and 12 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

**F. Cash and Cash Equivalents**

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

During fiscal year 2023, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

For presentation on the financial statements, investments of the cash management pool and investments with maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months that are not purchased from the pool are reported as investments. The District has no investments.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during fiscal year 2023 amounted to \$87, which includes \$21 assigned from other District funds.

**G. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$2,500. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

Description	Estimated Lives
Land improvements	10 - 20 years
Building/improvements	25 - 40 years
Furniture, fixtures and equipment	3 - 10 years
Vehicles	3 - 10 years
Infrastructure	10 years
Intangible right to use: software	2 - 5 years
Textbooks	10 - 15 years

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

**H. Compensated Absences**

The District reports compensated absences in accordance with the provisions of GASB No. 16, *Accounting for 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 employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination method. The liability includes the employees who are eligible to receive termination benefits and those the District had 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 District's termination policy.

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

In governmental funds, the liability for unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

**K. Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**L. Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed or assigned.

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education. The Board of Education has by resolution authorized the Treasurer to assign fund balance. The Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

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

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

**M. Interfund Activity**

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

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

**N. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2023.

**O. Estimates**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

**P. Budgetary Data**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2023.

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

**Q. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed. At fiscal year-end, because prepayments are not available to finance future governmental fund expenditures, a nonspendable fund balance is recorded by an amount equal to the carrying value of the asset on the fund financial statements.

**R. Fair Value**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2023, the District has implemented GASB Statement No. 91, "Conduit Debt Obligations", GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements", GASB Statement No. 96, "Subscription Based Information Technology Arrangements", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "Omnibus 2022".

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. These changes were incorporated in the District’s fiscal year 2023 financial statements.

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

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

**B. Deficit Fund Balances**

Fund balances at June 30, 2023 included the following individual fund deficits:

ESSER Fund	\$ 358,145
IDEA Part B	33,999
Title I	27,997
Student Support & Academic Enrichment Fund	17,044

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

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING – (Continued)**

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual, is presented for the general fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assignment of fund balance (GAAP).
4. Some funds are included in the General Fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statement to the budgetary basis statement on a fund type basis for the general fund, some funds are included in the general fund (GAAP), but have separate legally adopted budgets.

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ 1,197,390
Net adjustment for revenue accruals	(2,808,644)
Net adjustment for expenditure accruals	143,622
Net adjustment for other sources/uses	(12,199)
Funds budgeted elsewhere	(18,931)
Adjustment for encumbrances	<u>269,994</u>
GAAP basis	<u>\$ (1,228,768)</u>

\*\*As part of Governmental Accounting Standards Board No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the uniform school supplies, public school support, technology insurance and district rotary funds.

**NOTE 5 - DEPOSITS AND INVESTMENTS**

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in item (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain banker's acceptance and commercial paper notes for a period not to exceed one hundred eighty days and two hundred seventy days, respectively, from the purchase date in an amount not to exceed 40 percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate notes rated in either of the two highest classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the District and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Cash on Hand** - At June 30, 2023 the District had \$2,650 in undeposited cash on hand, which is included as part of "Equity in Pooled Cash and Cash Equivalents."

**Deposits** - At year-end, \$8,153,621 was exposed to custodial credit risk.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)**

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

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

- Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS required the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

**Investments** - As of June 30, 2023, the District had the following investment and maturity:

	Measurement	Maturity (in Months)	Percent
Investment Type	Amount	0 - 12	of Total
STAR Ohio	\$ 2,217	\$ 2,217	100%

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

**Credit Risk** - STAR Ohio is an investment pool operated by the Ohio State Treasurer. It is unclassified since it is not evidenced by securities that exist in physical or book entry form. Ohio law requires STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30, 2023, is 35 days and carries a rating of AAAM by S&P Global Ratings.

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

**NOTE 6 - PROPERTY TAXES**

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenue received in calendar year 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 law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2021, were levied after April 1, 2021 and are collected in 2022 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Madison, Franklin, and Fayette Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 operations. The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 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 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources.

