



HEATH CITY SCHOOL DISTRICT  
LICKING COUNTY  
JUNE 30, 2024

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**HEATH CITY SCHOOL DISTRICT  
LICKING COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

<b>FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE</b>	<b>ASSISTANCE LISTING NUMBER</b>	<b>PASS THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION</b>	<b>TOTAL FEDERAL EXPENDITURES</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Education and Workforce</i>			
<b>Child Nutrition Cluster</b>			
School Breakfast Program	10.553	2024	\$ 137,071
National School Lunch Program	10.555	2024	376,147
National School Lunch Program - Child Nutrition Supply Chain Funds	10.555	2024	57,316
National School Lunch Program - Food Donation	10.555	2024	77,610
<b>Total National School Lunch Program</b>			<u>511,073</u>
<b>Total Child Nutrition Cluster and U.S. Department of Agriculture</b>			<u><b>648,144</b></u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<i>Passed Through the Ohio Office of Budget and Management</i>			
COVID - 19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #4	21.027	COVID - 19 - 2023	<u>51,480</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Title I Grants to Local Education Agencies	84.010A	84.010A - 2023	34,805
Title I Grants to Local Education Agencies	84.010A	84.010A - 2024	<u>282,024</u>
<b>Total Title I Grants to Local Education Agencies</b>			<u>316,829</u>
<b>Special Education Cluster (IDEA)</b>			
Special Education-Grants to States (IDEA, Part B)	84.027A	84.027A - 2024	371,809
COVID-19 - Special Education-Grants to States (IDEA, Part B) - ARP	84.027X	84.027X - 2022	<u>7,609</u>
<b>Total Special Education Cluster (IDEA)</b>			<u>379,418</u>
<i>Consortium Amount Passed/Transferred to the Licking Regional Educational Service Center</i>			
English Language Acquisition State Grants - Title III - Language Instruction for English Learners	84.365A	84.365A - 2023	89
English Language Acquisition State Grants - Title III - Language Instruction for English Learners	84.365A	84.365A - 2024	327
English Language Acquisition State Grants - Title III - Language Instruction for English Learners	84.365A	84.365A - 2019	4
English Language Acquisition State Grants - Title III - Language Instruction for English Learners	84.365A	84.365A - 2022	<u>181</u>
<b>Total English Language Acquisition State Grants - Title III</b>			<u>601</u>
Supporting Effective Instruction State Grants	84.367A	84.367A - 2024	<u>26,497</u>
Comprehensive Literacy Development	84.371C	84.371C - 2023	32,088
Comprehensive Literacy Development	84.371C	84.371C - 2024	<u>189,795</u>
<b>Total Comprehensive Literacy Development</b>			<u>221,883</u>
Student Support and Academic Enrichment Program	84.424A	84.424A - 2024	15,046
COVID - 19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	84.425D - 2023	15,042
COVID - 19 - Elementary and Secondary School Emergency Relief (ESSER III) Fund	84.425U	84.425U - 2023	446,801
COVID - 19 - Federal ARP Homeless	84.425W	84.425W - 2023	<u>8,554</u>
<b>Total Education Stabilization Fund (ESF)</b>			<u>470,397</u>
<b>Total U.S. Department of Education</b>			<u><b>1,430,671</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$2,130,295</b></u>

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

**HEATH CITY SCHOOL DISTRICT  
LICKING COUNTY, OHIO**

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

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

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

**NOTE 2 – DE MINIMIS COST RATE**

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

**NOTE 3 - CHILD NUTRITION CLUSTER**

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

**NOTE 4 – FOOD DONATION PROGRAM**

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

**NOTE 5 – PASS-THROUGH FUNDS**

The Heath City School District was awarded federal program allocations to be administered on their behalf by the Licking Regional Educational Service Center. For fiscal year 2024, the Heath City School District's allocations were as follows:

<b>Grant/Program Name</b>	<b>ALN</b>	<b>Passed/Transferred to</b>	<b>Award Amount</b>
English Language Acquisition State Grants	84.365A	Licking Regional Educational Service Center	\$ 601



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

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

Heath City School District  
Licking County  
107 Lancaster Drive  
Heath, Ohio 43056

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Heath City School District, Licking County, Ohio (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2024.

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

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

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

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

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

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

December 16, 2024





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

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

Heath City School District  
Licking County  
107 Lancaster Drive  
Heath, Ohio 43056

To the Board of Education:

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

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

We have audited Heath City School District's, Licking County, (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 the Heath City School District's major federal program for the year ended June 30, 2024. Heath City School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Heath City 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, 2024.

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

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

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

### ***Responsibilities of Management for Compliance***

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

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

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

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

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

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies

in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Heath City School District, Licking County, (District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 16, 2024. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 16, 2024

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**HEATH CITY SCHOOL DISTRICT  
LICKING COUNTY**

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

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

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

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

*HEATH CITY SCHOOL DISTRICT*

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# Heath City School District

Heath, Ohio



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2024

***HEATH CITY SCHOOL DISTRICT***

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***HEATH CITY SCHOOL DISTRICT***

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Heath, Ohio

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
June 30, 2024**

*Prepared by:*

**Mr. Karl Zarins  
Treasurer**



***HEATH CITY SCHOOL DISTRICT***

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# HEATH CITY SCHOOL DISTRICT

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## ***HEATH CITY SCHOOL DISTRICT***

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## ***HEATH CITY SCHOOL DISTRICT***

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## *INTRODUCTORY SECTION*

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December 16, 2024

Board of Education Members and Citizens of the Heath City School District:

As the Superintendent and Treasurer of the Heath City School District (the District), we are pleased to submit to you this Annual Comprehensive Financial Report issued by the District. This Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024 is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Accounting principles generally accepted in the United States of America (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Heath City School District's MD&A can be found immediately following the independent auditor's report.

The District provides a full range of education programs and services to 1,648 students. These include elementary and secondary curriculum offerings at the general, college preparatory, and vocational levels, a broad range of co-curricular and extracurricular activities, and special education services.



# ***HEATH CITY SCHOOL DISTRICT***

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## ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2024***

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### **ECONOMIC CONDITIONS AND OUTLOOK**

The District is located within the City of Heath in Licking County, which is situated in the east-central part of the state. Heath is a community of 10,412 people. It is located approximately 6 miles north of Interstate 70, 45 miles east of Columbus and is bounded on the north by Newark, the county seat of Licking County. State Routes 79 and 13 serve as the major transportation arteries.

The county auditor estimates property values every 3 years and was updated for 2023, impacting collections in Fiscal Year (FY) 2023-2024 and FY 2024-2025. Property values increased 34.1%, but due to state property tax laws and the District's levy structure, only 66.1% of this appreciation will result in additional tax revenues in the general operating fund. But this is expected to be offset in subsequent years by a shifting of the tax burden from federal and state sources to local sources. This is explained by expiring federal COVID grants, and a state funding formula that reduces the "state share" as property values increase. Despite this shift, property value appreciation statewide has prompted the state legislature to discuss legislation impacting future property tax collections in an effort to alleviate the impact on taxpayers. At the time of this report, no final legislation has been passed. Rising interest rates appear to have slowed, but not eliminated property value appreciation.

The region is expecting high-tech manufacturing and IT services to continue to develop. The size of this development is expected to create numerous changes in the region as a whole. Intel, Google, Microsoft, Facebook, and Amazon have announced construction of facilities within Licking County. This has contributed to inflationary pressures on building costs, housing costs, and wage growth in the region. The city of Heath is aggressive in attracting businesses and residential development to the area through tax abatements and developing its infrastructure. Generally, the city can annex unincorporated adjacent land, but the school district cannot easily alter its boundaries, and this will likely limit the amount of additional development within the school district. However, there is one significant parcel of land planned for development that could impact the District. At the time of this report, the District entered into a Tax Incremental Financing agreement with the City of Heath to grant economic tax incentives for a combination residential and commercial development within District boundaries. This could impact enrollment and building capacity sufficiency. The District continues to monitor the progress of this development and the impact it will have on the sufficiency of its building capacity and assess its response.

**Long-Term Financial Planning** – The District prepares a five-year forecast for use as a tool for long range planning. The five-year forecast projects the General Fund's local and state revenues, spending patterns within each area of the budget, and cash balances in the District's operating fund. The District uses the five-year forecast to provide a basis for making financial decisions, including the construction of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot. The District currently maintains a solid cash balance as a result of historically responsible management of its finances. FY24 saw general fund revenues increase 13.9% and compared to FY23 on a cash basis. Meanwhile, expenditures increased 6.1% on a cash basis resulting in a further strengthening cash position.

Receipts increased due to property value appreciation, continued phase in of the new state funding plan (the "Fair School Funding Plan") and higher investment earnings reflecting a higher interest rate environment combined with solid cash balances. Property tax collections increased 11.6% or almost \$1.1m in the general operating fund on a cash basis. State funding increased \$1.1m or 12.8%, while "other revenues" (includes interest earnings) increased 66.5% or \$629k. Expenditure increases reflected continued implementation of literacy initiatives impacting personnel costs (5.6% increase).

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2024***

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Likewise, the District's outsourced purchased services increased 8.1% led by outsourced instructional services and an expansion of information technology services and capacity. Outsourced instructional service expenditures increased due to a higher level of service required to meet the needs of its expanding special needs student population. As discussed above, phasing out of federal funding and declines in state funding will require the general operating fund and local tax payers to bear a larger burden. As a result, the District expects higher operating expenditures in the general operating fund outpacing future revenue growth. This will likely result in cash balances returning to historic levels.

### **OPERATING RESULTS AND MAJOR INITIATIVES**

#### **Current:**

During fiscal year 2024, the District continued to work toward both operational and educational goals.

Academically, the 2023-24 school year included improved student achievement data that exceeded (performance index) the pre-pandemic (2018-19) score of 90.6. The performance index for the 2023-24 school year improved to 93.1 from the prior year (2022-23) score of 91.8. District Progress scores were improved from the prior year, with the school district earning 4 out of 5 stars. The third, fifth, seventh, as well as most high school EOC assessed areas either met or exceeded expected growth. Student achievement and student growth metrics provide the most uniform data that indicates how students perform in reading, math, science and social studies. The district's chronic absenteeism rating was 18.8%, which was a significant improvement from the 2022-23 result of 19.8%.

Operationally, the District took steps to proactively address anticipated enrollment growth. The District attempted a bond levy in March of 2024 with the goal of building a new K-6 facility that would replace two of its aging buildings and would house a grade level from the middle school. This would provide space for anticipated enrollment growth while also allowing room for expansion in our existing middle school. However, the bond levy was defeated. The District continues to monitor the progress of the residential development and is actively engaging the community in developing a long-term facility plan to accommodate these changes. In addition, after the fiscal year end, but at the time of this report, the District retired its outstanding debt to alleviate the interest rate and tax burden on its taxpayers and to create additional borrowing capacity should a building project become necessary.

#### **Future:**

Each year, the District updates a five-year continuous improvement plan developed by an administrative team consisting of the Superintendent, administrators, staff members, business members and the community. Using the Decision Framework and the Ohio Improvement Process the team identifies and develops goals, objectives and strategies to help ensure all students learn and grow. Despite the realities of operating during a pandemic, the District continues to work to improve its operations and educational opportunities for its students.

Academically, the District is refocusing and continuing our work on instructional improvement during the 2024-25 school year. Our strongest concentration of work will be in the area of literacy. The District has completed the Comprehensive School Literacy Grant requirements and is now continuing the curriculum and training with general funds.

District officials are also continuing work on the following initiatives:

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2024***

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- Continued improvement of technological infrastructure.
- Offer various classes of summer remediation and credit recovery at no cost to students and their families.
- Strive to meet all state indicators on the District report card.
- Utilize STAR Early Literacy, STAR Reading and Math Assessments and multiple dyslexia screeners to identify students needing intervention, referral for possible gifted identification and/or progress monitoring of students.
- Utilize all available data to drive curricular decisions in the regular curriculum, intervention areas and special education.

### **FINANCIAL INFORMATION**

**ACCOUNTING SYSTEM --** The District's accounting system is organized on a fund basis. Each fund is a separate self-balancing accounting entity. The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

**INTERNAL CONTROLS --** The Administration of the District is jointly responsible for establishing internal controls designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The Management Team is responsible for assisting with implementation of the established internal controls. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of cost and benefit requires estimates and judgments by management.

**BUDGETARY CONTROLS --** All governmental fund types are subject to annual expenditure budgets. The procedures below outline the District's budgetary procedures:

1. The county budget commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year.
2. An annual appropriations measure is passed upon receipt of the County Auditor's final tax revenue estimates, October or November of each year for the period July 1 to June 30. Unencumbered appropriations lapse at year-end and encumbered appropriations are reported as expenditures in the current year. The Board adopts initial or temporary appropriations at its June Board meeting to cover expenditures until the adoption of the permanent appropriations. The appropriations measure may be amended or supplemented during the year as new information becomes available. Individual buildings and/or departments are given building budgeting funds for instructional supplies, custodial supplies, meeting and mileage expenses and equipment. Buildings and/or departments may move funds within their budgets with approval of the Treasurer. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations in any fund at the fund level.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Letter of Transmittal***

***For the Fiscal Year Ended June 30, 2024***

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Additionally, the District maintains an encumbrance accounting system as a useful technique of accomplishing budgetary control. Under encumbrance accounting, purchase orders, contracts and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation.

### **OTHER INFORMATION**

**INDEPENDENT AUDIT** -- The Heath City School District contracted with the Auditor of the State of Ohio to audit the basic financial statements of the City. Their unmodified opinion has been included in this report.

**AWARDS** -- The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to those governmental entities who qualify. To be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents satisfy all program standards. The report must satisfy both accounting principles generally accepted in the United States of America (GAAP) and applicable legal requirements respective to the reporting entity. A Certificate of Achievement is valid for a period of one year only. The District received a Certificate of Achievement for the year ended June 30, 2023. We believe this, our twenty-first Annual Comprehensive Financial Report, meets the high standards set by the GFOA for a Certificate of Achievement for Excellence in Financial Reporting and we are submitting it to GFOA.

**ACKNOWLEDGMENTS** -- The preparation of the Annual Comprehensive Financial Report was made possible by the diligence of the Treasurer's staff. We are also grateful for the services of Donald J. Schonhardt & Associates, Inc. for their assistance in preparing this report. We truly appreciate the contribution made by each staff member in the preparation of this report.

In closing, without the patience and support of the Treasurer's Office Staff and the Board of Education, preparation of this report would not have been possible.

Respectfully submitted,



Trevor Thomas  
Superintendent



Karl Zarins  
Treasurer

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Members of the Board of Education and Administration For the Fiscal Year Ended June, 30, 2024***

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#### ***Members of the Board of Education***

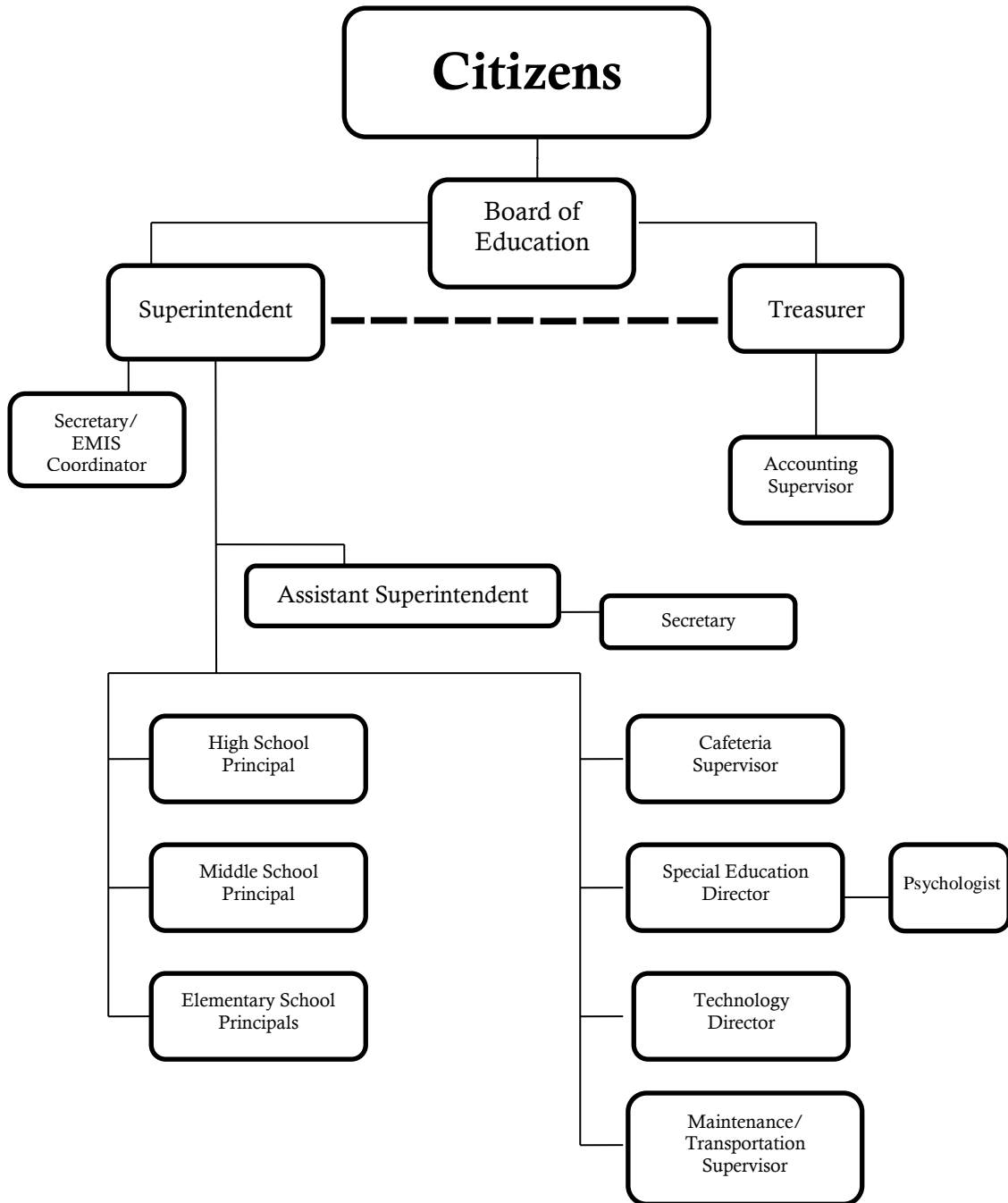
<b>Name</b>	<b>Title</b>	<b>Years of Service</b>
Ms. Debbie Kelley	President	16
Dr. Melody Klontz	Vice President	8
Dr. Craig Dyer	Member	8
Mr. Mark Grise	Member	2
Ms. Jamie Mills	Member	1

#### ***Administration***

<b>Name</b>	<b>Title</b>	<b>Years of Service</b>	
		<b>Position</b>	<b>Total</b>
Dr. Trevor Thomas	Superintendent	11	22
Mr. Karl Zarins	Treasurer	7	22
Ms. Kelly Holbrook	Assistant Superintendent	11	26

# HEATH CITY SCHOOL DISTRICT

## Organizational Chart For the Fiscal Year Ended June 30, 2024



**HEATH CITY SCHOOL DISTRICT**

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*Government Finance Officers Association of the United States and Canada  
Certificate of Achievement for Excellence in Financial Reporting*

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Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Heath City School District  
Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morrell*

Executive Director/CEO

## ***FINANCIAL SECTION***

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

## INDEPENDENT AUDITOR'S REPORT

Heath City School District  
Licking County  
107 Lancaster Drive  
Heath, Ohio 43056

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 the Heath City School District, Licking County, Ohio (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Heath City School District, Licking County, Ohio as of June 30, 2024, and the respective changes in financial position 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 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 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 District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

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

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary information***

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

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

***Other Information***

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

December 16, 2024



# **HEATH CITY SCHOOL DISTRICT**

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## ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024***

***Unaudited***

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

### **FINANCIAL HIGHLIGHTS**

#### **Key financial highlights for 2024 are as follows:**

- ❑ In total, net position increased \$3,494,550, which represents a 30.4% increase in net position from 2023.
- ❑ General revenues accounted for \$25,065,195 in revenue or 84.9% of all revenues. Program specific revenues in the form of charges for services and sales and grants and contributions accounted for \$4,447,836 or 15.1% of total revenues of \$29,513,031.
- ❑ The District had \$26,018,481 in expenses related to governmental activities; only \$4,447,836 of these expenses were offset by program specific charges for services and sales and grants and contributions.
- ❑ Among major funds, the general fund had \$22,723,487 in revenues and other financing sources and \$21,806,323 in expenditures. The general fund's fund balance increased from \$17,310,755 to \$18,227,919.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of four parts – management's discussion and analysis and the basic financial statements, required supplemental information, and an optional section that presents *combining statements* for nonmajor governmental funds. The basic financial statements include two kinds of statements that present different views of the District:

These statements are as follows:

1. The Government-Wide Financial Statements – These statements provide both long-term and short-term information about the District's overall financial status.
2. The Fund Financial Statements – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

# **HEATH CITY SCHOOL DISTRICT**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024***

***Unaudited***

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## **Government-wide Statements**

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net-position (the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources) is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the District you need to consider additional nonfinancial factors such as the property tax base, current property tax laws, student enrollment growth and facility conditions.