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

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 295,111,800	91.23	\$ 300,550,410	89.50
Public utility personal	<u>28,363,720</u>	<u>8.77</u>	<u>35,250,470</u>	<u>10.50</u>
Total	<u>\$ 323,475,520</u>	<u>100.00</u>	<u>\$ 335,800,880</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$48.45		\$48.45	

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2023, consisted of property taxes, income taxes, and intergovernmental revenue. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. All receivables, except property taxes, are expected to be collected within the subsequent year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**NOTE 8 - INCOME TAXES**

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

**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	<u>Balance</u> <u>06/30/22</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/23</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 202,377	\$ -	\$ -	\$ 202,377
Total capital assets, not being depreciated/amortized	<u>202,377</u>	<u>-</u>	<u>-</u>	<u>202,377</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	2,241,972	-	-	2,241,972
Buildings and improvements	9,106,420	39,064	-	9,145,484
Furniture and fixtures	2,683,861	82,721	-	2,766,582
Vehicles	2,668,936	425,380	(313,524)	2,780,792
Infrastructure	96,132	-	-	96,132
Right to use: software	-	16,020	-	16,020
Textbooks	738,045	-	-	738,045
Total capital assets, being depreciated/amortized	<u>17,535,366</u>	<u>563,185</u>	<u>(313,524)</u>	<u>17,785,027</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(1,814,132)	(64,584)	-	(1,878,716)
Buildings and improvements	(5,485,434)	(216,882)	-	(5,702,316)
Furniture and fixtures	(1,503,135)	(78,653)	-	(1,581,788)
Vehicles	(1,768,814)	(236,691)	313,524	(1,691,981)
Infrastructure	(58,678)	(12,235)	-	(70,913)
Right to use: software	-	(5,267)	-	(5,267)
Textbooks	(707,236)	(18,948)	-	(726,184)
Total accumulated depreciation/amortization	<u>(11,337,429)</u>	<u>(633,260)</u>	<u>313,524</u>	<u>(11,657,165)</u>
Governmental activities capital assets, net	<u>\$ 6,400,314</u>	<u>\$ (70,075)</u>	<u>\$ -</u>	<u>\$ 6,330,239</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 9 - CAPITAL ASSETS – (Continued)**

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

<u>Instruction:</u>	
Regular	\$ 309,192
Special	3,009
<u>Support services:</u>	
Administration	4,922
Fiscal	111
Operations and maintenance	40,791
Pupil transportation	239,555
Central	10,630
Non-instructional services	333
Food service operations	2,799
Extracurricular activities	<u>21,918</u>
Total depreciation/amortization expense	<u>\$ 633,260</u>

**NOTE 10 - RISK MANAGEMENT**

**A. Property and Liability**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers. General liability insurance is maintained in the amount of \$1,000,000 for each occurrence and \$3,000,000 in the aggregate. In addition, the District also maintains a \$1,000,000 umbrella liability policy.

The District maintains fleet insurance in the amount of \$1,000,000 for any one accident or loss and replacement cost insurance on buildings and contents in the amount of \$44,808,090 (based on the most recent industrial appraisal). Insurance levels are monitored by the Treasurer and adjusted annually based on current capital assets values.

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

**B. Workers' Compensation**

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 10 - RISK MANAGEMENT – (Continued)**

Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performances is compared to the overall savings percent of the Plan. Participation in the Plan is limited to school districts that can meet the Plan's selection criteria. The school districts apply for participation each year. The firm of Gates McDonald provides administrative, cost control and actuarial services to the Plan. Each year, the District pays an enrollment fee to the Plan to cover the costs of administering the program.

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

For fiscal year 2023, the District participated in the Southwestern Ohio Educational Purchasing Council and Medical Insurance and Benefit Plan Trust, a public entity shared risk pool (Note 1). The District pays monthly premiums to the Trust for employee medical, dental and vision insurance benefits. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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

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

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

Age and service requirements for retirement are as follows:

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$327,372 for fiscal year 2023. Of this amount, \$28,930 is reported as pension and postemployment benefits payable.

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

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

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

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

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

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 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$972,904 for fiscal year 2023. Of this amount, \$164,844 is reported as pension and postemployment benefits 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.056424900%	0.052703390%	
Proportion of the net pension liability current measurement date	<u>0.055786100%</u>	<u>0.053039590%</u>	
Change in proportionate share	<u>-0.000638800%</u>	<u>0.000336200%</u>	
Proportionate share of the net pension liability	\$ 3,017,346	\$ 11,790,768	\$ 14,808,114
Pension expense	\$ 51,156	\$ 1,169,923	\$ 1,221,079

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 122,205	\$ 150,939	\$ 273,144
Net difference between projected and actual earnings on pension plan investments	-	410,291	410,291
Changes of assumptions	29,772	1,411,000	1,440,772
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	-	6,968	6,968
Contributions subsequent to the measurement date	<u>327,372</u>	<u>972,904</u>	<u>1,300,276</u>
Total deferred outflows of resources	<u>\$ 479,349</u>	<u>\$ 2,952,102</u>	<u>\$ 3,431,451</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 19,808	\$ 45,103	\$ 64,911
Net difference between projected and actual earnings on pension plan investments	105,290	-	105,290
Changes of assumptions	-	1,062,078	1,062,078
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>30,356</u>	<u>278,912</u>	<u>309,268</u>
Total deferred inflows of resources	<u>\$ 155,454</u>	<u>\$ 1,386,093</u>	<u>\$ 1,541,547</u>

\$1,300,276 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	\$ (7,561)	\$ (131,253)	\$ (138,814)
2025	(20,487)	(92,257)	(112,744)
2026	(150,409)	(379,160)	(529,569)
2027	<u>174,980</u>	<u>1,195,775</u>	<u>1,370,755</u>
Total	<u>\$ (3,477)</u>	<u>\$ 593,105</u>	<u>\$ 589,628</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

*Actuarial Assumptions - SERS*

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will 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, 2022, are presented below:

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 4,441,390	\$ 3,017,346	\$ 1,817,609

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

*Actuarial Assumptions - STRS*

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

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

STRS Ohio's 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:

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 17,811,558	\$ 11,790,768	\$ 6,699,043

**Changes Between Measurement Date and Reporting Date** - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

**NOTE 12 - DEFINED BENEFIT OPEB PLANS**

**Net OPEB Liability/Asset**

See Note 11 for a description of the net OPEB liability (asset).

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was \$43,224.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$43,224 for fiscal year 2023. Of this amount, \$43,224 is reported as pension and postemployment benefits payable.

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

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2022, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.058096000%	0.052703000%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.056757900%</u>	<u>0.053039590%</u>	
Change in proportionate share	<u>-0.001338100%</u>	<u>0.000336590%</u>	
Proportionate share of the net OPEB liability	\$ 796,887	\$ -	\$ 796,887
Proportionate share of the net OPEB asset	\$ -	\$ (1,373,371)	\$ (1,373,371)
OPEB expense	\$ (107,313)	\$ (275,886)	\$ (383,199)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 6,699	\$ 19,909	\$ 26,608
Net difference between projected and actual earnings on OPEB plan investments	4,140	23,908	28,048
Changes of assumptions	126,755	58,498	185,253
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	15,710	823	16,533
Contributions subsequent to the measurement date	<u>43,224</u>	<u>-</u>	<u>43,224</u>
Total deferred outflows of resources	<u>\$ 196,528</u>	<u>\$ 103,138</u>	<u>\$ 299,666</u>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 509,746	\$ 206,258	\$ 716,004
Changes of assumptions	327,130	973,856	1,300,986
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>180,594</u>	<u>53,181</u>	<u>233,775</u>
Total deferred inflows of resources	<u>\$ 1,017,470</u>	<u>\$ 1,233,295</u>	<u>\$ 2,250,765</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

\$43,224 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

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:			
2024	\$ (213,160)	\$ (343,401)	\$ (556,561)
2025	(199,446)	(326,060)	(525,506)
2026	(172,033)	(156,386)	(328,419)
2027	(107,883)	(61,264)	(169,147)
2028	(64,712)	(80,411)	(145,123)
Thereafter	(106,932)	(162,635)	(269,567)
Total	\$ (864,166)	\$ (1,130,157)	\$ (1,994,323)

***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.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

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

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 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 long-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%, 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.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position 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, 2022 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 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 989,745	\$ 796,887	\$ 641,198

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 614,543	\$ 796,887	\$ 1,035,058

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

**Assumption Changes Since the Prior Measurement Date** - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

**Benefit Term Changes Since the Prior Measurement Date** - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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

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

\* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.