The government-wide financial statements of the District reflect the following category for its activities:

- **Governmental Activities** – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

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

## HEATH CITY SCHOOL DISTRICT

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

Unaudited

#### FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

The Statement of Net Position provides a perspective of the District as a whole. The following table provides a summary of the District's net position for 2024 compared to 2023:

	Governmental Activities		Increase (Decrease)
	2024	Restated 2023	
Assets:			
Current and other assets	\$41,336,130	\$36,119,396	\$5,216,734
Net OPEB Asset	1,355,684	1,781,122	(425,438)
Capital assets, Net	13,564,003	13,602,234	(38,231)
Total assets	56,255,817	51,502,752	4,753,065
Deferred outflows of resources:			
Pension	4,260,390	5,078,840	(818,450)
OPEB	795,104	501,359	293,745
Total deferred outflows of resources	5,055,494	5,580,199	(524,705)
Liabilities:			
Net pension liability	18,955,579	19,099,536	(143,957)
Net OPEB liability	1,206,399	1,008,354	198,045
Long-term debt outstanding	5,402,151	6,531,881	(1,129,730)
Other liabilities	2,772,791	2,311,762	461,029
Total liabilities	28,336,920	28,951,533	(614,613)
Deferred inflows of resources:			
Property Tax	14,566,626	12,127,226	2,439,400
Refunding	86,279	115,036	(28,757)
Pension	1,222,914	1,754,607	(531,693)
OPEB	2,094,391	2,624,918	(530,527)
Total deferred inflows of resources	17,970,210	16,621,787	1,348,423
Net position (deficit):			
Net Investment in capital assets	9,328,463	8,800,261	528,202
Restricted	6,539,159	4,404,147	2,135,012
Unrestricted	(863,441)	(1,694,777)	831,336
Total net deficit	\$15,004,181	\$11,509,631	\$3,494,550

Net position of the District's governmental activities increased by \$3,494,550. This increase is partly attributed to the District maintaining expenses below revenues. As presented in the table of Changes in Net Position, total governmental expenses of \$26,018,481 were offset by program revenues of \$4,447,836 and general revenues of \$25,065,195.



## ***HEATH CITY SCHOOL DISTRICT***

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### ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024***

***Unaudited***

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The implementation of GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" in fiscal year 2015 and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions in fiscal year 2018," significantly revised accounting for costs and liabilities related to pension and to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

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

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

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

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024***

***Unaudited***

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

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

At year-end for governmental activities, capital assets represented 24.1% of total assets. Capital assets include land, construction in progress, buildings, site improvements, machinery and equipment, vehicles, leased assets and SBITA assets. Capital assets, net of related debt to acquire the assets at June 30, 2024 were \$9,328,463. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities. A portion of the District's net position, \$6,539,159, represents resources that are subject to external restriction on how they may be used. Excluding the effect of GASB 68 and GASB 75, the District has approximately \$16.2 million in unrestricted net position which may be used to meet the District's ongoing obligations to the students and creditors.

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# **HEATH CITY SCHOOL DISTRICT**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024**

**Unaudited**

Changes in Net Position – The following table shows the changes in net position for fiscal years 2024 and 2023:

	Governmental Activities	Restated 2023	Increase (Decrease)
	2024		
<b>Revenues</b>			
Program Revenues:			
Charges for Services and Sales	\$1,299,607	\$1,098,786	\$200,821
Operating Grants and Contributions	3,148,229	3,248,796	(100,567)
Capital Grants and Contributions	0	141,259	(141,259)
Total Program Revenues	<u>4,447,836</u>	<u>4,488,841</u>	<u>(41,005)</u>
General Revenues:			
Property Taxes	13,729,747	15,262,839	(1,533,092)
Grants and Entitlements	10,035,677	9,041,805	993,872
Other	1,299,771	922,519	377,252
Total General Revenues	<u>25,065,195</u>	<u>25,227,163</u>	<u>(161,968)</u>
Total Revenues	<u>29,513,031</u>	<u>29,716,004</u>	<u>(202,973)</u>
<b>Program Expenses</b>			
Instruction	13,689,690	13,689,044	646
Support Services:			
Pupils Support	1,166,802	1,147,042	19,760
Instructional Staff Support	917,208	1,062,785	(145,577)
Board of Education	1,325,617	191,751	1,133,866
Administration	2,386,641	2,182,115	204,526
Fiscal Services	827,472	813,554	13,918
Business	16,748	9,588	7,160
Operation and Maintenance of Plant	1,777,447	1,773,034	4,413
Pupil Transportation	1,053,701	1,102,681	(48,980)
Central	443,349	451,713	(8,364)
Operation of Non-Instructional Services:			
Community Services	40,093	12,687	27,406
Food Service Operations	1,290,266	1,272,040	18,226
Extracurricular Activities	1,030,732	1,002,833	27,899
Interest and Fiscal Charges	52,715	88,666	(35,951)
Total Expenses	<u>26,018,481</u>	<u>24,799,533</u>	<u>1,218,948</u>
Change in Net Assets before Special Item	3,494,550	4,916,471	(1,421,921)
Restatement of Capital Assets	0	1,972,651	(1,972,651)
Change in Net Position	3,494,550	6,889,122	(3,394,572)
Beginning Net Position, Restated	11,509,631	4,620,509	6,889,122
Ending Net Position	<u>\$15,004,181</u>	<u>\$11,509,631</u>	<u>\$3,494,550</u>

## HEATH CITY SCHOOL DISTRICT

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

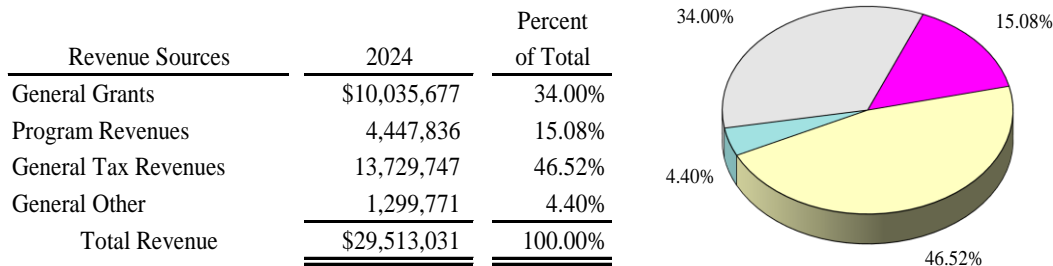
Unaudited

#### Governmental Activities

The primary sources of revenues for governmental activities are derived from property taxes and grants and entitlements. The primary sources total \$23,765,424 and represent 94.8% of total general revenue.

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. In general, the overall revenue generated by the levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00. However, these reduction provisions are limited to a minimum tax rate of 20 mills for qualifying levies. As such, the District's property tax structure allows for 73.3% of its overall levies and 66.1% of its General Operating Fund levies to increase with property value appreciation.

Property taxes made up 46.52% of revenues for governmental activities for Heath City Schools in fiscal year 2024. The District's reliance upon tax revenues is demonstrated by the following graph:



#### FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

The District's governmental funds reported a combined fund balance of \$23,051,269, which is higher than last year's total of \$21,335,148. The schedule below indicates the fund balance and the total change in fund balance by fund type as of June 30, 2024 and 2023.

	Fund Balance June 30, 2024	Fund Balance June 30, 2023	Increase (Decrease)
General	\$18,227,919	\$17,310,755	\$917,164
Bond Retirement	3,055,506	2,333,492	722,014
Other Governmental	1,767,844	1,690,901	76,943
Total	\$23,051,269	\$21,335,148	\$1,716,121

## HEATH CITY SCHOOL DISTRICT

### *Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024*

*Unaudited*

*General Fund* – The tables that follow assist in illustrating the financial activities and balance of the General Fund:

	2024	2023	Increase
	Revenues	Revenues	(Decrease)
Taxes	\$10,682,602	\$12,003,431	(\$1,320,829)
Tuition	552,166	326,962	225,204
Investment Earnings	902,021	388,803	513,218
Class Materials and Fees	67,104	73,900	(6,796)
Intermediate Sources	37,089	0	37,089
Intergovernmental - State	10,168,497	9,137,795	1,030,702
All Other Revenue	181,678	342,232	(160,554)
Total	<u>\$22,591,157</u>	<u>\$22,273,123</u>	<u>\$318,034</u>

General Fund revenues in 2024 increased approximately 1.4% compared to revenues in fiscal year 2023. Increases in Investment Earnings and Intergovernmental – State revenues account for the majority of this increase. Tax decreases reflected above are primarily due to the availability of property tax advances from the county auditor, but do not reflect the 10.7% increase on a cash basis. While Investment earnings increased largely due to a combination of higher interest rates and higher cash balances. Finally, fiscal year 2022 marked the beginning of the state's new funding model using a different methodology. However, the State did not fully phase in several components of the new funding formula. While there are many factors in changing state aid, in fiscal year 2023 only 33.3% of most formula increases over the fiscal year 2020 base year were funded, while in fiscal year 2024 50.0% were funded. This largely explains the increase in Intergovernmental-state aid from fiscal year 2023 to fiscal year 2024.

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## **HEATH CITY SCHOOL DISTRICT**

### ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024***

***Unaudited***

	2024 Expenditures	2023 Expenditures	Increase (Decrease)
Instruction	\$12,157,806	\$11,575,515	\$582,291
Supporting Services:			
Pupils Support	956,895	645,147	311,748
Instructional Staff Support	752,256	792,926	(40,670)
Board of Education	1,326,632	191,751	1,134,881
Administration	2,167,888	2,009,839	158,049
Fiscal Services	809,442	778,569	30,873
Business	16,748	9,588	7,160
Operation and Maintenance of Plant	1,726,311	1,700,430	25,881
Pupil Transportation	800,269	796,699	3,570
Central	404,688	426,420	(21,732)
Operation of Non-Instructional Services:			
Food Service Operations	4,013	1,875	2,138
Extracurricular Activities	622,784	588,178	34,606
Capital Outlay	1,000	109,359	(108,359)
Debt Service:			
Principal Retirement	50,898	36,266	14,632
Interest and Fiscal Charges	8,693	5,468	3,225
Total	<u>\$21,806,323</u>	<u>\$19,668,030</u>	<u>\$2,138,293</u>

Expenditures increased by \$2,138,293 or 10.9% compared to the prior year. Board of Education services increased substantially from the prior year, accounting for the majority of the increase in expenditures from fiscal year 2023. This is explained by the District entering into a self-insured health insurance consortium administered by the Stark County School's Council of Governments. An insurance reserve "buy in" was required equal to 30% of the District's average annual claim costs over the last three years. This was a one-time cost, and as a result of this action the District anticipates better controlled future insurance costs and premium increases. The insurance consortium is able to spread claims risk to over 172 member school districts and their 17,000 employees.

Instruction costs increased 5% from the prior year. On a cash basis within the General Fund, approximately \$382k of this increase was due to salary and benefit cost increases. The majority of these increases are explained by a 2.25% base salary increase, and an estimated 2% aggregated step increase granted to instructional employees for each year of experience per the District's collective bargaining agreement. In addition, the District increased its intervention specialist staffing to provide additional services to students requiring supplemental and remediation instruction services. Finally, the District's outsourced instructional service costs increased another \$293k due to the need to contract for intensive special education instruction services for an increase in high need students. These increased costs were offset by a decrease in supply and curriculum costs of \$127k.

Pupil support costs increased 48% from the prior year. Most of this increase is explained by shifting the fiscal burden from Federal Grant Funds to the General Fund for a guidance counselor and creating a new school psychologist position.

Capital Outlay expenditures decreased substantially due to the fact that the District did not capitalize any new SBITA agreements in 2024.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024***

***Unaudited***

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*Bond Retirement Fund* – The fund balance increased 30.9% from fiscal year 2023. In fiscal year 2024 revenues and expenditures varied little from 2023 amounts.

#### **GENERAL FUND BUDGETING HIGHLIGHTS**

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

During the course of fiscal year 2024 the District amended its General Fund budget several times. Final budget expenditure amounts were \$999,278 higher than original budget amounts. Actual expenditures (excluding other financing uses), were 1.2% higher than originally budgeted expenditures and .3% lower than the final budgeted expenditures. The majority of these deviations were the result of increasing allocations for temporary advances from the General Fund to Federal Grant funds to prevent negative cash balances, as these federal grants operate on a cost reimbursement basis and cannot be easily predicted. These advances are a book keeping compliance exercise and do not represent a true economic impact to the District. Other items causing budget increases included legal services to implement changes in Title IX investigation regulations, increased information technology services, and special education services predicated upon student needs that are unknown at the time original budgets are established. Final budget amounts and actual expenditures were tracked very closely.

Excluding other financing sources, revenues were 3.5% higher than originally budgeted and 0.2% higher than the final budget. Deviations from the original budget are explained by much higher investment earnings revenues and lower state funding than expected. State funding in turn is impacted by changes in enrollment which are not known at the time original revenue budgets are established. The General Fund budget actual revenue increased \$38,998 compared to the final budget estimates.

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## HEATH CITY SCHOOL DISTRICT

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

Unaudited

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

At the end of fiscal 2024, the District had \$13,564,003 net of accumulated depreciation invested in land, construction in progress, buildings, site improvements, machinery and equipment, vehicles, leased assets and SBITA assets. The following table shows fiscal year 2024 and 2023 balances:

	Governmental Activities	Restated 2023	Increase (Decrease)
	2024	2023	
Land	\$438,952	\$438,952	\$0
Construction in Progress	573,781	59,435	514,346
Buildings	24,908,714	24,771,548	137,166
Site Improvements	4,495,992	4,447,605	48,387
Machinery and Equipment	3,091,963	2,997,138	94,825
Vehicles	1,335,879	1,218,168	117,711
Leased Assets	128,830	0	128,830
SBITA Assets	292,991	337,671	(44,680)
Less: Accumulated Depreciation	(21,703,099)	(20,668,283)	(1,034,816)
Totals	\$13,564,003	\$13,602,234	(\$38,231)

The District's capital assets increased in 2024 predominately due to the addition of several in progress construction projects, offset by yearly depreciation expense. Additional information on the District's capital assets can be found in Note 9.

##### Debt

At June 30, 2024, the District had \$5.4 million in general obligation bonds, SBITA's, leases and compensated absences outstanding, \$1,260,496 due within one year. The following table summarizes the District's debt outstanding as of June 30, 2024 and 2023:

	2024	2023
Governmental Activities:		
General Obligation Bonds Payable	\$3,489,456	\$4,584,274
SBITA Liability	50,159	102,663
Lease Payable	116,011	0
Compensated Absences	1,746,525	1,844,944
Totals	\$5,402,151	\$6,531,881

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total assessed value of real and personal property. At June 30, 2024, the District's outstanding debt was below the legal limit. Additional information on the District's long-term debt can be found in Note 12.



# **HEATH CITY SCHOOL DISTRICT**

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***Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024***

***Unaudited***

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## **ECONOMIC FACTORS**

The District's primary sources of funding remain local property tax collections and state funding. Property tax collections are in part reliant upon property valuations. The county auditor conducts a reappraisal every 6<sup>th</sup> year, with an update the third year. The Licking County Auditor performed its latest reappraisal of property values in tax year 2023, impacting collections for fiscal 2024 and 2025. This reappraisal resulting in property values within the District's taxing authority increasing 34.1%. However, as discussed above, state laws and the District's tax levy structure does not result in a proportionate increase in tax revenues. The next update will be in tax year 2026 impacting fiscal years 2027 and 2028. Due to the strong real estate market in central Ohio, low unemployment and growth in Licking County, property values are anticipated to appreciate. There is downside potential to the district's economic condition if property appreciation is so strong that it results in state legislative intervention.

State funding under the current funding formula can be impacted by student enrollment, local wealth per pupil relative to other school districts and legislative provisions updating cost per student figures and phase in of its formula. The District's slight declines in enrollment combined with its increasing local wealth per pupil puts downward pressure on its state funding, which is offset by the funding formula's phase in. State funding is a legislative process that cannot be fully predicted, however, the District believes the state has the capacity to continue its funding of local school districts despite economic headwinds. According to the state of Ohio's Office and Budget and Management's June 2024 monthly financial report, state economic indicators generally have been mildly deteriorating in fiscal year 2024 in part due to higher interest rates and reductions real GDP in the manufacturing sector within Ohio. However, the state's economic indicators retain some bright spots such as resilient labor markets, increasing personal income, and stabilizing inflation. Overall, the Ohio Office of Budget and management's report anticipates slowing but modestly positive economic growth. According to the state of Ohio's Office and Budget and Management's June 2024 monthly financial report (unaudited), state revenue declined 2.2% on a year to date basis in fiscal year while expenditures increased 7.5%. This resulted in an unencumbered State General Fund balance (unaudited) declining from \$7.4b at July 1, 2023 to \$1.1b as of June 30, 2024. However, the state's budget stabilization fund also illustrates the state's ability to maintain school funding levels. According to ORC §131.43, it is the intent of the Ohio general assembly to maintain an amount of money in the budget stabilization fund up to 10% of the state of Ohio's general revenue fund revenues for the preceding fiscal year. As of June 30, 2024 the state's website reports that the budget stabilization fund held \$3.8b and the state's ACFR as of June 30, 2023 reported the General Revenue Fund had \$47.3b in revenue. This budgetary reserve remains strong and represents 8.0% of the preceding year's General Fund Revenue.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, 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. Karl Zarins, Treasurer, Heath City School District.