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

**Discount Rate** - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,271,767	\$ 1,373,371	\$ 1,462,221
		Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 1,424,520	\$ 1,373,371	\$ 1,308,809

**NOTE 13 - OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn 10 to 23 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

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

**NOTE 14 - LONG-TERM OBLIGATIONS**

The changes in the District's long-term obligations during fiscal year 2023 were as follows:

	Balance 6/30/22	Additions	Reductions	Balance 6/30/23	Due Within One Year
<b><u>Other Long-Term Obligations</u></b>					
Compensated Absences	781,208	56,712	(63,430)	774,490	34,457
Net Pension Liability	8,820,517	5,987,597	-	14,808,114	-
Net OPEB Liability	1,099,507	-	(302,620)	796,887	-
<i>Total Other Long-Term Obligations</i>	<u>10,701,232</u>	<u>6,044,309</u>	<u>(366,050)</u>	<u>16,379,491</u>	<u>34,457</u>
<i>Total Governmental Activities</i>	<u>\$ 10,701,232</u>	<u>\$ 6,044,309</u>	<u>\$ (366,050)</u>	<u>\$ 16,379,491</u>	<u>\$ 34,457</u>

Compensated absences be paid from the fund from which the employees' salaries are paid which is primarily the general fund. There is no repayment schedule for the net pension liability and net OPEB liability; however employer pension and OPEB contributions are primarily made from the general fund. For additional information related to the net pension liability and net OPEB liability see Notes 11 and 12.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 14 - LONG-TERM OBLIGATIONS – (Continued)**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District’s legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District’s legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of \$30,222,079 and an unvoted debt margin of \$335,801.

**NOTE 15 - INTERFUND TRANSACTIONS**

- A. Interfund transfers for the fiscal year ended June 30, 2023, consisted of the following, as reported on the fund statements:

<u>Transfers from the general fund to:</u>	<u>Amount</u>
Permanent improvement fund	\$ 25,000
Nonmajor governmental funds	<u>20,000</u>
Total	<u>\$ 45,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

- B. Due to / Due from other funds consisted of the following at June 30, 2023, as reported on the fund financial statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental funds	<u>\$ 420,568</u>

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; therefore, no internal balances at June 30, 2023 are reported on the statement of net position.

**NOTE 16 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**NOTE 16 - CONTINGENCIES – (Continued)**

**B. Litigation**

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

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. The final ODE adjustments for fiscal year 2023 have been finalized. Final adjustments are included in the November 9, 2023 Foundation Settlement.

**NOTE 17 - STATUTORY RESERVES**

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

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

	<u>Capital Improvements</u>
Set-aside cash balance June 30, 2022	\$ -
Current year set-aside requirement	254,143
Current year offsets	<u>(412,646)</u>
Total	<u>\$ (158,503)</u>
Balance carried forward to fiscal year 2024	<u>\$ -</u>
Set-aside balance June 30, 2023	<u><u>\$ -</u></u>

The District had qualifying expenditures during the fiscal year that reduced the capital acquisition set-aside below zero. This amount may not be carried forward to reduce the set-aside requirement for future years.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTE 18 - OTHER COMMITMENTS**

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

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General	\$ 241,203
Permanent improvement fund	1,634,421
Other governmental	<u>142,419</u>
Total	<u>\$ 2,018,043</u>

**NOTE 19 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During fiscal year 2023, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.05578610%	0.05642490%	0.05708270%	0.06275200%
District's proportionate share of the net pension liability	\$ 3,017,346	\$ 2,081,915	\$ 3,775,570	\$ 3,754,562
District's covered payroll	\$ 2,119,571	\$ 1,947,321	\$ 1,984,736	\$ 2,087,015
District's proportionate share of the net pension liability as a percentage of its covered payroll	142.36%	106.91%	190.23%	179.90%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.06269500%	0.06710410%	0.07038760%	0.06922080%	0.06458300%	0.06458300%
\$ 3,590,659	\$ 4,009,322	\$ 5,151,723	\$ 3,949,806	\$ 3,268,509	\$ 3,840,544
\$ 2,175,600	\$ 2,157,564	\$ 2,336,079	\$ 2,397,891	\$ 2,223,203	\$ 2,188,945
165.04%	185.83%	220.53%	164.72%	147.02%	175.45%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.053039590%	0.052703390%	0.05397259%	0.05309002%
District's proportionate share of the net pension liability	\$ 11,790,768	\$ 6,738,602	\$ 13,059,446	\$ 11,740,539
District's covered payroll	\$ 6,752,000	\$ 6,623,936	\$ 6,540,486	\$ 6,196,221
District's proportionate share of the net pension liability as a percentage of its covered payroll	174.63%	101.73%	199.67%	189.48%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
0.05587484%	0.05692946%	0.05857171%	0.06056975%	0.06146467%	0.06146467%
\$ 12,285,623	\$ 13,523,715	\$ 19,605,717	\$ 16,739,707	\$ 14,950,335	\$ 17,808,741
\$ 6,335,257	\$ 6,303,364	\$ 6,467,186	\$ 6,564,457	\$ 6,122,454	\$ 6,025,754
193.92%	214.55%	303.16%	255.01%	244.19%	295.54%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 327,372	\$ 296,740	\$ 272,625	\$ 277,863
Contributions in relation to the contractually required contribution	<u>(327,372)</u>	<u>(296,740)</u>	<u>(272,625)</u>	<u>(277,863)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,338,371	\$ 2,119,571	\$ 1,947,321	\$ 1,984,736
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 281,747	\$ 293,706	\$ 302,059	\$ 327,051	\$ 316,042	\$ 308,136
<u>(281,747)</u>	<u>(293,706)</u>	<u>(302,059)</u>	<u>(327,051)</u>	<u>(316,042)</u>	<u>(308,136)</u>
<u>\$ -</u>					
\$ 2,087,015	\$ 2,175,600	\$ 2,157,564	\$ 2,336,079	\$ 2,397,891	\$ 2,223,203
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 972,904	\$ 945,280	\$ 927,351	\$ 915,668
Contributions in relation to the contractually required contribution	<u>(972,904)</u>	<u>(945,280)</u>	<u>(927,351)</u>	<u>(915,668)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,949,314	\$ 6,752,000	\$ 6,623,936	\$ 6,540,486
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 867,471	\$ 886,936	\$ 882,471	\$ 905,406	\$ 919,024	\$ 795,919
<u>(867,471)</u>	<u>(886,936)</u>	<u>(882,471)</u>	<u>(905,406)</u>	<u>(919,024)</u>	<u>(795,919)</u>
<u>\$ -</u>					
\$ 6,196,221	\$ 6,335,257	\$ 6,303,364	\$ 6,467,186	\$ 6,564,457	\$ 6,122,454
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability	0.05675790%	0.05809600%	0.05754800%	0.06373400%
District's proportionate share of the net OPEB liability	\$ 796,887	\$ 1,099,507	\$ 1,250,698	\$ 1,602,786
District's covered payroll	\$ 2,119,571	\$ 1,947,321	\$ 1,984,736	\$ 2,087,015
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	37.60%	56.46%	63.02%	76.80%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.06342990%	0.06812740%	0.07075799%
\$ 1,759,717	\$ 1,828,360	\$ 2,016,864
\$ 2,175,600	\$ 2,157,564	\$ 2,336,079
80.88%	84.74%	86.34%
13.57%	12.46%	11.49%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability/asset	0.053039590%	0.052703000%	0.05397300%	0.05309000%
District's proportionate share of the net OPEB liability/(asset)	\$ (1,373,371)	\$ (1,111,200)	\$ (948,574)	\$ (879,298)
District's covered payroll	\$ 6,752,000	\$ 6,623,936	\$ 6,540,486	\$ 6,196,221
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	20.34%	16.78%	14.50%	14.19%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<b>2019</b>	<b>2018</b>	<b>2017</b>
0.05587484%	0.05692946%	0.05857171%
\$ (897,852)	\$ 2,221,177	\$ 3,132,430
\$ 6,335,257	\$ 6,303,364	\$ 6,467,186
14.17%	35.24%	48.44%
176.00%	47.10%	37.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 43,224	\$ 35,614	\$ 36,925	\$ 35,315
Contributions in relation to the contractually required contribution	<u>(43,224)</u>	<u>(35,614)</u>	<u>(36,925)</u>	<u>(35,315)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,338,371	\$ 2,119,571	\$ 1,947,321	\$ 1,984,736
Contributions as a percentage of covered payroll	1.85%	1.68%	1.90%	1.78%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 44,721	\$ 44,165	\$ 37,280	\$ 33,349	\$ 50,027	\$ 31,812
<u>(44,721)</u>	<u>(44,165)</u>	<u>(37,280)</u>	<u>(33,349)</u>	<u>(50,027)</u>	<u>(31,812)</u>
<u>\$ -</u>					
\$ 2,087,015	\$ 2,175,600	\$ 2,157,564	\$ 2,336,079	\$ 2,397,891	\$ 2,223,203
2.14%	2.03%	1.73%	1.43%	2.09%	1.43%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS  
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,949,314	\$ 6,752,000	\$ 6,623,936	\$ 6,540,486
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,225
-	-	-	-	-	(61,225)
<u>\$ -</u>					
\$ 6,196,221	\$ 6,335,257	\$ 6,303,364	\$ 6,467,186	\$ 6,564,457	\$ 6,122,454
0.00%	0.00%	0.00%	0.00%	0.00%	1.00%