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## **HEATH CITY SCHOOL DISTRICT**

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### ***Statement of Net Position*** ***June 30, 2024***

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and Cash Equivalents	\$ 17,975,164
Investments	7,089,592
Receivables:	
Taxes	15,555,034
Accounts	9,807
Intergovernmental	613,399
Inventory	26,627
Prepaid Items	66,507
Net OPEB Asset	1,355,684
Capital Assets:	
Nondepreciable Capital Assets	1,012,733
Depreciable Capital Assets, Net	12,551,270
Total Capital Assets, Net	<u>13,564,003</u>
<b>Total Assets</b>	<u>56,255,817</u>
<b>Deferred Outflows of Resources:</b>	
Pension	4,260,390
OPEB	795,104
<b>Total Deferred Outflows of Resources</b>	<u>5,055,494</u>
<b>Liabilities:</b>	
Accounts Payable	635,927
Accrued Wages and Benefits	1,839,477
Intergovernmental Payable	288,999
Accrued Interest Payable	8,388
Long Term Liabilities:	
Due Within One Year	1,260,496
Due in More Than One Year:	
Net Pension Liability	18,955,579
Net OPEB Liability	1,206,399
Other Amounts Due in More Than One Year	4,141,655
<b>Total Liabilities</b>	<u>28,336,920</u>

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## ***HEATH CITY SCHOOL DISTRICT***

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	<b>Governmental Activities</b>
<b>Deferred Inflows of Resources:</b>	
Property Taxes	14,566,626
Deferred Gain on Refunding	86,279
Pension	1,222,914
OPEB	2,094,391
Total Deferred Inflows of Resources	<u>17,970,210</u>
 <b>Net Position:</b>	
Net Investment in Capital Assets	9,328,463
Restricted For:	
Capital Projects	1,351,950
Debt Service	3,080,380
Statutory Purposes	666,425
Federal and State Grant Programs	84,720
OPEB	1,355,684
Unrestricted (Deficit)	<u>(863,441)</u>
<b>Total Net Position</b>	<u><u>\$ 15,004,181</u></u>

See accompanying notes to the basic financial statements

# HEATH CITY SCHOOL DISTRICT

## Statement of Activities For the Fiscal Year Ended June 30, 2024

		Program Revenues		Net (Expense)
				Revenue and
				Change in
				Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
Instruction	\$ 13,689,690	\$ 620,785	\$ 1,236,397	\$ (11,832,508)
Support Services:				
Pupils	1,166,802	0	715,146	(451,656)
Instructional Staff	917,208	0	225,046	(692,162)
Board of Education	1,325,617	0	0	(1,325,617)
Administration	2,386,641	0	166,032	(2,220,609)
Fiscal Services	827,472	0	0	(827,472)
Business	16,748	0	0	(16,748)
Operation and Maintenance of Plant	1,777,447	0	57,907	(1,719,540)
Pupil Transportation	1,053,701	0	6,259	(1,047,442)
Central	443,349	0	40,393	(402,956)
Operation of Non-Instructional Services:				
Community Services	40,093	0	40,759	666
Food Service Operations	1,290,266	440,636	660,290	(189,340)
Extracurricular Activities	1,030,732	238,186	0	(792,546)
Interest and Fiscal Charges	52,715	0	0	(52,715)
<b>Totals</b>	<b>\$ 26,018,481</b>	<b>\$ 1,299,607</b>	<b>\$ 3,148,229</b>	<b>(21,570,645)</b>

### General Revenues

Property Taxes Levied for:	
General Purposes	10,861,392
Debt Service	1,661,614
Capital Outlay	1,206,741
Grants and Entitlements not Restricted to Specific Programs	10,035,677
Investment Earnings	938,252
Miscellaneous	361,519
<b>Total General Revenues</b>	<b>25,065,195</b>
Change in Net Position	3,494,550
Net Position Beginning of Year, Restated	11,509,631
Net Position End of Year	<b>\$ 15,004,181</b>

See accompanying notes to the basic financial statements



# **HEATH CITY SCHOOL DISTRICT**

**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 11,984,937	\$ 2,997,424	\$ 2,992,803	\$ 17,975,164
Investments	7,089,592	0	0	7,089,592
Receivables:				
Taxes	13,105,271	961,652	1,488,111	15,555,034
Accounts	1,932	0	7,875	9,807
Intergovernmental	11,736	0	601,663	613,399
Interfund Loan Receivable	609,247	0	0	609,247
Inventory	0	0	26,627	26,627
Prepaid Items	66,507	0	0	66,507
<b>Total Assets</b>	<b>\$ 32,869,222</b>	<b>\$ 3,959,076</b>	<b>\$ 5,117,079</b>	<b>\$ 41,945,377</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 114,099	\$ 0	\$ 521,828	\$ 635,927
Accrued Wages and Benefits	1,684,849	0	154,628	1,839,477
Intergovernmental Payable	259,518	0	29,481	288,999
Interfund Loans Payable	0	0	609,247	609,247
<b>Total Liabilities</b>	<b>2,058,466</b>	<b>0</b>	<b>1,315,184</b>	<b>3,373,650</b>
<b>Deferred Inflows of Resources:</b>				
Property Taxes	12,283,657	870,308	1,412,661	14,566,626
Unavailable Revenue	299,180	33,262	621,390	953,832
<b>Total Deferred Inflows of Resources</b>	<b>12,582,837</b>	<b>903,570</b>	<b>2,034,051</b>	<b>15,520,458</b>
<b>Fund Balances:</b>				
Nonspendable	66,507	0	26,627	93,134
Restricted	0	3,055,506	2,309,519	5,365,025
Assigned	424,615	0	0	424,615
Unassigned	17,736,797	0	(568,302)	17,168,495
<b>Total Fund Balances</b>	<b>18,227,919</b>	<b>3,055,506</b>	<b>1,767,844</b>	<b>23,051,269</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 32,869,222</b>	<b>\$ 3,959,076</b>	<b>\$ 5,117,079</b>	<b>\$ 41,945,377</b>

See accompanying notes to the basic financial statements

## HEATH CITY SCHOOL DISTRICT

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

<b>Total Governmental Fund Balances</b>		<b>\$ 23,051,269</b>
<b><i>Amounts reported for governmental activities in the statement of net position are different because</i></b>		
Capital Assets used in governmental activities are not resources and therefore are not reported in the funds.		13,564,003
Other long-term assets are not available to pay for current- period expenditures and therefore are deferred in the funds.		953,832
The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - Pension	4,260,390	
Deferred Inflows - Pension	(1,222,914)	
Net Pension Liability	<u>(18,955,579)</u>	(15,918,103)
The net OPEB liability/asset is not due and payable nor available in the current period; therefore, the liability/asset and related deferred inflows/outflows are not reported in governmental funds:		
Deferred Outflows - OPEB	795,104	
Deferred Inflows - OPEB	(2,094,391)	
Net OPEB Asset	1,355,684	
Net OPEB Liability	<u>(1,206,399)</u>	(1,150,002)
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
General Obligation Bonds Payable	(3,355,000)	
Deferred Gain on Refunding (to be amortized over life of debt)	(86,279)	
Issuance Premium (to be amortized over life of debt)	(134,456)	
Lease Payable	(116,011)	
SBITA Payable	(50,159)	
Compensated Absences Payable	(1,746,525)	
Accrued Interest Payable	<u>(8,388)</u>	<u>(5,496,818)</u>
<b><i>Net Position (Deficit) of Governmental Activities</i></b>		<b><u><u>\$ 15,004,181</u></u></b>

See accompanying notes to the basic financial statements



## HEATH CITY SCHOOL DISTRICT

### Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the Fiscal Year Ended June 30, 2024

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 10,682,602	\$ 1,646,616	\$ 1,194,346	\$ 13,523,564
Tuition	552,166	0	0	552,166
Food Services	0	0	440,636	440,636
Investment Earnings	902,021	0	36,231	938,252
Extracurricular Activities	0	0	238,186	238,186
Class Materials and Fees	67,104	0	0	67,104
Intermediate Sources	37,089	0	0	37,089
Intergovernmental - State	10,168,497	271,707	159,890	10,600,094
Intergovernmental - Federal	0	0	2,292,033	2,292,033
All Other Revenue	181,678	0	181,356	363,034
<b>Total Revenues</b>	<b>22,591,157</b>	<b>1,918,323</b>	<b>4,542,678</b>	<b>29,052,158</b>
<b>Expenditures:</b>				
Current:				
Instruction	12,157,806	0	997,613	13,155,419
Supporting Services:				
Pupils	956,895	0	216,602	1,173,497
Instructional Staff	752,256	0	153,393	905,649
Board of Education	1,326,632	0	0	1,326,632
Administration	2,167,888	0	169,668	2,337,556
Fiscal Services	809,442	27,097	19,535	856,074
Business	16,748	0	0	16,748
Operation and Maintenance of Plant	1,726,311	0	8,000	1,734,311
Pupil Transportation	800,269	0	166,812	967,081
Central	404,688	0	35,998	440,686
Operation of Non-Instructional Services:				
Community Services	0	0	40,093	40,093
Food Service Operations	4,013	0	1,269,508	1,273,521
Extracurricular Activities	622,784	0	262,474	885,258
Capital Outlay	1,000	0	1,110,136	1,111,136
Debt Service:				
Principal Retirement	50,898	1,050,000	14,425	1,115,323
Interest and Fiscal Charges	8,693	119,212	1,478	129,383
<b>Total Expenditures</b>	<b>21,806,323</b>	<b>1,196,309</b>	<b>4,465,735</b>	<b>27,468,367</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	784,834	722,014	76,943	1,583,791

(Continued)

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## ***HEATH CITY SCHOOL DISTRICT***

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	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	3,500	0	0	3,500
Lease Initiated	128,830	0	0	128,830
<b>Total Other Financing Sources (Uses)</b>	<b>132,330</b>	<b>0</b>	<b>0</b>	<b>132,330</b>
Net Change in Fund Balances	917,164	722,014	76,943	1,716,121
<b>Fund Balances at Beginning of Year</b>	<b>17,310,755</b>	<b>2,333,492</b>	<b>1,690,901</b>	<b>21,335,148</b>
<b>Fund Balances End of Year</b>	<b>\$ 18,227,919</b>	<b>\$ 3,055,506</b>	<b>\$ 1,767,844</b>	<b>\$ 23,051,269</b>

See accompanying notes to the basic financial statements

## HEATH CITY SCHOOL DISTRICT

### ***Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances Of Governmental Funds To the Statement Of Activities For the Fiscal Year Ended June 30, 2024***

Net Change in Fund Balances - Total Governmental Funds		\$	1,716,121
<i>Amounts reported for governmental activities in the statement of activities are different because</i>			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.			103,475
The net effect of various miscellaneous transactions involving capital assets (i.e., disposals) is to increase net position.			(5,488)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			460,873
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.			1,775,157
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.			(1,868,251)
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability/asset are reported as OPEB income/(expense) in the statement of activities.			151,083
The issuance of long-term debt (e.g. notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.			986,493
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest expenditure is reported when due.			3,093
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Compensated Absences	98,419		
Amortization of Deferred Gain on Refunding	28,757		
Amortization of Premium on Bond Issuance	44,818		171,994
<b><i>Change in Net Position of Governmental Activities</i></b>		\$	<u><u>3,494,550</u></u>

See accompanying notes to the basic financial statements



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## **HEATH CITY SCHOOL DISTRICT**

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***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, 2024***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Local Sources:				
Taxes	\$ 11,322,829	\$ 11,921,029	\$ 11,920,904	\$ (125)
Tuition	326,963	552,263	552,166	(97)
Investment Earnings	350,000	799,000	826,165	27,165
Class Material and Fees	2,625	3,795	3,720	(75)
Intermediate Sources	0	37,093	37,089	(4)
Intergovernmental - State	10,582,724	10,215,211	10,221,209	5,998
All Other Revenues	252,111	79,131	85,267	6,136
Total Revenues	<u>22,837,252</u>	<u>23,607,522</u>	<u>23,646,520</u>	<u>38,998</u>
<b>Expenditures:</b>				
Current:				
Instruction	12,072,600	12,056,202	12,029,292	26,910
Support Services:				
Pupils	891,600	922,140	918,124	4,016
Instructional Staff	807,400	762,279	757,498	4,781
Board of Education	134,100	279,410	278,850	560
Administration	1,985,753	2,237,379	2,230,161	7,218
Fiscal Services	745,100	795,731	794,785	946
Business	10,900	15,034	14,748	286
Operation and Maintenance of Plant	1,580,600	1,804,741	1,799,966	4,775
Pupil Transportation	802,150	810,905	809,330	1,575
Central	739,200	409,741	408,280	1,461
Non-Instructional Services:				
Food Service Operations	1,500	1,950	1,755	195
Extracurricular Activities	617,600	593,267	579,576	13,691
Capital Outlay	0	1,030	1,000	30
Total Expenditures	<u>20,388,503</u>	<u>20,689,809</u>	<u>20,623,365</u>	<u>66,444</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,448,749	2,917,713	3,023,155	105,442

(Continued)

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## ***HEATH CITY SCHOOL DISTRICT***

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	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	333	3,503	3,500	(3)
Transfers In	0	79,100	79,047	(53)
Transfers Out	(1,043,394)	(1,139,866)	(1,139,866)	0
Advances In	0	296,000	296,000	0
Advances Out	0	(601,500)	(601,500)	0
Total Other Financing Sources (Uses)	<u>(1,043,061)</u>	<u>(1,362,763)</u>	<u>(1,362,819)</u>	<u>(56)</u>
Net Change in Fund Balance	1,405,688	1,554,950	1,660,336	105,386
Fund Balance at Beginning of Year	16,410,579	16,410,579	16,410,579	0
Prior Year Encumbrances	374,064	374,064	374,064	0
Fund Balance at End of Year	<u>\$ 18,190,331</u>	<u>\$ 18,339,593</u>	<u>\$ 18,444,979</u>	<u>\$ 105,386</u>

See accompanying notes to the basic financial statements

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Reporting Entity**

Heath City School District, Ohio (the District) is a body politic 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 governed by a locally elected five member Board of Education (the Board) which provides educational services. The Board controls the District's instructional support facilities staffed by approximately 69.5 noncertified and approximately 129 certified teaching personnel and administrative employees providing education to 1,648 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *"The Financial Reporting Entity,"* as amended by GASB Statement No. 39, *"Determining Whether Certain Organizations are Component Units"* and GASB Statement No. 61, *"The Financial Reporting Entity: Omnibus"* in that the statements include all organizations, activities, functions and component units for which the District (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization and either the District's ability to impose its will over the organization's governing body or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, the District. There were no potential component units that met the criteria to be included in the District's reporting entity. The District participates in two jointly governed organizations. These organizations are the Licking Area Computer Association (LACA), which provides computer services to school districts and the State Support Team (SST11) Region 11. The Licking County Career and Technical Education Center acts as fiscal agent for LACA and the Educational Service Center of Central Ohio is the fiscal agent for SST11. Based on the foregoing, the reporting entity of the District includes the following services: instructional (regular, special education, vocational), student guidance, extracurricular activities, food service, pupil transportation and care and upkeep of grounds and buildings.

The accounting policies and financial reporting practices of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of its significant accounting policies.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **B. Basis of Presentation - Fund Accounting**

The accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The following fund types are used by the District:

***Governmental Funds*** - These are funds through which most governmental functions typically are financed. The acquisition, use and balances of the District's expendable financial resources and the related current liabilities are accounted for through governmental funds. The measurement focus is upon determination of "financial flow" (sources, uses and balances of financial resources). The following are the District's major governmental funds:

**General Fund** - This fund is the general operating fund of the District and is used to account for all financial resources except those 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.

**Bond Retirement Fund** – This fund is used for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

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## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **C. Basis of Presentation and Measurement Focus – Financial Statements**

***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.

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

All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position.

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, current deferred outflows, and current liabilities, and current deferred inflows, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **D. Basis of Accounting**

Basis of accounting represents the methodology utilized in the recognition of revenues and expenditures or expenses reported in the financial statements. The accounting and reporting treatment applied to a fund is determined by its measurement focus.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. The term “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which for the District is considered to be 60 days after fiscal year end. Grants and entitlements must also meet eligibility, timing and any contingency requirements. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on general long-term debt which is recognized when due.

Under the modified accrual basis, revenue considered susceptible to accrual at year end includes property taxes, tuition, grants and entitlements, student fees, and interest on investments.

Delinquent property taxes measurable and available (received within 60 days) and amounts available as an advance on future tax settlements are recognized as revenue at year end.

The accrual basis of accounting is utilized for reporting purposes by the government-wide financial statements. Revenues are recognized when they are earned and expenses are recognized when incurred.

***Revenues – Exchange and Non-exchange Transactions*** – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place.

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. 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.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **E. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year.

All funds are legally required to be budgeted and appropriated; however, only the General Fund is required to be reported. The primary level of budgetary control is at the fund level. Budgetary modifications may only be made by resolution of the Board of Education.

##### **1. Estimated Resources**

Prior to March 15, the Board accepts by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriations measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. The certificate may be further amended during the year if a new source of revenue is identified or actual receipts exceed current estimates. The amounts reported on the budgetary statement reflect the amounts in the final amended official certificate of estimated resources issued during fiscal year 2024.

##### **2. Appropriations**

A temporary appropriation measure to control expenditures may be passed on or about July 1 of each year for the period July 1 through September 30. An annual appropriation resolution must be passed by October 1 of each year for the period July 1 through June 30. The appropriation resolution establishes spending controls at the fund level. The appropriation resolution may be amended during the year as additional information becomes available, provided that total fund appropriations do not exceed the current estimated resources as certified. The allocation of appropriations among departments and objects within a fund may be modified during the year.

During the year, several supplemental appropriations were necessary to budget the use of contingency funds. Administrative control is maintained through the establishment of more detailed line-item budgets. The treasurer may allocate appropriations among departments within a fund. The budgetary figures which appear in the "Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual" are provided on the budgetary basis to provide a comparison of actual results to the final budget, including all amendments and modifications.

## HEATH CITY SCHOOL DISTRICT

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **E. Budgetary Process** (Continued)

##### 3. Lapsing of Appropriations

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the subsequent fiscal year and need not be reappropriated.

##### 4. Budgetary Basis of Accounting

The District's budgetary process accounts for certain transactions on a basis other than accounting principles generally accepted in the United States of America (GAAP). The major differences between the budgetary basis and the GAAP basis lie in the manner in which revenues and expenditures are recorded. Under the budgetary basis, revenues and expenditures are recognized on a cash basis. Utilizing the cash basis, revenues are recorded when received in cash and expenditures when paid. Under the GAAP basis, revenues and expenditures are recorded on the modified accrual basis of accounting.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund:

Net Change in Fund Balance	
	General Fund
GAAP Basis (as reported)	\$917,164
Increase (Decrease):	
Accrued Revenues	
at June 30, 2024,	
received during FY 2025	(1,137,602)
Accrued Revenues	
at June 30, 2023,	
received during FY 2024	2,124,668
Accrued Expenditures	
at June 30, 2024,	
paid during FY 2025	2,057,157
Accrued Expenditures	
at June 30, 2023,	
paid during FY 2024	(1,991,421)
FY 2024 Prepays for FY 2025	(66,507)
FY 2023 Prepays for FY 2024	162,023
Perspective Difference-	
Budgeted Special Revenue Funds	
reclassified as General Fund	(28,147)
Adjustment to Fair Value	(71,460)
Encumbrances Outstanding	(305,539)
Budget Basis	<u>\$1,660,336</u>

## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **F. Cash and Cash Equivalents**

During fiscal year 2024, cash and cash equivalents included amounts in demand deposits, short-term certificates of deposit with original maturities of three months or less, and the State Treasury Asset Reserve (STAR Ohio). STAR Ohio is a very liquid investment and is reported as a cash equivalent in the basic financial statements.

The District pools its cash for investment and resource management purposes. Each fund's equity in pooled cash and cash equivalents and investments represents the balance on hand as if each fund maintained its own cash and investment account. See Note 5, "Cash, Cash Equivalents and Investments."

##### **G. Investments**

Investment procedures and interest allocations are restricted by provisions of the Ohio Constitution and the Ohio Revised Code. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools", the District reports its investments in federal securities, negotiable certificates of deposit, US Treasury Notes and commercial paper at fair value and its nonparticipating investment contracts (certificates of deposit) at cost which approximates fair value. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statements. Fair value is determined by quoted market prices. See Note 5, "Cash, Cash Equivalents and Investments."

During 2024, 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 its 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 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24-hour 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.

##### **H. Inventory**

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

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **H. Inventory** (Continued)

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

##### **I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

##### **J. Capital Assets and Depreciation**

Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

##### **1. Property, Plant and Equipment - Governmental Activities**

Governmental activities capital assets are those assets specifically related to governmental activities. These generally are acquired or constructed for governmental activities and are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost for assets not purchased in recent years). These assets are reported in the Governmental Activities column of the Government-wide Statement of Net Position, but they are not reported in the Fund Financial Statements.

Donated capital assets are recorded at their acquisition value as of the date received. The District does not possess any infrastructure. Estimated historical costs for governmental activities capital asset values were initially determined by identifying historical costs where such information was available. In cases where information supporting original cost was not obtainable, estimated historical costs were developed. For certain capital assets, the estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition.

The District reports capital assets for Subscription Based Information Technology Arrangements (SBITAs). A SBITA asset is an intangible asset which represents the District's right to use another entity's information technology software. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease term or the useful life of the underlying asset.

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## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **J. Capital Assets and Depreciation** (Continued)

###### **2. Depreciation**

All capital assets are depreciated excluding land and construction in progress. Depreciation has been provided using the straight-line method over the following estimated useful lives:

Description	Estimated Lives (in years)
Buildings	20 - 40
Site Improvements	15 - 20
Machinery and Equipment	7 - 20
Vehicles	8
Leased Assets	7
SBITA Assets	2-3

##### **K. Long-Term Obligations**

Long-term liabilities are being repaid from the following funds:

Obligation	Fund
General Obligation Bonds Payable	Bond Retirement Fund
SBITA Payable	General Fund, ESSER Fund
Lease Payable	General Fund
Compensated Absences	General Fund, Food Service Fund

##### **L. Compensated Absences**

In accordance with GASB Statement No. 16, *“Accounting for Compensated Absences,”* vacation benefits are accrued as a liability when an employee’s right to receive compensation is attributable to services already rendered, and it is probable that the employee will be compensated through paid time off or some other means, such as cash payments at termination or retirement. Administrators and classified staff who work twelve month contracts are granted vacation leave based on length of service and position. Sick leave benefits are accrued as a liability using the vesting method. Employees may earn 15 days of sick leave per year up to a maximum of 330 days. Upon retirement, employees will receive one-fourth of the accumulated sick leave up to a maximum of 56.75 days for certified employees or 61 days for noncertified employees, plus one day for each year of service over ten years. Compensated absences accumulated by governmental fund type employees are retired as an expense when earned in the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported in the fund financial statements.