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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PENSION

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

*Changes in assumptions :*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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PENSION (CONTINUED)

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*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023

*Changes in assumptions :*

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

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OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Changes in benefit terms :*

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

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)*

*Changes in assumptions :*

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Changes in benefit terms :*

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

*Changes in assumptions :*

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

(Continued)

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

*Changes in assumptions (continued):*

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

**MADISON-PLAINS LOCAL SCHOOL DISTRICT  
MADISON COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Federal Grantor/ Pass Through Grantor / Program Title</b>	<b>Grant Year</b>	<b>Federal AL Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through The Ohio Department of Education:</i>			
Child Nutrition Cluster:			
National School Breakfast Program	2022	10.553	\$ 95,125
National School Lunch Program	2022	10.555	240,862
National School Lunch Program Noncash	2022	10.555	48,901
COVID-19 National School Lunch Program	2022	10.555	30,658
Total National School Lunch Program			<u>320,421</u>
Total Child Nutrition Cluster			<u>415,546</u>
NSLP Equipment Assistance Grant	2023	10.579	15,229
Pandemic EBT Administrative Cost	2022	10.649	1,242
<b>Total U.S. Department of Agriculture</b>			<u>432,017</u>
<b>U.S. DEPARTMENT OF TREASURY</b>			
<i>Passed Through Madison County:</i>			
COVID-19 Coronavirus Relief Fund	2021	21.019	3,402
<i>Passed Through Ohio Facilities Construction Commission:</i>			
Coronavirus State Fiscal Recovery Fund - K-12 School Safety	2023	21.027	61,678
<b>Total U.S. Department of Treasury</b>			<u>65,080</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through The Ohio Department of Education:</i>			
Title I -A Improving Basic Programs	2022	84.010	36,085
Title I -A Improving Basic Programs	2023	84.010	179,876
Expanding Opportunities for Each Child	2022	84.010	2,983
Expanding Opportunities for Each Child	2023	84.010	3,436
Total Title I			<u>222,380</u>
Special Education Cluster (IDEA):			
IDEA-B Special Education	2022	84.027	32,018
IDEA-B Special Education	2023	84.027	238,892
COVID-19 - IDEA-B - ARP	2022	84.027	16,044
Total Special Education Cluster (IDEA)			<u>286,954</u>
Title IV-A Student Support and Academic Enrichment Program	2022	84.424	1,170
Title IV-A Student Support and Academic Enrichment Program	2023	84.424	16,871
Total Title IV-A Student Support and Academic Enrichment Program			<u>18,041</u>
Education Stabilization Fund (ESF):			
COVID-19 - Elementary and Secondary School Emergency Relief Fund	2022	84.425D	182,378
COVID-19 - Elementary and Secondary School Emergency Relief Fund	2023	84.425U	465,865
COVID-19 - Elementary and Secondary School Emergency Relief Fund - ARP	2023	84.425W	10,026
Total Education Stabilization Fund (ESF)			<u>658,269</u>
<b>Total – U.S. Department of Education</b>			<u>1,185,644</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 1,682,741</u>

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

**Madison-Plains Local School District**  
**Madison County, Ohio**

Notes to the Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2023

**Note A – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of **Madison-Plains Local School District**, Madison County, Ohio (the School District) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position or changes in net position of the School District.

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

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

**Note C – Indirect Cost Rate**

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

**Note D – Child Nutrition Cluster**

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

**Note E – Food Donation**

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

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standard applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Madison-Plains Local School District**, Madison County, (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 29, 2023.

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

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



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

December 29, 2023



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

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

To the Board of Education:

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

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

We have audited **Madison-Plains Local School District’s** (the 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 Madison-Plains Local School District’s major federal program for the year ended June 30, 2023. Madison-Plains Local School District’s major federal program is identified in the *Summary of Auditor’s Results* section of the accompanying schedule of audit findings.

In our opinion, Madison-Plains Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

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

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

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

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

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

December 29, 2023

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

**SCHEDULE OF AUDIT FINDINGS  
2 CFR § 200.515  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

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# OHIO AUDITOR OF STATE KEITH FABER



**MADISON-PLAINS LOCAL SCHOOL DISTRICT**

**MADISON COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 3/21/2024**

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  
[www.ohioauditor.gov](http://www.ohioauditor.gov)