## HEATH CITY SCHOOL DISTRICT

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024*

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **M. 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. 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 policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. The District did not have net position restricted by enabling legislation at June 30, 2024.

##### **N. Fund Balance**

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

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

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



## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **N. Fund Balance (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. The Board of Education may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Through the District's purchasing policy the Board of Education has given the Treasurer the authority to constrain monies for intended purposes in the general fund, which are reported as assigned fund balance.

**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.

##### **O. Pensions/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 pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. 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.

##### **P. Interfund Activity**

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund loan receivables/payables". These amounts are eliminated from the government-wide financial statements. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Interfund services provided and used are not eliminated in the process of consolidation. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements. The effect of the transfers has been eliminated from the government-wide financial statements.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **Q. Estimates**

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

##### **R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Extraordinary item transactions did not occur during fiscal year 2024. 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. During fiscal year 2024, the District had no extraordinary or special items.

##### **S. Bond Premiums, Bond Discounts, Gains/Losses on Refunding and Issuance Costs**

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium and discount. Bond issuance costs are expensed. Bond premiums are deferred and amortized over the term of the bonds. Any gain or loss on refunding is allocated over the life of the old debt or the new debt whichever is shorter.

On the governmental fund financial statements, governmental fund types recognize issuance costs, bond premiums, and bond discounts in the current period. The face amount of the debt issue is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### **T. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for pensions and for OPEB. The deferred outflows of resources related to pensions and OPEB are explained in Notes 10 and 11, respectively.

## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### **T. Deferred Outflows/Inflows of Resources (Continued)**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources are reported on the government wide statement of net position for deferred gains on refunding and deferred inflows of resources related to pensions and OPEB which are explained in Notes 10 and 11, respectively. The deferred gain on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition, the government-wide statement of net position and the governmental funds balance sheet report property taxes that are intended to finance future fiscal periods are reported as deferred inflows. The governmental funds balance sheet also reports deferred inflows which arise only under a modified accrual basis of accounting. Accordingly, the item, unavailable amounts, is reported only in the governmental funds balance sheet. The governmental funds report unavailable amounts for property taxes, investment earnings, accounts, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

##### **U. Fair Value**

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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 2 – CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, “Accounting Changes and Error Corrections.”

GASB Statement No. 100 addresses accounting and financial reporting requirements for accounting changes and error corrections. The implementation of this Statement had no effect on beginning net position/fund balance.

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## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements*** ***For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 3 – FUND BALANCES**

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

Fund Balances	General Fund	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepaid Items	\$66,507	\$0	\$0	\$66,507
Supplies Inventory	0	0	26,627	26,627
Total Nonspendable	<u>66,507</u>	<u>0</u>	<u>26,627</u>	<u>93,134</u>
Restricted:				
Food Service Operations	0	0	544,545	544,545
Community Activities	0	0	4,847	4,847
Extracurricular Activities	0	0	126,439	126,439
Nonpublic Schools	0	0	339	339
Technology Improvements	0	0	796	796
Safety Training	0	0	52,907	52,907
Limited English Proficiency	0	0	556	556
Debt Service Payments	0	3,055,506	0	3,055,506
Capital Improvements	0	0	1,579,090	1,579,090
Total Restricted	<u>0</u>	<u>3,055,506</u>	<u>2,309,519</u>	<u>5,365,025</u>
Assigned:				
Scholarships and School Support	203,682	0	0	203,682
Services and Supplies	220,933	0	0	220,933
Total Assigned	<u>424,615</u>	<u>0</u>	<u>0</u>	<u>424,615</u>
Unassigned (Deficit)	17,736,797	0	(568,302)	17,168,495
Total Fund Balances	<u><u>\$18,227,919</u></u>	<u><u>\$3,055,506</u></u>	<u><u>\$1,767,844</u></u>	<u><u>\$23,051,269</u></u>

## HEATH CITY SCHOOL DISTRICT

### *Notes to the Basic Financial Statements* *For the Fiscal Year Ended June 30, 2024*

#### **NOTE 4 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government – wide statement of activities. The following is a detailed listing of those reconciling items that are net adjustments or a combination of several transactions:

*Amount by which depreciation exceeded capital outlays in the current period:*

Capital Outlay	\$1,056,234
Prepaid SBITA Asset	136,218
Depreciation/Amortization Expense	(1,088,977)
	<u>\$103,475</u>

*Governmental revenues not reported in the funds:*

Increase in Delinquent Tax Revenue	\$206,183
Increase in Intergovernmental Grants Receivable	254,690
	<u>\$460,873</u>

*Amount of current year contractually required contributions deferred:*

Pension Contributions	\$1,725,451
OPEB Contributions	49,706
	<u>\$1,775,157</u>

*Long-term debt activity:*

Bond Principal Payment	\$1,050,000
Lease Issuance	(128,830)
Lease Payments	12,819
SBITA Payments	52,504
	<u>\$986,493</u>

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## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash resources of several individual funds are combined to form a pool of cash, cash equivalents and investments. The District has adopted an Investment Policy that follows Ohio Revised Code Chapter 135 and applies the prudent person standard. The prudent person standard requires the Treasurer to exercise the care, skill and experience that a prudent person would use to manage his/her personal financial affairs and to seek investments that will preserve principal while maximizing income.

Statutes require the classification of funds held by the District into three categories. Category 1 consists of “active” funds - those funds required to be kept in a “cash” or “near cash” status for immediate use by the District. Such funds must be maintained either as cash in the District Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Category 2 consists of “inactive” funds - those funds not required for use within the current five year period of designation of depositories. Inactive funds may be deposited or invested only as 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 limited to, passbook accounts.

Category 3 consists of “interim” funds - those funds which are not needed for immediate use but, which will be needed before the end of the current period of designation of depositories. Interim funds may be invested or deposited in the following securities:

- United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- Interim deposits in eligible institutions applying for interim funds;
- Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

- No-load money market mutual funds consisting exclusively of obligations described in the first two bullets 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;
- Time certificates of deposit accounts including, but not limited to, passbook accounts;
- The State Treasury Asset Reserve of Ohio (STAR Ohio), and;
- Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days and two hundred seventy days, respectively, in an amount not to exceed forty percent of the interim moneys available for investment at any one time.

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

#### **A. Deposits**

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned. Protection of District cash and deposits is provided by the Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets. The District has no policy on custodial credit risk and is governed by Ohio Revised Code. Ohio Law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which the District places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). Ohio law requires that deposits be either insured or be protected by eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 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 requires 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.

## HEATH CITY SCHOOL DISTRICT

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

#### NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

##### A. Deposits (Continued)

At year end the carrying amount of the District's deposits was \$13,456,346 and the bank balance was \$13,644,839. Federal depository insurance covered all of the bank balance.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$902,021. This includes \$132,585 assigned from other District funds.

##### B. Investments

The District's investments at June 30, 2024 were as follows:

	Fair Value	Credit Rating	Investment Maturities (in Years)		
			less than 1	1-3 years	3-5 years
STAR Ohio	\$4,518,818 <sup>a</sup>	AAAm <sup>2</sup>	\$4,518,818	\$0	\$0
US Treasury Note	742,857	Aaa <sup>1</sup> , AA+ <sup>2</sup>	0	299,396	443,461
FHLB Note	329,918	Aaa <sup>1</sup> , AA+ <sup>2</sup>	99,918	230,000	0
FHLM Notes	325,000	Aaa <sup>1</sup> , AA+ <sup>2</sup>	0	325,000	0
FFCB Notes	213,716	Aaa <sup>1</sup> , AA+ <sup>2</sup>	0	213,716	0
Commercial Paper	443,964	P-1 <sup>1</sup>	443,964	0	0
Negotiable CD	5,034,137	AAA <sup>3</sup>	442,286	4,591,851	0
Total Investments	<u>\$11,608,410</u>		<u>\$5,504,986</u>	<u>\$5,659,963</u>	<u>\$443,461</u>

<sup>1</sup> Moody's Investor Service

<sup>2</sup> Standard & Poor's

<sup>3</sup> All are fully FDIC insured and therefore have an implied AAA credit rating.

<sup>a</sup> Measured on an amortized cost basis.



## HEATH CITY SCHOOL DISTRICT

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

#### NOTE 5 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

##### **B. Investments** (Continued)

The District's investments in federal agency securities (FHLB, FHLM, FFCB and US Treasury Notes), Commercial Paper and negotiable certificates of deposit are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. (Level 2 inputs).

*Interest Rate Risk* – The Ohio Revised Code generally limits security purchases to those that mature within five years of settlement date. The District has no policy that limits investment purchases beyond the requirements of the Ohio Revised Code.

*Investment Credit Risk* – The District has no investment policy that limits its investment choices other than the limitation of State statute for "interim" funds described previously.

*Concentration of Credit Risk* – The District places no limit on the amount the District may invest in one issuer. Of the District's total investments, 39% are STAR Ohio, 6% are US Treasury Notes, 3% are FHLB, 3% are FHLM, 2% are FFCB Notes, 4% are Commercial Paper and 43% are Negotiable Certificates of Deposit.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The District has no policy on custodial credit risk and is governed by Ohio Revised Code as described under Deposits.

##### **C. Reconciliation of Cash, Cash Equivalents and Investments**

The classification of cash, cash equivalents and investments on the financial statements is based on criteria set forth in GASB Statement No. 9. Certificates of deposit with an original maturity of three months or less are treated as cash equivalents. The classification of cash and cash equivalents (deposits) for purposes of this note are based on criteria set forth in GASB Statement No. 3.

	Cash and Cash Equivalents	Investments
Per Financial Statements	\$17,975,164	\$7,089,592
STAR Ohio	(4,518,818)	4,518,818
Per GASB Statement No. 3	<u>\$13,456,346</u>	<u>\$11,608,410</u>

## HEATH CITY SCHOOL DISTRICT

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024*

#### **NOTE 6 - PROPERTY TAXES**

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

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

Public utility property tax revenue received in calendar year 2024 represents collections of calendar year 2023 taxes. Public utility real and tangible personal property taxes received in calendar year 2024 became a lien December 31, 2021, were levied after April 1, 2023 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Licking County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent. The assessed values upon which the fiscal year 2024 receipts were based are:

	Assessed Values for Collection in:	
	2023 First Half	2024 First Half
Agricultural/Residential and Other Real Estate	\$292,013,408	\$398,254,949
Public Utility Personal	25,958,510	27,986,370
Total Assessed Value	<u>\$317,971,918</u>	<u>\$426,241,319</u>
Tax rate per \$1,000 of assessed valuation	\$64.10	\$60.30

## HEATH CITY SCHOOL DISTRICT

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### *Notes to the Basic Financial Statements* *For the Fiscal Year Ended June 30, 2024*

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

##### ***Tax Abatement***

The District incurs a reduction in property taxes through tax abatement agreements entered into by other governments with property owners that reduce the District's taxes.

As of June 30, 2024, another governmental entity provided tax abatements through the Community Reinvestment Area (CRA) program. Under the authority of Ohio Revised Code (ORC) Section 3735.67, the CRA program is an economic development tool administered by municipal and county governments that provides real property tax exemptions for property owners who renovate existing or construct new buildings. CRA's are areas of land in which property owners can receive tax incentives for investing in real property improvements. Under the CRA program, local governments petition to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing is desired. Once an area is confirmed by the ODSA, local governments may offer real property tax exemptions to taxpayers that invest in that area. Property owners in the CRA can receive temporary tax abatements for renovation of existing structures and new construction in these areas. Property owners apply to the local legislative authority for approval to renovate or construct in the CRA. Upon approval and certification of completion, the amount of the abatement is deducted from the individual or entity's property tax bill.

During fiscal year 2024, the District's property tax revenues were reduced under agreements entered into by another government as follows:

Government Entering Into Agreement	District Taxes Abated
City of Heath	\$ 1,453,774

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## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 7 - RECEIVABLES**

Receivables at June 30, 2024 consisted of accounts, taxes and intergovernmental receivables. All receivables are expected to be collected within the next year.

#### **NOTE 8 - INTERFUND ACTIVITY**

##### **A. Interfund Receivables and Payables**

Following is a summary of interfund receivables and payables for all funds at June 30, 2024:

	Interfund Loan Receivables	Interfund Loan Payables
General Fund	\$609,247	\$0
Nonmajor Governmental Funds	0	609,247
Totals	<u>\$609,247</u>	<u>\$609,247</u>

The Interfund Loan is a short-term loan which will be paid back within the year. The primary purpose of the interfund balance is to cover costs in specific funds where revenues were not received by June 30, 2024.

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# HEATH CITY SCHOOL DISTRICT

## Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

### NOTE 9 - CAPITAL ASSETS

Summary by category of changes in governmental activities capital assets at June 30, 2024:

<i>Historical Cost:</i>	Restated			
Class	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
<b><i>Capital Assets not being depreciated:</i></b>				
Land	\$438,952	\$0	\$0	\$438,952
Construction In Progress	59,435	641,632	(127,286)	573,781
Subtotal	498,387	641,632	(127,286)	1,012,733
<b><i>Capital Assets being depreciated:</i></b>				
Buildings	24,771,548	137,166	0	24,908,714
Site Improvements	4,447,605	48,387	0	4,495,992
Machinery & Equipment	2,997,138	109,794	(14,969)	3,091,963
Vehicles	1,218,168	117,711	0	1,335,879
Leased Assets	0	128,830	0	128,830
SBITA Assets	337,671	0	(44,680)	292,991
Subtotal	33,772,130	541,888	(59,649)	34,254,369
Total Cost	\$34,270,517	\$1,183,520	(\$186,935)	\$35,267,102
<b><i>Accumulated Depreciation:</i></b>				
Class	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Buildings	(\$14,888,437)	(\$550,729)	\$0	(\$15,439,166)
Site Improvements	(3,022,241)	(114,605)	0	(3,136,846)
Machinery & Equipment	(1,904,140)	(196,151)	9,481	(2,090,810)
Vehicles	(747,189)	(108,691)	0	(855,880)
Leased Assets	0	(12,525)	0	(12,525)
SBITA Assets	(106,276)	(106,276)	44,680	(167,872)
Total Depreciation	(\$20,668,283)	(\$1,088,977) *	\$54,161	(\$21,703,099)
<b><i>Net Value:</i></b>	\$13,602,234			\$13,564,003

\* Depreciation expenses were charged to governmental functions as follows:

Instruction	\$783,720
Support Services:	
Pupils	12,642
Administration	376
Fiscal Services	1,578
Operations and Maintenance of Plant	18,897
Pupil Transportation	123,132
Central	6,251
Operation of Non-Instructional Services:	
Food Service	21,880
Extracurricular Activities	120,501
Total Depreciation Expense	\$1,088,977

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 10 - DEFINED BENEFIT PENSION PLANS**

All of the District's full-time employees participate in one of two separate retirement systems which are cost-sharing, multiple-employer defined benefit pension plans.

##### **A. Net Pension Liability**

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

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

## HEATH CITY SCHOOL DISTRICT

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

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

##### **B. Plan Description**

##### ***School Employees Retirement System (SERS)***

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. 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. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2024.

***Funding Policy*** – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14 percent. No amount was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$405,619 for fiscal year 2024.

## HEATH CITY SCHOOL DISTRICT

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024*

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

##### **B. Plan Description** (Continued)

##### *State Teachers Retirement System (STRS)*

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined 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 will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost of-living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. 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 34 years of service credit at any age.

The DC Plan allows members to place all of their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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



## HEATH CITY SCHOOL DISTRICT

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

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

##### **B. Plan Description** (Continued)

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

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

**Funding Policy** – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2024, the employer rate was 14% and the member rate was 14% of covered payroll. The fiscal year 2024 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$1,319,832 for fiscal year 2024. Of this amount \$198,398 is reported as an intergovernmental payable.

##### **C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

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

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

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$3,944,444	\$15,011,135	\$18,955,579
Proportion of the Net Pension Liability -2024	0.07138600%	0.06970596%	
Proportion of the Net Pension Liability -2023	0.07040620%	0.06878693%	
Percentage Change	0.00097980%	0.00091903%	
Pension Expense	\$405,889	\$1,462,362	\$1,868,251

# **HEATH CITY SCHOOL DISTRICT**

## **Notes to the Basic Financial Statements** **For the Fiscal Year Ended June 30, 2024**

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

#### **C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

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

	SERS	STRS	Total
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$169,541	\$547,274	\$716,815
Change of assumptions	27,942	1,236,245	1,264,187
District contributions subsequent to the measurement date	405,619	1,319,832	1,725,451
Changes in proportionate share	38,328	515,609	553,937
Total Deferred Outflows of Resources	<u>\$641,430</u>	<u>\$3,618,960</u>	<u>\$4,260,390</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$0	\$33,310	\$33,310
Changes of assumptions	0	930,539	930,539
Net difference between projected and actual earnings on pension plan investments	55,445	44,986	100,431
Changes in proportionate share and differences between District contributions and proportionate share of contributions	0	158,634	158,634
Total Deferred Inflows of Resources	<u>\$55,445</u>	<u>\$1,167,469</u>	<u>\$1,222,914</u>

\$1,725,451 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	\$45,555	\$68,317	\$113,872
2026	(133,909)	(397,188)	(531,097)
2027	265,783	1,516,027	1,781,810
2028	2,937	(55,497)	(52,560)
Total	<u>\$180,366</u>	<u>\$1,131,659</u>	<u>\$1,312,025</u>

## HEATH CITY SCHOOL DISTRICT

### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024*

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

##### **D. Actuarial Assumptions**

##### ***School Employees Retirement System (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. Future benefits for all current plan members were projected through 2137.

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

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

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.50 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

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.

## HEATH CITY SCHOOL DISTRICT

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

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

##### **D. Actuarial Assumptions** (Continued)

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes. The target allocation and best estimates of arithmetic real rates of return for each major assets class are summarized in the following table:

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

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

**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 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

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## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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

##### **D. Actuarial Assumptions** (Continued)

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$5,821,798	\$3,944,444	\$2,363,131

##### ***State Teachers Retirement System (STRS)***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2023 actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	Varies by service from 2.50 percent to 8.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the June 30, 2023 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

# HEATH CITY SCHOOL DISTRICT

## Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

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

#### D. Actuarial Assumptions (Continued)

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

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

\*\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$23,083,803	\$15,011,135	\$8,183,867

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 11 - DEFINED BENEFIT OPEB PLANS**

##### **A. Net OPEB Liability (Asset)**

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded OPEB liabilities within 30 years. If the OPEB 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 OPEB liability (asset). Resulting adjustments to the net 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 proportionate share of each plan's unfunded benefits is presented as a long-term *net OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

##### **B. 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.

## HEATH CITY SCHOOL DISTRICT

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024*

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

##### **B. Plan Description** (Continued)

In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

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

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

**Funding Policy** – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, 0.0 percent of covered payroll was contributed to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$49,706.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$49,706 for fiscal year 2024, which is reported as an intergovernmental payable.



## HEATH CITY SCHOOL DISTRICT

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

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

##### **B. Plan Description** (Continued)

###### *State Teachers Retirement System (STRS)*

**Plan Description** – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS Ohio which may 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 Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2024, STRS Ohio allocated employer contributions equal to zero percent of covered payroll to the Health Care Stabilization Fund.

##### **C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the pension and OPEB plans relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability (Asset)	\$1,206,399	(\$1,355,684)	(\$149,285)
Proportion of the Net OPEB Liability (Asset) -2024	0.07322850%	0.06970596%	
Proportion of the Net OPEB Liability (Asset) -2023	0.07181930%	0.06878693%	
Percentage Change	0.00140920%	0.00091903%	
OPEB Expense	(\$84,722)	(\$66,361)	(\$151,083)

# **HEATH CITY SCHOOL DISTRICT**

## **Notes to the Basic Financial Statements** **For the Fiscal Year Ended June 30, 2024**

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

#### **C. OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$2,512	\$2,113	\$4,625
Changes of assumptions	407,920	199,709	607,629
Net difference between projected and actual earnings on OPEB plan investments	9,350	2,424	11,774
Changes in proportionate share	108,947	12,423	121,370
District contributions subsequent to the measurement date	49,706	0	49,706
Total Deferred Outflows of Resources	<u>\$578,435</u>	<u>\$216,669</u>	<u>\$795,104</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$622,189	\$206,779	\$828,968
Changes of assumptions	342,627	894,456	1,237,083
Changes in proportionate share	28,340	0	28,340
Total Deferred Inflows of Resources	<u>\$993,156</u>	<u>\$1,101,235</u>	<u>\$2,094,391</u>

\$49,706 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 in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	(\$157,189)	(\$388,427)	(\$545,616)
2026	(140,350)	(180,219)	(320,569)
2027	(81,762)	(68,849)	(150,611)
2028	(54,375)	(94,272)	(148,647)
2029	(41,108)	(86,544)	(127,652)
Thereafter	10,357	(66,255)	(55,898)
Total	<u>(\$464,427)</u>	<u>(\$884,566)</u>	<u>(\$1,348,993)</u>

## HEATH CITY SCHOOL DISTRICT

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

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

##### D. Actuarial Assumptions

##### *School Employees Retirement System (SERS)*

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

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

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

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

Wage Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

## HEATH CITY SCHOOL DISTRICT

### *Notes to the Basic Financial Statements* *For the Fiscal Year Ended June 30, 2024*

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

##### **D. Actuarial Assumptions** (Continued)

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 disable 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 expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2015 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, 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, as used in the June 30, 2020 five-year experience study, are summarized as follows:

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

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## HEATH CITY SCHOOL DISTRICT

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### *Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024*

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

##### **D. Actuarial Assumptions** (Continued)

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

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

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$1,542,123	\$1,206,399	\$941,667

	1% Decrease (5.75% Decreasing to 3.40%)	Current Trend Rate (6.75% Decreasing to 4.40%)	1% Increase (7.75% Decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$886,300	\$1,206,399	\$1,630,575

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## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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

##### **D. Actuarial Assumptions** (Continued)

##### ***State Teachers Retirement System (STRS)***

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	(10.94) percent initial 4.14 percent ultimate	(68.78) percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	(11.95) percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	(5.47) percent initial 3.94 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2023 valuation are based on the results of the latest available actuarial experience study which is for the period July 1, 2015 through June 30, 2021.

## HEATH CITY SCHOOL DISTRICT

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

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

##### D. Actuarial Assumptions (Continued)

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

Asset Class	Target Allocation*	Long Term Expected 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	100.00 %	

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

\*\*10-Year geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

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## HEATH CITY SCHOOL DISTRICT

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

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

##### D. Actuarial Assumptions (Continued)

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount and Health Care Cost Trend Rates*** – The net OPEB liability (asset) is sensitive to changes in the discount and health care cost trend rates. To illustrate the potential impact the following table presents the net OPEB liability (asset) calculated using the discount rate of 7.00 percent, as well as what the net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate. Also shown is the net OPEB liability (asset) calculated using a health care cost trend rate this is one percentage point lower and one percentage point higher.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB liability (asset)	(\$1,147,410)	(\$1,355,685)	(\$1,537,070)

	1% Decrease in Trend Rate	Current Trend Rate	1% Increase in Trend Rate
School District's proportionate share of the net OPEB liability (asset)	(\$1,545,487)	(\$1,355,684)	(\$1,127,071)

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## HEATH CITY SCHOOL DISTRICT

### Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024

#### NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS

The original amounts of the General Obligation Bonds Payable used to finance the cost of various building renovations and the cost of building a new high school and other building additions were \$993,350 and \$16,247,718. The original amount of the 2005 refunding, \$9,999,987, was used to refund the \$16,247,718 bond. The 2015 refunding of \$7,340,000 was used to partially refund the 2005 refunding. All refunded bonds have \$0 outstanding balance at June 30, 2024 because they have been called.

Detail of the changes in the bonds, leases, SBITA liability and compensated absences of the District for the year ended June 30, 2024 is as follows:

		Balance June 30, 2023	Issued	Retired	Balance June 30, 2024	Due Within One Year
<b>Governmental Activities:</b>						
General Obligation Bonds Payable:						
School Improvement Bonds-Refunding-2015	2-4%	\$4,405,000	\$0	(\$1,050,000)	\$3,355,000	\$1,085,000
Premium on Refunding Bonds		179,274	0	(44,818)	134,456	0
Total General Obligation Bonds Payable		4,584,274	0	(1,094,818)	3,489,456	1,085,000
SBITA Liability		102,663	0	(52,504)	50,159	50,159
Lease Payable		0	128,830	(12,819)	116,011	23,227
Compensated Absences		1,844,944	1,746,525	(1,844,944)	1,746,525	102,110
Total Governmental Activities		\$6,531,881	\$1,875,355	(\$3,005,085)	\$5,402,151	\$1,260,496

#### **A. Principal and Interest Requirements**

A summary of the District's future long-term debt funding requirements, including principal and interest payments as of June 30, 2024, follows:

	General Obligation Bonds Payable	
Years	Principal	Interest
2025	\$1,085,000	\$84,375
2026	1,120,000	51,300
2027	1,150,000	17,250
Totals	\$3,355,000	\$152,925

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## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 12 - LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (Continued)**

##### **B. Subscription Based Information Technology Arrangements**

The District is in several contracts for the right to use information technology software for various instructional and financial purposes. The contracts range from two to three years. SBITA payments have been reclassified and are reflected as debt service expenditures paid out of the General Fund and the ESSER Fund in the financial statements for the governmental funds. These expenditures are reflected as function expenditures on the budgetary statements.

The following is a schedule of the future minimum SBITA payments as of June 30, 2024:

<u>Fiscal Years</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$50,159	\$2,508	\$52,667

##### **C. Lease Payable**

During fiscal year 2024, the District entered into a lease for copiers. Lease payments are reflected as debt service expenditures in the basic financial statements.

The leased assets were originally capitalized in the amount of \$128,830. This amount represents the present value of the minimum lease payments at the time of acquisition. Principal payments in fiscal year 2024 totaled \$12,819 in the governmental funds.

The following is a schedule of the future minimum payments under the lease with the present value of the net minimum payments as of June 30, 2024:

<u>Year Ending June 30,</u>	<u>Lease</u>
2025	\$ 30,612
2026	30,612
2027	30,612
2028	30,612
2029	<u>12,755</u>
Minimum Payments	135,203
Less: Amount representing interest at the District's incremental borrowing rate of interest	<u>(19,192)</u>
Present Value of minimum payments	<u><u>\$116,011</u></u>

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## HEATH CITY SCHOOL DISTRICT

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### *Notes to the Basic Financial Statements* *For the Fiscal Year Ended June 30, 2024*

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#### NOTE 13 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees. During fiscal year 2024 the District contracted with the Ohio School Plan (the "Plan") for various insurance coverages, which is in turn reinsured by a number of reinsurance companies. The Plan is (established per ORC § 2744.081) an unincorporated, nonprofit association of its members and an instrumentality for each member for the sole purpose of enabling members of the Plan to provide for a formalized, jointly administered self-insurance program to maintain adequate self-insurance protection, risk management programs, and other administrative services. Pursuant to ORC § 2744.081, the Plan is deemed a separate legal entity for the purpose of enabling its members to obtain self-insurance through a jointly administered self-insurance fund. Members of the Plan include public school districts, educational service centers, joint vocational schools, centers of government, boards of developmental disabilities, and community colleges in the state of Ohio which are eligible to participate under applicable statute, ruling, or law subject to certain underwriting standards as deemed appropriate by the Plan and its administrator. Likewise through the Ohio School Plan the District was a member of a cyber risk insurance pool with other school districts.

Coverage	Deductible	Coverage Limits
Fleet Insurance:		
Liability		\$4 mil.
Under Insured Motorist		\$1 mil.
Medical		\$5,000
Comprehensive	Busses: \$1,000	Lesser of cash
	Other: \$250	value or repair cost
Collision	Busses: \$1,000	Lesser of cash
	Other: \$500	value or repair cost
Buildings and Contents	\$1,000	\$82,743,023
School District Liability	\$2,500	\$6 mil. aggregate
		\$4 mil. per
Educational Fiduciary and		occurrence
Employee Benefits Liability	\$1,000	\$6 mil. aggregate
		\$4 mil. per
School Leaders Errors and		occurrence
Omissions	\$2,500	\$6 mil. aggregate
Employee Theft and Crime	\$1,000	\$100,000
Violent Acts		\$1 mil. aggregate
		\$1 mil. pool
Cyber	\$25,000	aggregate

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 13 - RISK MANAGEMENT (Continued)**

There has been no significant reduction in insurance coverages from the prior year. In addition, settled claims resulting from these risks have not exceeded commercial insurance coverages in any of the past three fiscal years.

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (the GRP), an insurance purchasing pool. The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State, based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Hunter Consulting Company provides administrative, cost control and actuarial services to the GRP. The GRP'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 school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The District provides health care, dental, and vision insurance coverage through the Stark County Schools' Council of Governments (Consortium) which administers a "fully-funded" health plan for its member school districts allowing a "pooling" of covered individuals and their claims. The Stark County Educational Service Center (ESC) acts as the council's fiscal agent and maintains the Council Fund. The Council contracts with a third-party plan administrator that handles the plan's claims and other administrative services (currently Medical Mutual of Ohio).

## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 14 – STATUTORY RESERVES**

The District is required by state law to set aside certain general fund revenue amounts for capital acquisition into a reserve. Reserves are calculated and presented on a cash basis. During the fiscal year ended June 30, 2024, the reserve activity (cash-basis) was as follows:

	Capital Acquisition Reserve
Set-aside Cash Balance as of June 30, 2023	\$0
Current Year Additions	364,449
Current Year Disbursements	(364,449)
Totals	<u>\$0</u>
Balance Carried Forward to FY 2025	<u>\$0</u>

The District had qualifying disbursements and other offsets that reduced the set-aside amounts below zero for the Capital Acquisition Reserve; however, this amount may not be used to reduce the set-aside requirement for future years.

#### **NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS**

##### **A. Licking Area Computer Association**

Licking Area Computer Association - The District is a participant in the Licking Area Computer Association (LACA) which is a computer council of governments. LACA is an association of public school districts within the boundaries of Licking, Muskingum, Knox, Fairfield, and Perry Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of eighteen members made up of the eighteen district superintendents or their designees. The District paid LACA \$214,359 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Licking County Career and Technical Education Center, Ben Streby, who serves as Treasurer, at 150 Price Road, Newark, Ohio 43055.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Basic Financial Statements For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS (Continued)**

##### **B. State Support Team Region 11**

The District participates in the State Support Team (SST11) Region 11, a jointly governed organization consisting of educational entities within Delaware, Fairfield, Franklin, Licking, Madison, Pickaway, and Union counties. The purpose of the SST11 is to provide support services to school districts, community schools, and chartered nonpublic schools within the region by supporting State and school initiatives and efforts to improve school effectiveness and student achievement with a specific reference to the provision of special education and related services. The SST11 is governed by an advisory council, which is the policymaking body for the educational entities within the region, who identifies regional needs and priorities for educational services and develops corresponding policies to coordinate the delivery of services. They are also charged with the responsibility of monitoring the implementation of State and regional initiatives and school improvement efforts. The Advisory Council is made up of the director of the SST11, the superintendent of each educational service center within the region, the superintendent of the region's largest and smallest school district, the director and an employee from each education technology center, one representative of a four-year institution of higher education and appointed by the Ohio Board of Regents, one representative of a two-year institution of higher education and appointed by the Ohio Association of Community Colleges, three board of education members (one each from a city, exempted village, and local school district within the region), and one business representative. The degree of control exercised by any participating educational entity is limited to its representation on the Advisory Council. Financial information can be obtained from the Educational Service Center of Central Ohio, Citygate Business Park, 2080 Citygate Drive, Columbus, OH, 43219.

#### **NOTE 16 – CONTINGENCIES**

##### **A. Grants**

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

##### **B. Litigation**

The District is not a party to any legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects as of June 30, 2024.

## **HEATH CITY SCHOOL DISTRICT**

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### ***Notes to the Basic Financial Statements*** ***For the Fiscal Year Ended June 30, 2024***

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#### **NOTE 17 – OTHER COMMITMENTS**

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at year end may be reported as part of restricted, committed, or assigned classifications of fund balance. Encumbrances outstanding at fiscal year-end were as follows:

Governmental Funds:	
General Fund	\$305,539
Other Governmental Funds	<u>1,462,972</u>
Total Governmental Funds	<u><u>\$1,768,511</u></u>

#### **NOTE 18 - COMPLIANCE AND ACCOUNTABILITY**

Fund Deficits - The fund deficits at June 30, 2024 of \$406,339 in the Elementary and Secondary School Emergency Relief Fund, \$75,767 in the Title VI-B Fund, \$65,513 in the Title I Fund, \$20,171 in the Drug Free School Grant Fund and \$512 in the Other Federal Grants Fund (special revenue funds) arose from the recognition of expenditures on the modified accrual basis which are greater than expenditures recognized on the budgetary basis. The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur.

#### **NOTE 19 – RESTATEMENT OF NET POSITION**

During fiscal year 2024, the District had a reappraisal performed for all capital asset balances as of June, 30, 2023.

The adjustment needed to properly report the reappraised capital assets had the following effect on net position as reported June 30, 2023:

	Governmental
	<u>Activities</u>
Net Position Reported June 30, 2023	\$9,536,980
Adjustments:	
Difference in reappraised value	<u>1,972,651</u>
Restated Net Position June 30, 2023	<u><u>\$11,509,631</u></u>

#### **NOTE 20 – SUBSEQUENT EVENTS**

In November of 2024, the District retired the outstanding portion of the 2015 Refunding School Improvement Bonds totaling \$3,355,000 plus the amount of interest due and payable with its fiscal year 2025 regularly scheduled payment (\$50,325).

***HEATH CITY SCHOOL DISTRICT***

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***REQUIRED SUPPLEMENTARY INFORMATION***

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## **HEATH CITY SCHOOL DISTRICT**

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***Required Supplementary Information  
Schedule of District's Proportionate Share of the Net Pension Liability  
Last Ten Fiscal Years***

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**State Teachers Retirement System**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.05974744%	0.06042891%	0.06160468%	0.06196745%
District's proportionate share of the net pension liability	\$14,532,645	\$16,700,783	\$20,620,943	\$14,720,501
District's covered payroll	\$6,196,446	\$6,143,793	\$6,625,093	\$6,743,314
District's proportionate share of the net pension liability as a percentage of its covered payroll	234.53%	271.83%	311.26%	218.30%
Plan fiduciary net position as a percentage of the total pension liability	74.70%	72.10%	66.80%	75.30%

Source: District Treasurer's Office and State Teachers Retirement System

**School Employees Retirement System**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
District's proportion of the net pension liability	0.052246%	0.06019250%	0.06282560%	0.06279870%
District's proportionate share of the net pension liability	\$2,644,140	\$3,434,642	\$4,598,254	\$3,752,084
District's covered payroll	\$1,526,782	\$1,760,425	\$1,951,129	\$2,087,236
District's proportionate share of the net pension liability as a percentage of its covered payroll	173.18%	195.10%	235.67%	179.76%
Plan fiduciary net position as a percentage of the total pension liability	71.70%	69.16%	62.98%	69.50%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.

Amounts presented as of the District's measurement date which is the prior year end.

See accompanying notes to the required supplementary information

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## ***HEATH CITY SCHOOL DISTRICT***

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<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.06307086%	0.06481946%	0.06708714%	0.06986213%	0.06878693%	0.06970596%
\$13,867,866	\$14,334,434	\$16,232,701	\$8,932,501	\$15,291,421	\$15,011,135
\$7,242,279	\$7,571,543	\$7,996,893	\$8,663,329	\$9,355,607	\$8,955,957
191.48%	189.32%	202.99%	103.11%	163.45%	167.61%
77.30%	77.40%	75.48%	87.78%	78.88%	80.02%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.06748890%	0.06594270%	0.06778990%	0.07042510%	0.07040620%	0.07138600%
\$3,865,214	\$3,945,467	\$4,483,767	\$2,598,482	\$3,808,115	\$3,944,444
\$2,127,704	\$2,227,059	\$2,289,671	\$2,388,679	\$2,980,950	\$2,706,414
181.66%	177.16%	195.83%	108.78%	127.75%	145.74%
71.36%	70.85%	68.55%	82.86%	75.82%	76.06%

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**HEATH CITY SCHOOL DISTRICT**

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***Required Supplementary Information  
Schedule of District's Pension Contributions  
Last Ten Fiscal Years***

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**State Teachers Retirement System**

Fiscal Year	2015	2016	2017	2018
Contractually required contribution	\$860,131	\$927,513	\$944,064	\$1,013,919
Contributions in relation to the contractually required contribution	860,131	927,513	944,064	1,013,919
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
District's covered payroll	\$6,143,793	\$6,625,093	\$6,743,314	\$7,242,279
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

Source: District Treasurer's Office and State Teachers Retirement System

**School Employees Retirement System**

Fiscal Year	2015	2016	2017	2018
Contractually required contribution	\$232,024	\$273,158	\$292,213	\$287,240
Contributions in relation to the contractually required contribution	232,024	273,158	292,213	287,240
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
District's covered payroll	\$1,760,425	\$1,951,129	\$2,087,236	\$2,127,704
Contributions as a percentage of covered payroll	13.18%	14.00%	14.00%	13.50%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 68 in 2015.

See accompanying notes to the required supplementary information

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***HEATH CITY SCHOOL DISTRICT***

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<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$1,060,016	\$1,119,565	\$1,212,866	\$1,309,785	\$1,253,834	\$1,319,832
<u>1,060,016</u>	<u>1,119,565</u>	<u>1,212,866</u>	<u>1,309,785</u>	<u>1,253,834</u>	<u>1,319,832</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,571,543	\$7,996,893	\$8,663,329	\$9,355,607	\$8,955,957	\$9,427,371
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$300,653	\$320,554	\$334,415	\$417,333	\$378,898	\$405,619
<u>300,653</u>	<u>320,554</u>	<u>334,415</u>	<u>417,333</u>	<u>378,898</u>	<u>405,619</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,227,059	\$2,289,671	\$2,388,679	\$2,980,950	\$2,706,414	\$2,897,279
13.50%	14.00%	14.00%	14.00%	14.00%	14.00%

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## **HEATH CITY SCHOOL DISTRICT**

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

#### ***Schedule of the District's Proportionate Share of the Net Other Postemployment Benefits (OPEB) Liability (Asset)***

##### ***Last Eight Fiscal Years***

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#### **State Teachers Retirement System**

Fiscal Year	2017	2018	2019
District's proportion of the net OPEB liability (asset)	0.06160468%	0.06196745%	0.06307086%
District's proportionate share of the net OPEB liability (asset)	\$3,294,634	\$2,417,741	(\$1,013,484)
District's covered payroll	\$6,625,093	\$6,743,314	\$7,242,279
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	49.73%	35.85%	(13.99%)
Plan fiduciary net position as a percentage of the total OPEB liability	37.30%	47.10%	176.00%

Source: District Treasurer's Office and State Teachers Retirement System

#### **School Employees Retirement System**

Fiscal Year	2017	2018	2019
District's proportion of the net OPEB liability	0.06302890%	0.06310650%	0.06804590%
District's proportionate share of the net OPEB liability	\$1,796,557	\$1,693,613	\$1,887,777
District's covered payroll	\$1,951,129	\$2,087,236	\$2,127,704
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	92.08%	81.14%	88.72%
Plan fiduciary net position as a percentage of the total OPEB liability	11.49%	12.46%	13.57%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.

The schedule is intended to show ten years of information. Additional years will be displayed as they become available. Information prior to 2017 is not available.

The schedule is reported as of the measurement date of the Net OPEB Liability (Asset), which is the prior year end.

See accompanying notes to the required supplementary information

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## ***HEATH CITY SCHOOL DISTRICT***

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<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.06481946%	0.06708714%	0.06986213%	0.06878693%	0.06970596%
(\$1,073,566)	(\$1,179,055)	(\$1,472,988)	(\$1,781,122)	(\$1,355,684)
\$7,571,543	\$7,996,893	\$8,663,329	\$9,355,607	\$8,955,957
(14.18%)	(14.74%)	(17.00%)	(19.04%)	(15.14%)
174.74%	182.13%	174.73%	230.73%	168.52%

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
0.06732910%	0.07016370%	0.07230830%	0.07181930%	0.07322850%
\$1,693,185	\$1,524,887	\$1,368,494	\$1,008,354	\$1,206,399
\$2,227,059	\$2,289,671	\$2,388,679	\$2,980,950	\$2,706,414
76.03%	66.60%	57.29%	33.83%	44.58%
15.57%	18.17%	24.08%	30.34%	30.02%

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## **HEATH CITY SCHOOL DISTRICT**

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***Required Supplementary Information  
Schedule of District's Other Postemployment Benefit (OPEB) Contributions  
Last Ten Fiscal Years***

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**State Teachers Retirement System**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$0	\$0	\$0	\$0
Contributions in relation to the contractually required contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$6,143,793	\$6,625,093	\$6,743,314	\$7,242,279
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

Source: District Treasurer's Office and State Teachers Retirement System

**School Employees Retirement System**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$45,014	\$29,156	\$31,528	\$45,529
Contributions in relation to the contractually required contribution	<u>45,014</u>	<u>29,156</u>	<u>31,528</u>	<u>45,529</u>
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District's covered payroll	\$1,760,425	\$1,951,129	\$2,087,236	\$2,127,704
Contributions as a percentage of covered payroll	2.56%	1.49%	1.51%	2.14%

Source: District Treasurer's Office and School Employees Retirement System

Notes: The District implemented GASB Statement 75 in 2018.

See accompanying notes to the required supplementary information

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***HEATH CITY SCHOOL DISTRICT***

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<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$0	\$0	\$0	\$0	\$0	\$0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$7,571,543	\$7,996,893	\$8,663,329	\$9,355,607	\$8,955,957	\$9,427,371
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$51,063	\$44,215	\$45,024	\$46,027	\$52,302	\$49,706
<u>51,063</u>	<u>44,215</u>	<u>45,024</u>	<u>46,027</u>	<u>52,302</u>	<u>49,706</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$2,227,059	\$2,289,671	\$2,388,679	\$2,980,950	\$2,706,414	\$2,897,279
2.29%	1.93%	1.88%	1.54%	1.93%	1.72%



## HEATH CITY SCHOOL DISTRICT

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### *Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2024*

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#### **NET PENSION LIABILITY**

##### **SERS**

*Changes in benefit terms* – For fiscal years 2024 through 2019, there were no changes to benefit terms. For fiscal year 2018, the following were the most significant changes in benefits that affected the total pension liability since the prior measurement date:

- The cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5 percent with a floor of 0 percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendars 2018, 2019, and 2020.

There were no changes to benefit terms for fiscal years 2015 through 2017.

##### *Changes in assumptions*

For fiscal year 2024, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2023 and prior are presented below:

- Cost of living adjustment was increased from 2.00% to 2.50%.

For fiscal year 2023, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

- Assumed rate of inflation was reduced from 3.00% to 2.40%
- Payroll growth assumption was reduced from 3.50% to 1.75%
- Assumed real wage growth was increased from 0.50% to 0.85%
- Cost-of-Living-Adjustments was reduced from 2.50% to 2.00%
- The discount rate was reduced from 7.50% to 7.00%
- Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to the following:
  - PUB-2010 General Amount Weighted Below Median Employee mortality table. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.
- Mortality among service retired members was updated to the following:
  - PUB-2010 General Employee Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.
- Mortality among contingent survivors was updated to the following:
  - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2024***

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#### **NET PENSION LIABILITY** (Continued)

##### **SERS** (Continued)

- Mortality among disabled members was updated to the following:
  - 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.

For fiscal years 2021, 2020, and 2019 there were no changes in assumptions.

For fiscal year 2018, the following changes were made to the actuarial assumptions as identified. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- 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. The above rates represent the base rates used.
- 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.
- Mortality among disable member 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.

There were no changes in assumptions for fiscal years 2015 through 2017.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2024***

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#### **NET PENSION LIABILITY** (Continued)

##### **STRS**

*Changes in benefit terms* – For fiscal years 2024 through 2019, there were no changes to benefit terms. For fiscal year 2018, the cost of living adjustment (COLA) was reduced to 0 percent effective July 1, 2017. There were no changes to benefit terms for fiscal years 2015 through 2017.

##### *Changes in assumptions*

For fiscal year 2024, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Total salary increase rates were lowered to a range of 2.5 percent to 8.5 percent.
- Updated the health and disability mortality assumptions to the Pub-2010 Teachers Healthy Annuitant Mortality Table projected forward generationally using mortality improvement scale MP-2020.
- Demographic assumptions were modified to reflect the June 30, 2021 experience study.

In fiscal year 2023 the investment return was lowered from 7.45 percent to 7.00 percent. For fiscal year 2021, 2020, and 2019, there were no changes in assumptions. For fiscal year 2018, the following were the most significant changes of assumptions that affected the total pension liability since the prior measurement date:

- Inflation assumptions were lowered from 2.75 percent to 2.50 percent.
- Investment return assumptions were lowered from 7.75 percent to 7.45 percent.
- Total salary increases rates were lowered by decreasing merit component of the individual salary increases, as well as by 0.25 percent due to lower inflation.
- Payroll growth assumptions were lowered to 3.00 percent.
- Updated the health and disability mortality assumption to the RP-2014 mortality tables with generational improvement scale MP-2016.
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

There were no changes in assumptions for fiscal years 2015 through 2017.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2024***

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#### **SERS**

*Changes in benefit terms* – There were no changes to benefit terms for fiscal years 2024 - 2018.

#### *Changes in assumptions*

For fiscal year 2024, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was changed from 2.27% to 4.08%

For fiscal year 2023, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was changed from 2.63% to 2.27%
- The investment rate of return was reduced from 7.50% to 7.00%
- Assumed rate of inflation was reduced from 3.00% to 2.40%
- Payroll Growth Assumption was reduced from 3.50% to 1.75%
- Assumed real wage growth was increased from 0.50% to 0.85%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience
- Rate of health care participation for future retirees and spouses was updated to reflect recent experience
- Mortality among active members was updated to the following:
  - PUB-2010 General Amount Weighted Below Median Employee mortality table.
- Mortality among service retired members was updated to the following:
  - 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 beneficiaries was updated to the following:
  - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
- Mortality among disabled member was updated to the following:
  - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.
- Mortality rates are projected using a fully generational projection with Scale MP-2020.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2024***

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#### **NET OPEB LIABILITY (ASSET)** (Continued)

##### **SERS** (Continued)

For fiscal year 2021, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.13 percent to 2.45 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22 percent to 2.63 percent.

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The municipal bond index rate decreased from 3.62 percent to 3.13 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70 percent to 3.22 percent.
- The medical trend assumption rate changed as follows:
  - Medicare – 2019 – 5.375 to 4.75 percent, 2020 – 5.25 to 4.75 percent
  - Pre-Medicare – 2019 – 7.25 to 4.75 percent, 2020 – 7.00 to 4.75

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was changed from 3.63 percent to 3.70 percent.
- The municipal bond index rate increased from 3.56 percent to 3.62 percent.
- The single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63 percent to 3.70 percent.
- The medical trend assumption rate changed as follows:
  - Medicare – 2018 – 5.50 to 5.00 percent, 2019 – 5.375 to 4.75 percent
  - Pre-Medicare – 2018 – 7.50 to 5.00 percent, 2019 – 7.25 to 4.75

For fiscal year 2018, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 2.98 percent to 3.63.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2024***

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#### **NET OPEB LIABILITY (ASSET)** (Continued)

##### **SERS** (Continued)

For fiscal year 2017, the following was the most significant change of assumptions that affected the total OPEB liability since the prior measurement date:

- Assumed rate of inflation was reduced from 3.25% to 3.00%
- Payroll Growth Assumption was reduced from 4.00% to 3.50%
- Assumed real wage growth was reduced from 0.75% to 0.50%
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- 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.
- 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.
- 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.

##### **STRS**

##### *Changes in benefit terms*

For fiscal year 2024 the following was the most significant change in benefit terms that affected the total OPEB liability 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.

For fiscal year 2023 the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The non-Medicare subsidy percentage was increased effective January 1, 2023 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2023. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2023. The Part B monthly reimbursement elimination date was postponed indefinitely.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2024***

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#### **NET OPEB LIABILITY (ASSET)** (Continued)

##### **STRS** (Continued)

For fiscal year 2021 the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- 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 2020, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2019, the following was the most significant change in benefit terms that affected the total OPEB liability since the prior measurement date:

- The subsidy multiplier for non-Medicare benefit recipients increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020, though the STRS Board voted in June 2019 to extent the current Medicare Part B partial reimbursement for one year.

For fiscal year 2018, STRS has the following changes in benefit terms since the previous measurement date:

- The HealthSpan HMO plans were eliminated.
- The subsidy multiplier for non-Medicare benefit recipients was reduced to 1.9 percent per year of service from 2.1 percent.
- Medicare Part B premium reimbursements were discontinued for survivors and beneficiaries who were age 65 by 2008 and either receiving a benefit or named as a beneficiary as of January 1, 2008.
- The remaining Medicare Part B premium reimbursements will be phased out over a three-year period.

There were no changes to benefit terms for fiscal year 2017.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2024***

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#### **NET OPEB LIABILITY (ASSET)** (Continued)

##### **STRS** (Continued)

###### *Changes in assumptions*

For fiscal year 2024 there were no changes in assumptions.

In fiscal year 2023 the investment return was lowered from 7.45 percent to 7.00 percent.

For fiscal year 2021 the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
  - Medical Medicare – from 4.93 percent to (6.69) percent initial, 4 percent ultimate
  - Medical Pre-Medicare – from 5.87 percent to 5.00 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – from 9.62 percent to 11.87 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – from 7.73 percent to 6.50 initial, 4 percent ultimate

For fiscal year 2020, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The health care trend assumption rate changed as follows:
  - Medical Medicare – from 6 percent to 4.93 percent initial, 4 percent ultimate
  - Medical Pre-Medicare – from 5 percent to 5.87 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – from 8 percent to 9.62 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – from -5.23 percent to 7.73 initial, 4 percent ultimate

For fiscal year 2019, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate increased from a 4.13 percent blended discount rate to 7.45 percent.
- The health care trend assumption rate changed from 6 to 11 percent initial, 4.5 percent ultimate to:
  - Medical Medicare – 6 percent initial, 4 percent ultimate
  - Medical Pre-Medicare – 5 percent initial, 4 percent ultimate
  - Prescription Drug Medicare – 8 percent initial, 4 percent ultimate
  - Prescription Drug Pre-Medicare – -5.23 percent initial, 4 percent ultimate



## ***HEATH CITY SCHOOL DISTRICT***

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### ***Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2024***

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#### **NET OPEB LIABILITY (ASSET)** (Continued)

##### **STRS** (Continued)

For fiscal year 2018, the following were the most significant changes of assumptions that affected the total OPEB liability since the prior measurement date:

- The discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB 74.
- The long-term rate of return was reduced to 7.45 percent.
- Valuation-year per capita health costs were updated.
- The percentage of future retirees electing each option was updated based on current data.
- The assumed future trend rates were modified.
- Decrement rates including mortality, disability, retirement, and withdrawal were modified.
- The assumed percentage of future disabled retirees assumed to elect health coverage was decreased from 84 percent to 65 percent, and the assumed percentage of terminated vested participants assumed to elect health coverage at retirement was decreased from 47 percent to 30 percent.
- The assumed salary scale was modified.

There were no changes in assumptions for fiscal year 2017.

***HEATH CITY SCHOOL DISTRICT***

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***C*OMBINING AND *I*NDIVIDUAL *F*UND  
*S*TATEMENTS AND *S*CHEDULES**

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***T*HE FOLLOWING COMBINING STATEMENTS AND SCHEDULES INCLUDE  
THE MAJOR AND NONMAJOR GOVERNMENTAL FUNDS.**

# ***HEATH CITY SCHOOL DISTRICT***

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## ***Nonmajor Governmental Funds***

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### ***Special Revenue Funds***

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Special Revenue funds are used to account for the proceeds of specific revenue sources (other than amounts relating to private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

#### **Food Service Fund**

To record financial transactions associated with food service operations.

#### **Uniform School Supply Fund**

To account for the purchase and sale of school supplies. Profits derived from sales must be used for school purposes or activities. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

#### **Rotary Fund**

To account for operations which provide goods and services provided by the District. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

#### **Public School Support Fund**

To account for specific local revenue sources, other than taxes that are restricted to expenditures for specified purposes, curricular and extracurricular, approved by board resolutions. (The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are not presented because this fund is reported as part of the General Fund on a GAAP basis.)

#### **Other Grants Fund**

To account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

#### **Student Managed Activity Fund**

To account for student activity programs which have student participation in the activity and have student management of the programs.

#### **District Managed Student Activity Fund**

To account for student activity programs which have student participation in the activity, but do not have student management of the programs. Typically this includes athletic programs, band, cheerleaders and other similar types of activities.

#### **Auxiliary Services Fund**

To account for monies which provide services and materials to pupils attending non-public schools within the District.

#### **Data Communications Fund**

To account for monies received to assist the District with data connectivity for student instruction and communications.

(Continued)

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## ***HEATH CITY SCHOOL DISTRICT***

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### ***Nonmajor Governmental Funds***

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#### ***Special Revenue Funds (continued)***

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##### **Other State Grants Fund**

To account for monies from state agencies which are not classified elsewhere.

##### **Elementary and Secondary School Emergency Relief Fund**

To account for federal monies received to address the impact COVID-19 had and continues to have on elementary and secondary schools.

##### **Title VI-B Fund**

To account for monies received through grants to assist in the identification of children with disabilities, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to children with disabilities at the preschool, elementary and secondary levels.

##### **Title III Limited English Proficiency Fund**

To account for federal monies for elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

##### **Title I Fund**

To account for federal revenues received to meet the special needs of educationally deprived children.

##### **Drug Free School Grant Fund**

To account for federal monies received which are used to strengthen programs that prevent the illegal use of alcohol, tobacco and drugs in and around schools.

##### **IDEA Preschool Grant For the Handicapped Fund**

To account for federal grant funds to be used for the improvement and expansion of services for handicapped children ages three (3) through five (5) years. (The Balance Sheet is not presented because there are no assets or liabilities at fiscal yearend.)

##### **Improving Teacher Quality Fund**

To account for federal monies received which are used to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced. (The Balance Sheet is not presented because there are no assets or liabilities at fiscal year-end)

##### **Other Federal Grants Fund**

To account for monies from Federal agencies which are not classified elsewhere.

## ***HEATH CITY SCHOOL DISTRICT***

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### ***Nonmajor Governmental Funds***

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#### ***Capital Projects Funds***

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The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

##### **Permanent Improvement Fund**

To account for financial resources to be used for the acquisition of major capital assets.

##### **Building Fund**

To account for the acquisition, construction and improvement of capital facilities as authorized by Chapter 5705 of the Ohio Revised Code.



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## **HEATH CITY SCHOOL DISTRICT**

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***Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024***

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	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,361,994	\$ 1,630,809	\$ 2,992,803
Receivables:			
Taxes	0	1,488,111	1,488,111
Accounts	7,875	0	7,875
Intergovernmental	601,663	0	601,663
Inventory	26,627	0	26,627
<b>Total Assets</b>	<u>\$ 1,998,159</u>	<u>\$ 3,118,920</u>	<u>\$ 5,117,079</u>
<b>Liabilities:</b>			
Accounts Payable	\$ 422,133	\$ 99,695	\$ 521,828
Accrued Wages and Benefits	154,628	0	154,628
Intergovernmental Payable	29,481	0	29,481
Interfund Loans Payable	609,247	0	609,247
<b>Total Liabilities</b>	<u>1,215,489</u>	<u>99,695</u>	<u>1,315,184</u>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	0	1,412,661	1,412,661
Unavailable Revenue	593,916	27,474	621,390
<b>Total Deferred Inflows of Resources</b>	<u>593,916</u>	<u>1,440,135</u>	<u>2,034,051</u>
<b>Fund Balances:</b>			
Nonspendable	26,627	0	26,627
Restricted	730,429	1,579,090	2,309,519
Unassigned	(568,302)	0	(568,302)
<b>Total Fund Balances</b>	<u>188,754</u>	<u>1,579,090</u>	<u>1,767,844</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 1,998,159</u>	<u>\$ 3,118,920</u>	<u>\$ 5,117,079</u>

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## **HEATH CITY SCHOOL DISTRICT**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2024***

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	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues:</b>			
Local Sources:			
Taxes	\$ 0	\$ 1,194,346	\$ 1,194,346
Food Services	440,636	0	440,636
Investment Earnings	11,739	24,492	36,231
Extracurricular Activities	238,186	0	238,186
Intergovernmental - State	123,043	36,847	159,890
Intergovernmental - Federal	2,292,033	0	2,292,033
All Other Revenue	181,356	0	181,356
<b>Total Revenue</b>	<u>3,286,993</u>	<u>1,255,685</u>	<u>4,542,678</u>
<b>Expenditures:</b>			
Current:			
Instruction	799,021	198,592	997,613
Supporting Services:			
Pupils	216,602	0	216,602
Instructional Staff	153,393	0	153,393
Administration	169,668	0	169,668
Fiscal Services	0	19,535	19,535
Operation and Maintenance of Plant	8,000	0	8,000
Pupil Transportation	45,000	121,812	166,812
Central	32,200	3,798	35,998
Operation of Non-Instructional Services:			
Community Services	40,093	0	40,093
Food Service Operations	1,269,508	0	1,269,508
Extracurricular Activities	258,198	4,276	262,474
Capital Outlay	457,078	653,058	1,110,136
Debt Service:			
Principal Retirement	14,425	0	14,425
Interest and Fiscal Charges	1,478	0	1,478
<b>Total Expenditures</b>	<u>3,464,664</u>	<u>1,001,071</u>	<u>4,465,735</u>
Net Change in Fund Balance	(177,671)	254,614	76,943
<b>Fund Balances at Beginning of Year</b>	366,425	1,324,476	1,690,901
<b>Fund Balances End of Year</b>	<u>\$ 188,754</u>	<u>\$ 1,579,090</u>	<u>\$ 1,767,844</u>



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**HEATH CITY SCHOOL DISTRICT**

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2024**

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	Food Service	Other Grants	Student Managed Activity	District Managed Student Activity
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 625,624	\$ 4,847	\$ 53,221	\$ 70,762
Receivables:				
Accounts	0	0	0	7,875
Intergovernmental	0	0	0	0
Inventory	26,627	0	0	0
<b>Total Assets</b>	<b>\$ 652,251</b>	<b>\$ 4,847</b>	<b>\$ 53,221</b>	<b>\$ 78,637</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 8,917	\$ 0	\$ 386	\$ 4,101
Accrued Wages and Benefits	60,359	0	0	807
Intergovernmental Payable	11,803	0	0	125
Interfund Loans Payable	0	0	0	0
<b>Total Liabilities</b>	<b>81,079</b>	<b>0</b>	<b>386</b>	<b>5,033</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue	0	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances:</b>				
Nonspendable	26,627	0	0	0
Restricted	544,545	4,847	52,835	73,604
Unassigned	0	0	0	0
<b>Total Fund Balances (Deficit)</b>	<b>571,172</b>	<b>4,847</b>	<b>52,835</b>	<b>73,604</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 652,251</b>	<b>\$ 4,847</b>	<b>\$ 53,221</b>	<b>\$ 78,637</b>

# ***HEATH CITY SCHOOL DISTRICT***

Auxiliary Services	Data Communication	Other State Grants	Elementary and Secondary School Emergency Relief	Title VI-B	Title III Limited English Proficiency	Title I
\$ 339	\$ 796	\$ 112,907	\$ 467,386	\$ 10,137	\$ 556	\$ 2,025
0	0	0	0	0	0	0
0	0	0	406,339	68,521	0	65,465
0	0	0	0	0	0	0
<u>\$ 339</u>	<u>\$ 796</u>	<u>\$ 112,907</u>	<u>\$ 873,725</u>	<u>\$ 78,658</u>	<u>\$ 556</u>	<u>\$ 67,490</u>
\$ 0	\$ 0	\$ 0	\$ 388,725	\$ 8,131	\$ 0	\$ 0
0	0	0	0	46,470	0	46,992
0	0	0	0	6,303	0	5,546
0	0	60,000	485,000	25,000	0	15,000
0	0	60,000	873,725	85,904	0	67,538
0	0	0	406,339	68,521	0	65,465
0	0	0	406,339	68,521	0	65,465
0	0	0	0	0	0	0
339	796	52,907	0	0	556	0
0	0	0	(406,339)	(75,767)	0	(65,513)
339	796	52,907	(406,339)	(75,767)	556	(65,513)
<u>\$ 339</u>	<u>\$ 796</u>	<u>\$ 112,907</u>	<u>\$ 873,725</u>	<u>\$ 78,658</u>	<u>\$ 556</u>	<u>\$ 67,490</u>

(Continued)

## HEATH CITY SCHOOL DISTRICT

### Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2024

	Drug Free School Grant	Improving Teacher Quality	Other Federal Grants	Total Nonmajor Special Revenue Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 533	\$ 0	\$ 12,861	\$ 1,361,994
Receivables:				
Accounts	0	0	0	7,875
Intergovernmental	38,631	21,318	1,389	601,663
Inventory	0	0	0	26,627
<b>Total Assets</b>	<b>\$ 39,164</b>	<b>\$ 21,318</b>	<b>\$ 14,250</b>	<b>\$ 1,998,159</b>
<b>Liabilities:</b>				
Accounts Payable	\$ 0	\$ 0	\$ 11,873	\$ 422,133
Accrued Wages and Benefits	0	0	0	154,628
Intergovernmental Payable	5,704	0	0	29,481
Interfund Loans Payable	15,000	7,747	1,500	609,247
<b>Total Liabilities</b>	<b>20,704</b>	<b>7,747</b>	<b>13,373</b>	<b>1,215,489</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue	38,631	13,571	1,389	593,916
<b>Total Deferred Inflows of Resources</b>	<b>38,631</b>	<b>13,571</b>	<b>1,389</b>	<b>593,916</b>
<b>Fund Balances:</b>				
Nonspendable	0	0	0	26,627
Restricted	0	0	0	730,429
Unassigned	(20,171)	0	(512)	(568,302)
<b>Total Fund Balances (Deficit)</b>	<b>(20,171)</b>	<b>0</b>	<b>(512)</b>	<b>188,754</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 39,164</b>	<b>\$ 21,318</b>	<b>\$ 14,250</b>	<b>\$ 1,998,159</b>

# HEATH CITY SCHOOL DISTRICT

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Fiscal Year Ended June 30, 2024

	Food Service	Other Grants	Student Managed Activity	District Managed Student Activity	Auxiliary Services
<b>Revenues:</b>					
Local Sources:					
Food Services	\$ 440,636	\$ 0	\$ 0	\$ 0	\$ 0
Investment Earnings	9,610	76	861	1,186	0
Extracurricular Activities	0	0	41,419	196,767	0
Intergovernmental - State	12,146	0	0	0	0
Intergovernmental - Federal	648,144	0	0	0	0
All Other Revenue	158,246	0	1,419	21,691	0
<b>Total Revenue</b>	<u>1,268,782</u>	<u>76</u>	<u>43,699</u>	<u>219,644</u>	<u>0</u>
<b>Expenditures:</b>					
Current:					
Instruction	0	0	0	0	0
Supporting Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	0	0	0
Administration	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services:					
Community Services	0	0	0	0	0
Food Service Operations	1,269,508	0	0	0	0
Extracurricular Activities	0	0	54,917	203,281	0
Capital Outlay	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<b>Total Expenditures</b>	<u>1,269,508</u>	<u>0</u>	<u>54,917</u>	<u>203,281</u>	<u>0</u>
Net Change in Fund Balance	(726)	76	(11,218)	16,363	0
<b>Fund Balances at Beginning of Year</b>	571,898	4,771	64,053	57,241	339
<b>Fund Balances End of Year</b>	<u>\$ 571,172</u>	<u>\$ 4,847</u>	<u>\$ 52,835</u>	<u>\$ 73,604</u>	<u>\$ 339</u>

(Continued)

## **HEATH CITY SCHOOL DISTRICT**

***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

	Data Communication	Other State Grants	Elementary and Secondary School Emergency Relief	Title VI-B
<b>Revenues:</b>				
Local Sources:				
Food Services	\$ 0	\$ 0	\$ 0	\$ 0
Investment Earnings	6	0	0	0
Extracurricular Activities	0	0	0	0
Intergovernmental - State	7,990	102,907	0	0
Intergovernmental - Federal	0	0	548,386	416,163
All Other Revenue	0	0	0	0
<b>Total Revenue</b>	<u>7,996</u>	<u>102,907</u>	<u>548,386</u>	<u>416,163</u>
<b>Expenditures:</b>				
Current:				
Instruction	0	0	201,221	230,152
Supporting Services:				
Pupils	0	0	190,374	26,228
Instructional Staff	0	0	0	0
Administration	0	0	0	148,624
Operation and Maintenance of Plant	0	8,000	0	0
Pupil Transportation	0	45,000	0	0
Central	7,200	0	0	0
Operation of Non-Instructional Services:				
Community Services	0	0	0	29,653
Food Service Operations	0	0	0	0
Extracurricular Activities	0	0	0	0
Capital Outlay	0	5,000	388,725	0
Debt Service:				
Principal Retirement	0	0	14,425	0
Interest and Fiscal Charges	0	0	1,478	0
<b>Total Expenditures</b>	<u>7,200</u>	<u>58,000</u>	<u>796,223</u>	<u>434,657</u>
Net Change in Fund Balance	796	44,907	(247,837)	(18,494)
<b>Fund Balances at Beginning of Year</b>	0	8,000	(158,502)	(57,273)
<b>Fund Balances End of Year</b>	<u>\$ 796</u>	<u>\$ 52,907</u>	<u>\$ (406,339)</u>	<u>\$ (75,767)</u>

# **HEATH CITY SCHOOL DISTRICT**

Title III Limited English Proficiency	Title I	Drug Free School Grant	IDEA Preschool Grant for the Handicapped	Improving Teacher Quality	Other Federal Grants	Total Nonmajor Special Revenue Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 440,636
0	0	0	0	0	0	11,739
0	0	0	0	0	0	238,186
0	0	0	0	0	0	123,043
883	341,614	613	6,259	26,497	303,474	2,292,033
0	0	0	0	0	0	181,356
883	341,614	613	6,259	26,497	303,474	3,286,993
600	325,694	20,171	0	0	21,183	799,021
0	0	0	0	0	0	216,602
0	0	0	0	25,000	128,393	153,393
0	0	0	0	0	21,044	169,668
0	0	0	0	0	0	8,000
0	0	0	0	0	0	45,000
0	0	0	0	0	25,000	32,200
0	8,364	579	0	1,497	0	40,093
0	0	0	0	0	0	1,269,508
0	0	0	0	0	0	258,198
0	0	0	0	0	63,353	457,078
0	0	0	0	0	0	14,425
0	0	0	0	0	0	1,478
600	334,058	20,750	0	26,497	258,973	3,464,664
283	7,556	(20,137)	6,259	0	44,501	(177,671)
273	(73,069)	(34)	(6,259)	0	(45,013)	366,425
\$ 556	\$ (65,513)	\$ (20,171)	\$ 0	\$ 0	\$ (512)	\$ 188,754

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## ***HEATH CITY SCHOOL DISTRICT***

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***Combining Balance Sheet  
Nonmajor Capital Projects Funds  
June 30, 2024***

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	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 1,594,695	\$ 36,114	\$ 1,630,809
Receivables:			
Taxes	1,488,111	0	1,488,111
<b>Total Assets</b>	<u><u>\$ 3,082,806</u></u>	<u><u>\$ 36,114</u></u>	<u><u>\$ 3,118,920</u></u>
<b>Liabilities:</b>			
Accounts Payable	\$ 99,695	\$ 0	\$ 99,695
<b>Total Liabilities</b>	<u>99,695</u>	<u>0</u>	<u>99,695</u>
<b>Deferred Inflows of Resources:</b>			
Property Taxes	1,412,661	0	1,412,661
Unavailable Revenue	27,474	0	27,474
<b>Total Deferred Inflows of Resources</b>	<u>1,440,135</u>	<u>0</u>	<u>1,440,135</u>
<b>Fund Balances:</b>			
Restricted	1,542,976	36,114	1,579,090
<b>Total Fund Balances</b>	<u>1,542,976</u>	<u>36,114</u>	<u>1,579,090</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u><u>\$ 3,082,806</u></u>	<u><u>\$ 36,114</u></u>	<u><u>\$ 3,118,920</u></u>

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## **HEATH CITY SCHOOL DISTRICT**

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***Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2024***

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	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
<b>Revenues:</b>			
Local Sources:			
Taxes	\$ 1,194,346	\$ 0	\$ 1,194,346
Investment Earnings	23,974	518	24,492
Intergovernmental - State	36,847	0	36,847
<b>Total Revenue</b>	<u>1,255,167</u>	<u>518</u>	<u>1,255,685</u>
<b>Expenditures:</b>			
Current:			
Instruction	198,592	0	198,592
Supporting Services:			
Fiscal Services	19,535	0	19,535
Pupil Transportation	121,812	0	121,812
Central	3,798	0	3,798
Extracurricular Activities	4,276	0	4,276
Capital Outlay	653,058	0	653,058
<b>Total Expenditures</b>	<u>1,001,071</u>	<u>0</u>	<u>1,001,071</u>
Net Change in Fund Balance	254,096	518	254,614
<b>Fund Balances at Beginning of Year</b>	<u>1,288,880</u>	<u>35,596</u>	<u>1,324,476</u>
<b>Fund Balances End of Year</b>	<u><u>\$ 1,542,976</u></u>	<u><u>\$ 36,114</u></u>	<u><u>\$ 1,579,090</u></u>



## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Major Debt Service Fund – Bond Retirement Fund  
For the Fiscal Year Ended June 30, 2024***

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	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Local Sources:			
Taxes	\$ 1,801,731	\$ 1,855,639	\$ 53,908
Intergovernmental - State	271,770	271,707	(63)
Total Revenues	<u>2,073,501</u>	<u>2,127,346</u>	<u>53,845</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Fiscal Services	27,137	27,097	40
Debt Service:			
Principal Retirement	1,050,094	1,050,000	94
Interest and Fiscal Charges	119,218	119,212	6
Total Expenditures	<u>1,196,449</u>	<u>1,196,309</u>	<u>140</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	877,052	931,037	53,985
Fund Balance at Beginning of Year	2,066,387	2,066,387	0
Fund Balance at End of Year	<u>\$ 2,943,439</u>	<u>\$ 2,997,424</u>	<u>\$ 53,985</u>

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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

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<b>FOOD SERVICE FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Local Sources:			
Food Services	\$ 440,940	\$ 440,636	\$ (304)
Investment Earnings	9,510	9,610	100
Intergovernmental - State	12,146	12,146	0
Intergovernmental - Federal	570,622	570,534	(88)
All Other Revenues	138,701	158,246	19,545
Total Revenues	<u>1,171,919</u>	<u>1,191,172</u>	<u>19,253</u>
<b>Expenditures:</b>			
Current:			
Non-Instructional Services:			
Food Services	1,210,466	1,208,386	2,080
Total Expenditures	<u>1,210,466</u>	<u>1,208,386</u>	<u>2,080</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(38,547)	(17,214)	21,333
Fund Balance at Beginning of Year	601,530	601,530	0
Prior Year Encumbrances	5,503	5,503	0
Fund Balance at End of Year	<u>\$ 568,486</u>	<u>\$ 589,819</u>	<u>\$ 21,333</u>

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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

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<b>UNIFORM SCHOOL SUPPLY FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Local Sources:			
Investment Earnings	\$ 1,230	\$ 1,707	\$ 477
Class Material and Fees	<u>64,837</u>	<u>63,627</u>	<u>(1,210)</u>
Total Revenues	<u>66,067</u>	<u>65,334</u>	<u>(733)</u>
<b>Expenditures:</b>			
Current:			
Instruction	70,265	70,146	119
Support Services:			
Central	<u>3,850</u>	<u>3,773</u>	<u>77</u>
Total Expenditures	<u>74,115</u>	<u>73,919</u>	<u>196</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,048)	(8,585)	(537)
<b>Other Financing Sources (Uses):</b>			
Transfers In	<u>17,528</u>	<u>17,485</u>	<u>(43)</u>
Total Other Financing Sources (Uses)	<u>17,528</u>	<u>17,485</u>	<u>(43)</u>
Net Change in Fund Balance	9,480	8,900	(580)
Fund Balance at Beginning of Year	<u>109,580</u>	<u>109,580</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$ 119,060</u></u>	<u><u>\$ 118,480</u></u>	<u><u>\$ (580)</u></u>

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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

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ROTARY FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Local Sources:			
Investment Earnings	\$ 200	\$ 74	\$ (126)
All Other Revenues	750	776	26
Total Revenues	950	850	(100)
<b>Expenditures:</b>			
Current:			
Instruction	858	750	108
Support Services:			
Pupils	523	500	23
Total Expenditures	1,381	1,250	131
Excess (Deficiency) of Revenues Over (Under) Expenditures	(431)	(400)	31
Fund Balance at Beginning of Year	8,687	8,687	0
Fund Balance at End of Year	\$ 8,256	\$ 8,287	\$ 31

## **HEATH CITY SCHOOL DISTRICT**

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

<b>PUBLIC SCHOOL SUPPORT FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Local Sources:			
Investment Earnings	\$ 2,225	\$ 2,608	\$ 383
All Other Revenues	<u>98,567</u>	<u>98,874</u>	<u>307</u>
Total Revenues	<u>100,792</u>	<u>101,482</u>	<u>690</u>
<b>Expenditures:</b>			
Current:			
Instruction	878	825	53
Support Services:			
Pupils	1,964	1,864	100
Instructional Staff	0	0	0
Administration	8,000	7,534	466
Central	4,800	4,727	73
Extracurricular Activities	68,812	68,760	52
Capital Outlay	<u>43</u>	<u>0</u>	<u>43</u>
Total Expenditures	<u>84,497</u>	<u>83,710</u>	<u>787</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	16,295	17,772	1,477
<b>Other Financing Sources (Uses):</b>			
Transfers In	1,828	0	(1,828)
Transfers Out	<u>(1,888)</u>	<u>(60)</u>	<u>1,828</u>
Total Other Financing Sources (Uses)	<u>(60)</u>	<u>(60)</u>	<u>0</u>
Net Change in Fund Balance	16,235	17,712	1,477
Fund Balance at Beginning of Year	165,120	165,120	0
Prior Year Encumbrances	18,915	18,915	0
Fund Balance at End of Year	<u><u>\$ 200,270</u></u>	<u><u>\$ 201,747</u></u>	<u><u>\$ 1,477</u></u>

## HEATH CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

OTHER GRANTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Local Sources:			
Investment Earnings	\$ 100	\$ 76	\$ (24)
Total Revenues	100	76	(24)
<b>Expenditures:</b>			
Current:			
Support Services:			
Pupils	65	0	65
Total Expenditures	65	0	65
Excess (Deficiency) of Revenues Over (Under) Expenditures	35	76	41
Fund Balance at Beginning of Year	4,771	4,771	0
Fund Balance at End of Year	\$ 4,806	\$ 4,847	\$ 41

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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

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STUDENT MANAGED ACTIVITY FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Local Sources:			
Investment Earnings	\$ 682	\$ 861	\$ 179
Extracurricular Activities	41,356	41,419	63
All Other Revenues	1,401	1,419	18
Total Revenues	<u>43,439</u>	<u>43,699</u>	<u>260</u>
<b>Expenditures:</b>			
Current:			
Extracurricular Activities	<u>57,644</u>	<u>55,677</u>	<u>1,967</u>
Total Expenditures	<u>57,644</u>	<u>55,677</u>	<u>1,967</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(14,205)	(11,978)	2,227
<b>Other Financing Sources (Uses):</b>			
Transfers In	3,978	0	(3,978)
Transfers Out	<u>(3,978)</u>	<u>0</u>	<u>3,978</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(14,205)	(11,978)	2,227
Fund Balance at Beginning of Year	64,053	64,053	0
Fund Balance at End of Year	<u>\$ 49,848</u>	<u>\$ 52,075</u>	<u>\$ 2,227</u>

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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

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### **DISTRICT MANAGED STUDENT ACTIVITY FUND**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Local Sources:			
Investment Earnings	\$      700	\$     1,186	\$      486
Extracurricular Activities	197,320	196,767	(553)
All Other Revenues	5,130	13,816	8,686
Total Revenues	<u>203,150</u>	<u>211,769</u>	<u>8,619</u>
<b>Expenditures:</b>			
Current:			
Extracurricular Activities	204,648	204,173	475
Total Expenditures	<u>204,648</u>	<u>204,173</u>	<u>475</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,498)	7,596	9,094
Fund Balance at Beginning of Year	57,462	57,462	0
Prior Year Encumbrances	4,133	4,133	0
Fund Balance at End of Year	<u>\$     60,097</u>	<u>\$     69,191</u>	<u>\$     9,094</u>



## HEATH CITY SCHOOL DISTRICT

*Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024*

### AUXILIARY SERVICES FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ 0	\$ 0	\$ 0
<b>Expenditures:</b>			
Current:			
Non-Instructional Services:			
Community Services	339	0	339
Total Expenditures	339	0	339
Excess (Deficiency) of Revenues Over (Under) Expenditures	(339)	0	339
Fund Balance at Beginning of Year	339	339	0
Fund Balance at End of Year	\$ 0	\$ 339	\$ 339

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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

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### **DATA COMMUNICATIONS FUND**

	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Local Sources:			
Investment Earnings	\$      15	\$       6	\$      (9)
Intergovernmental - State	<u>8,000</u>	<u>7,990</u>	<u>(10)</u>
Total Revenues	<u>8,015</u>	<u>7,996</u>	<u>(19)</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Central	<u>7,200</u>	<u>7,200</u>	<u>0</u>
Total Expenditures	<u>7,200</u>	<u>7,200</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	815	796	(19)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$     815</u></u>	<u><u>\$     796</u></u>	<u><u>\$     (19)</u></u>

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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

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<b>OTHER STATE GRANTS FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - State	\$ 52,443	\$ 102,907	\$ 50,464
Total Revenues	<u>52,443</u>	<u>102,907</u>	<u>50,464</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Operation and Maintenance of Plant	36	0	36
Pupil Transportation	45,000	45,000	0
Non-Instructional Services:			
Food Services	35,562	35,562	0
Capital Outlay	15,000	15,000	0
Total Expenditures	<u>95,598</u>	<u>95,562</u>	<u>36</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(43,155)	7,345	50,500
<b>Other Financing Sources (Uses):</b>			
Advances In	60,000	60,000	0
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>60,000</u>	<u>0</u>
Net Change in Fund Balance	16,845	67,345	50,500
Fund Balance at Beginning of Year	0	0	0
Fund Balance at End of Year	<u>\$ 16,845</u>	<u>\$ 67,345</u>	<u>\$ 50,500</u>

## HEATH CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

### ELEMENTARY AND SECONDARY SCHOOL EMERGENCY RELIEF FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 548,386	\$ 548,386	\$ 0
Total Revenues	548,386	548,386	0
<b>Expenditures:</b>			
Current:			
Instruction	249,377	249,377	0
Support Services:			
Pupils	221,019	221,019	0
Capital Outlay	465,657	465,657	0
Total Expenditures	936,053	936,053	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(387,667)	(387,667)	0
<b>Other Financing Sources (Uses):</b>			
Advances In	485,000	485,000	0
Advances Out	(160,000)	(160,000)	0
Total Other Financing Sources (Uses)	325,000	325,000	0
Net Change in Fund Balance	(62,667)	(62,667)	0
Fund Balance at Beginning of Year	55,808	55,808	0
Prior Year Encumbrances	8,588	8,588	0
Fund Balance at End of Year	\$ 1,729	\$ 1,729	\$ 0

## HEATH CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

TITLE VI-B FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 416,163	\$ 416,163	\$ 0
Total Revenues	416,163	416,163	0
<b>Expenditures:</b>			
Current:			
Instruction	196,670	196,949	(279)
Support Services:			
Pupils	24,142	24,142	0
Administration	136,805	136,805	0
Non-Instructional Services:			
Community Services	29,653	29,653	0
Total Expenditures	387,270	387,549	(279)
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,893	28,614	(279)
<b>Other Financing Sources (Uses):</b>			
Advances In	25,000	25,000	0
Advances Out	(58,000)	(58,000)	0
Total Other Financing Sources (Uses)	(33,000)	(33,000)	0
Net Change in Fund Balance	(4,107)	(4,386)	(279)
Fund Balance at Beginning of Year	218	218	0
Prior Year Encumbrances	6,174	6,174	0
Fund Balance at End of Year	\$ 2,285	\$ 2,006	\$ (279)

## HEATH CITY SCHOOL DISTRICT

*Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024*

### TITLE III LIMITED ENGLISH PROFICIENCY FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 890	\$ 883	\$ (7)
Total Revenues	890	883	(7)
<b>Expenditures:</b>			
Current:			
Instruction	656	600	56
Total Expenditures	656	600	56
Excess (Deficiency) of Revenues Over (Under) Expenditures	234	283	49
Fund Balance at Beginning of Year	273	273	0
Fund Balance at End of Year	\$ 507	\$ 556	\$ 49

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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

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	TITLE I FUND		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 341,640	\$ 341,614	\$ (26)
Total Revenues	341,640	341,614	(26)
<b>Expenditures:</b>			
Current:			
Instruction	308,492	308,466	26
Non-Instructional Services:			
Community Services	8,364	8,364	0
Total Expenditures	316,856	316,830	26
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,784	24,784	0
<b>Other Financing Sources (Uses):</b>			
Advances In	15,000	15,000	0
Advances Out	(38,000)	(38,000)	0
Total Other Financing Sources (Uses)	(23,000)	(23,000)	0
Net Change in Fund Balance	1,784	1,784	0
Fund Balance at Beginning of Year	241	241	0
Fund Balance at End of Year	<u>\$ 2,025</u>	<u>\$ 2,025</u>	<u>\$ 0</u>

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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

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<b>DRUG FREE SCHOOL GRANT FUND</b>			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 613	\$ 613	\$ 0
Total Revenues	613	613	0
<b>Expenditures:</b>			
Current:			
Instruction	14,467	14,467	0
Non-Instructional Services:			
Community Services	579	579	0
Total Expenditures	15,046	15,046	0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,433)	(14,433)	0
<b>Other Financing Sources (Uses):</b>			
Advances In	15,000	15,000	0
Advances Out	(12,000)	(12,000)	0
Total Other Financing Sources (Uses)	3,000	3,000	0
Net Change in Fund Balance	(11,433)	(11,433)	0
Fund Balance at Beginning of Year	406	406	0
Prior Year Encumbrances	11,560	11,560	0
Fund Balance at End of Year	<u>\$ 533</u>	<u>\$ 533</u>	<u>\$ 0</u>



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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

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<b>IDEA PRES CHOOOL GRANT FOR THE HANDICAPPED FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 6,259	\$ 6,259	\$ 0
Total Revenues	<u>6,259</u>	<u>6,259</u>	<u>0</u>
<b>Expenditures:</b>			
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,259	6,259	0
<b>Other Financing Sources (Uses):</b>			
Advances Out	<u>(7,000)</u>	<u>(7,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(7,000)</u>	<u>(7,000)</u>	<u>0</u>
Net Change in Fund Balance	(741)	(741)	0
Fund Balance at Beginning of Year	741	741	0
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

## HEATH CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

### IMPROVING TEACHER QUALITY FUND

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 26,528	\$ 18,750	\$ (7,778)
Total Revenues	<u>26,528</u>	<u>18,750</u>	<u>(7,778)</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Instructional Staff	25,031	25,000	31
Non-Instructional Services:			
Community Services	<u>1,497</u>	<u>1,497</u>	<u>0</u>
Total Expenditures	<u>26,528</u>	<u>26,497</u>	<u>31</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	0	(7,747)	(7,747)
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$ 0</u>	<u>\$ (7,747)</u>	<u>\$ (7,747)</u>

## HEATH CITY SCHOOL DISTRICT

***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2024***

OTHER FEDERAL GRANTS FUND			
	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Intergovernmental - Federal	\$ 240,121	\$ 240,121	\$ 0
Total Revenues	240,121	240,121	0
<b>Expenditures:</b>			
Current:			
Instruction	34,426	34,426	0
Support Services:			
Instructional Staff	141,413	141,413	0
Administration	21,044	21,044	0
Central	25,000	25,000	0
Capital Outlay	51,513	51,480	33
Total Expenditures	273,396	273,363	33
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,275)	(33,242)	33
<b>Other Financing Sources (Uses):</b>			
Advances In	1,500	1,500	0
Advances Out	(21,000)	(21,000)	0
Total Other Financing Sources (Uses)	(19,500)	(19,500)	0
Net Change in Fund Balance	(52,775)	(52,742)	33
Fund Balance at Beginning of Year	65,192	65,192	0
Prior Year Encumbrances	411	411	0
Fund Balance at End of Year	\$ 12,828	\$ 12,861	\$ 33

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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2024***

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<b>PERMANENT IMPROVEMENT FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Local Sources:			
Taxes	\$ 1,412,487	\$ 1,358,720	\$ (53,767)
Investment Earnings	23,570	23,974	404
Intergovernmental - State	36,876	36,847	(29)
Total Revenues	<u>1,472,933</u>	<u>1,419,541</u>	<u>(53,392)</u>
<b>Expenditures:</b>			
Current:			
Instruction	222,200	221,883	317
Support Services:			
Fiscal Services	19,543	19,535	8
Operation and Maintenance of Plant	46	0	46
Pupil Transportation	121,942	121,812	130
Central	3,800	3,798	2
Non-Instructional Services:			
Food Services	13,324	13,324	0
Extracurricular Activities	4,300	4,276	24
Capital Outlay	1,442,138	1,441,835	303
Total Expenditures	<u>1,827,293</u>	<u>1,826,463</u>	<u>830</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(354,360)	(406,922)	(52,562)
Fund Balance at Beginning of Year	1,032,689	1,032,689	0
Prior Year Encumbrances	66,882	66,882	0
Fund Balance at End of Year	<u>\$ 745,211</u>	<u>\$ 692,649</u>	<u>\$ (52,562)</u>

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## **HEATH CITY SCHOOL DISTRICT**

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***Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis)  
Nonmajor Capital Projects Funds  
For the Fiscal Year Ended June 30, 2024***

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<b>BUILDING FUND</b>			
	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Local Sources:			
Investment Earnings	<u>\$        600</u>	<u>\$        518</u>	<u>\$        (82)</u>
Total Revenues	<u>        600</u>	<u>        518</u>	<u>        (82)</u>
<b>Expenditures:</b>			
Total Expenditures	<u>            0</u>	<u>            0</u>	<u>            0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	600	518	(82)
Fund Balance at Beginning of Year	<u>      35,596</u>	<u>      35,596</u>	<u>            0</u>
Fund Balance at End of Year	<u><u>      \$ 36,196</u></u>	<u><u>      \$ 36,114</u></u>	<u><u>      \$     (82)</u></u>

## *STATISTICAL SECTION*

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## ***STATISTICAL TABLES***

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This part of the District annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

### ***Contents***

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<b>Financial Trends</b>	S 2 – S 13
These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	
<b>Revenue Capacity</b>	S 14 – S 21
These schedules contain information to help the reader understand and assess the factors affecting the District's ability to generate its most significant local revenue sources, property taxes.	
<b>Debt Capacity</b>	S 22 – S 29
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<b>Economic and Demographic Information</b>	S 30 – S 33
These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	
<b>Operating Information</b>	S 34 – S 45
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	
<b>Sources Note:</b>	
Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.	



## *Heath City School District*

*Net Position by Component  
Last Ten Years  
(accrual basis of accounting)*

	2015	2016	2017	2018
<b>Governmental Activities:</b>			*	
Net Investment in Capital Assets	\$668,117	\$1,387,709	\$1,638,635	\$2,116,344
Restricted for:				
Capital Projects	661,314	560,592	589,014	679,363
Debt Service	1,063,596	1,237,784	998,467	1,395,292
Statutory Purposes	81,520	81,982	95,543	56,396
Federal and State Grant Programs	46,561	77,319	48,913	35,836
OPEB	0	0	0	0
Unrestricted	(18,183,979)	(17,112,694)	(20,943,208)	(11,282,637)
Total Governmental Activities Net Position	<u>(\$15,662,871)</u>	<u>(\$13,767,308)</u>	<u>(\$17,572,636)</u>	<u>(\$6,999,406)</u>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$668,117	\$1,387,709	\$1,638,635	\$2,116,344
Restricted	1,852,991	1,957,677	1,731,937	2,166,887
Unrestricted	(18,183,979)	(17,112,694)	(20,943,208)	(11,282,637)
Total Primary Government Net Position	<u>(\$15,662,871)</u>	<u>(\$13,767,308)</u>	<u>(\$17,572,636)</u>	<u>(\$6,999,406)</u>

\* Restated

Source: District Treasurer's Office

# *Heath City School District*

2019	2020	2021	2022	2023	2024
	*				
\$2,516,261	\$3,646,520	\$3,920,842	\$5,738,539	\$6,827,610	\$9,328,463
737,612	531,613	416,777	708,011	1,339,555	1,351,950
1,442,042	1,682,531	1,948,331	1,552,448	2,340,275	3,080,380
111,260	145,630	157,228	577,431	666,273	666,425
38,835	114,485	190,853	25,962	58,044	84,720
0	0	0	0	404,757	1,355,684
(8,799,138)	(7,962,634)	(7,176,162)	(3,981,882)	(2,099,534)	(863,441)
(\$3,953,128)	(\$1,841,855)	(\$542,131)	\$4,620,509	\$9,536,980	\$15,004,181
\$2,516,261	\$3,646,520	\$3,920,842	\$5,738,539	\$6,827,610	\$9,328,463
2,329,749	2,474,259	2,713,189	2,863,852	4,808,904	6,539,159
(8,799,138)	(7,962,634)	(7,176,162)	(3,981,882)	(2,099,534)	(863,441)
(\$3,953,128)	(\$1,841,855)	(\$542,131)	\$4,620,509	\$9,536,980	\$15,004,181

## *Heath City School District*

### *Changes in Net Position Last Ten Years (accrual basis of accounting)*

	2015	2016	2017	2018
<b>Expenses</b>				
Governmental Activities:				
Instruction	\$10,513,018	\$11,220,535	\$11,477,367	\$5,716,009
Support Services:				
Pupils	583,590	640,770	705,634	522,576
Instructional Staff	324,069	325,261	381,955	486,743
Board of Education	49,101	248,574	329,525	63,368
Administration	1,523,311	1,748,840	1,673,351	1,094,581
Fiscal Services	578,977	466,731	636,550	605,510
Business	20,438	28,922	13,562	17,892
Operation and Maintenance of Plant	1,507,678	1,909,197	1,838,229	1,598,068
Pupil Transportation	592,204	643,460	654,868	628,413
Central	451,684	347,036	403,385	240,897
Operation of Non-Instructional Services				
Community Services	1,994	4,416	0	0
Food Service Operations	596,853	653,795	727,620	724,156
Shared Services	54,691	0	0	0
Extracurricular Activities	618,078	616,176	793,082	424,403
Interest and Fiscal Charges	657,894	544,983	474,616	464,897
<i>Total Primary Government Expenses</i>	<u>\$18,073,580</u>	<u>\$19,398,696</u>	<u>\$20,109,744</u>	<u>\$12,587,513</u>
<b>Program Revenues</b>				
Governmental Activities:				
Charges for Services				
Instruction	\$948,735	\$1,037,209	\$1,219,571	\$1,484,917
Support Services:				
Pupils	60,609	55,620	60,990	51,269
Operation of Non-Instructional Services				
Food Service Operations	152,316	198,299	235,209	264,402
Extracurricular Activities	124,900	130,864	148,799	134,362
Operating Grants and Contributions	1,087,236	1,123,022	1,229,537	1,185,904
Capital Grants and Contributions	0	0	0	0
<i>Total Governmental Activities</i>	<u>2,373,796</u>	<u>2,545,014</u>	<u>2,894,106</u>	<u>3,120,854</u>
<i>Program Revenues</i>	<u>2,373,796</u>	<u>2,545,014</u>	<u>2,894,106</u>	<u>3,120,854</u>

# *Heath City School District*

2019	2020	2021	2022	2023	2024
\$10,521,710	\$13,103,894	\$14,273,518	\$11,861,518	\$13,689,044	\$13,689,690
874,557	1,214,501	1,308,266	985,786	1,147,042	1,166,802
706,334	846,060	967,695	1,008,534	1,062,785	917,208
106,787	138,228	156,391	190,806	191,751	1,325,617
1,485,126	1,730,240	1,924,020	1,727,130	2,182,115	2,386,641
732,416	718,154	705,579	714,725	813,554	827,472
16,137	11,926	16,334	10,044	9,588	16,748
1,933,978	1,736,633	1,706,530	1,516,664	1,773,034	1,777,447
757,602	815,607	786,334	852,824	1,102,681	1,053,701
265,375	409,538	419,302	357,395	451,713	443,349
0	0	0	19,205	12,687	40,093
923,351	911,863	970,484	1,092,736	1,272,040	1,290,266
0	0	0	0	0	0
849,040	995,357	1,000,564	998,401	1,002,833	1,030,732
441,336	348,477	246,193	171,720	88,666	52,715
<u>\$19,613,749</u>	<u>\$22,980,478</u>	<u>\$24,481,210</u>	<u>\$21,507,488</u>	<u>\$24,799,533</u>	<u>\$26,018,481</u>
\$1,823,216	\$2,145,424	\$2,235,092	\$345,358	\$402,377	\$620,785
83,483	44,423	0	0	0	0
437,187	371,107	169,945	123,033	488,027	440,636
147,118	123,855	130,079	178,394	208,382	238,186
1,301,886	1,635,333	2,492,212	3,512,408	3,248,796	3,148,229
0	837,500	41,088	14,914	141,259	0
<u>3,792,890</u>	<u>5,157,642</u>	<u>5,068,416</u>	<u>4,174,107</u>	<u>4,488,841</u>	<u>4,447,836</u>

(Continued)

## *Heath City School District*

### *Changes in Net Position Last Ten Years (accrual basis of accounting)*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Net (Expense)/Revenue</b>				
Governmental Activities	<u>(15,699,784)</u>	<u>(16,853,682)</u>	<u>(17,215,638)</u>	<u>(9,466,659)</u>
<i>Total Primary Government</i>				
<i>Net (Expense)/Revenue</i>	<u><u>(\$15,699,784)</u></u>	<u><u>(\$16,853,682)</u></u>	<u><u>(\$17,215,638)</u></u>	<u><u>(\$9,466,659)</u></u>
 <b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	\$8,621,606	\$9,279,815	\$9,239,268	\$10,485,484
Debt Service	1,290,787	1,343,433	1,150,316	1,359,339
Capital Outlay	187,583	196,007	192,177	211,594
Grants and Entitlements not				
Restricted to Specific Programs	7,086,554	7,371,309	7,435,029	7,643,707
Investment Earnings	10,716	29,265	65,859	119,740
Miscellaneous	<u>523,161</u>	<u>529,416</u>	<u>388,805</u>	<u>220,025</u>
<i>Total Primary Government</i>	<u><u>\$17,720,407</u></u>	<u><u>\$18,749,245</u></u>	<u><u>\$18,471,454</u></u>	<u><u>\$20,039,889</u></u>
 <b>Change in Net Position</b>				
Governmental Activities	<u>2,020,623</u>	<u>1,895,563</u>	<u>1,255,816</u>	<u>10,573,230</u>
<i>Total Primary Government</i>				
<i>Change in Net Position</i>	<u><u>\$2,020,623</u></u>	<u><u>\$1,895,563</u></u>	<u><u>\$1,255,816</u></u>	<u><u>\$10,573,230</u></u>

Source: District Treasurer's Office

*Heath City School District*

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2019	2020	2021	2022	2023	2024
(15,820,859)	(17,822,836)	(19,412,794)	(17,333,381)	(20,310,692)	(21,570,645)
<u>(\$15,820,859)</u>	<u>(\$17,822,836)</u>	<u>(\$19,412,794)</u>	<u>(\$17,333,381)</u>	<u>(\$20,310,692)</u>	<u>(\$21,570,645)</u>
\$8,964,782	\$10,333,478	\$10,246,008	\$10,561,802	\$12,027,552	\$10,861,392
1,206,282	1,399,048	1,422,031	1,491,674	1,727,412	1,661,614
183,116	211,811	893,830	1,327,835	1,507,875	1,206,741
7,709,959	7,392,727	7,737,617	8,715,419	9,041,805	10,035,677
309,956	377,228	14,794	(83,040)	432,989	938,252
493,042	167,854	398,238	482,331	489,530	361,519
<u>\$18,867,137</u>	<u>\$19,882,146</u>	<u>\$20,712,518</u>	<u>\$22,496,021</u>	<u>\$25,227,163</u>	<u>\$25,065,195</u>
3,046,278	2,059,310	1,299,724	5,162,640	4,916,471	3,494,550
<u>\$3,046,278</u>	<u>\$2,059,310</u>	<u>\$1,299,724</u>	<u>\$5,162,640</u>	<u>\$4,916,471</u>	<u>\$3,494,550</u>

## *Heath City School District*

*Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2015	2016	2017	2018
General Fund				
Nonspendable	\$2,075	\$27,763	\$29,944	\$0
Restricted	15,307	0	0	0
Committed	0	0	0	0
Assigned	187,650	261,619	175,101	531,080
Unassigned	2,810,841	4,221,923	6,021,754	8,355,313
<i>Total General Fund</i>	<u>3,015,873</u>	<u>4,511,305</u>	<u>6,226,799</u>	<u>8,886,393</u>
 All Other Governmental Funds				
Nonspendable	42,889	17,200	33,000	49,849
Restricted	1,809,505	1,949,189	1,695,240	2,128,484
Unassigned	(15,973)	0	(53,802)	(25,226)
 Total All Other Governmental Funds	<u>1,836,421</u>	<u>1,966,389</u>	<u>1,674,438</u>	<u>2,153,107</u>
 <i>Total Governmental Funds</i>	<u><u>\$4,852,294</u></u>	<u><u>\$6,477,694</u></u>	<u><u>\$7,901,237</u></u>	<u><u>\$11,039,500</u></u>

\* Restated

Source: District Treasurer's Office

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*Heath City School District*

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2019	2020	2021	2022	2023	2024
	*				
\$228,193	\$232,672	\$230,870	\$402,785	\$162,023	\$66,507
0	0	0	0	0	0
0	248,247	248,247	249,847	249,847	0
682,787	829,605	211,104	153,374	506,046	424,615
8,524,927	9,923,795	11,997,691	13,789,976	16,392,839	17,736,797
9,435,907	11,234,319	12,687,912	14,595,982	17,310,755	18,227,919
74,707	84,710	68,857	90,689	60,841	26,627
2,288,854	2,394,769	2,661,616	2,821,496	4,319,894	5,365,025
(47,486)	(121,742)	(310,463)	(501,029)	(356,342)	(568,302)
2,316,075	2,357,737	2,420,010	2,411,156	4,024,393	4,823,350
\$11,751,982	\$13,592,056	\$15,107,922	\$17,007,138	\$21,335,148	\$23,051,269



# *Heath City School District*

## *Changes in Fund Balances, Governmental Funds Last Ten Years (modified accrual basis of accounting)*

	2015	2016	2017	2018
<b>Revenues:</b>				
Local Sources:				
Taxes	\$10,115,662	\$10,830,906	\$10,637,252	\$12,058,474
Tuition	890,288	979,931	1,161,902	1,425,622
Food Service	152,316	198,299	235,209	264,402
Investment Earnings	9,938	28,683	62,562	112,336
Extracurricular Activities	124,900	130,864	148,799	134,362
Class Materials and Fees	57,449	56,246	57,169	59,295
Intermediate Sources	0	0	0	0
Intergovernmental - State	7,194,372	7,435,863	7,556,848	7,754,127
Intergovernmental - Federal	982,893	1,040,547	1,037,083	1,134,337
All Other Revenue	584,368	585,668	450,295	261,294
<b>Total Revenue</b>	<b>20,112,186</b>	<b>21,287,007</b>	<b>21,347,119</b>	<b>23,204,249</b>
<b>Expenditures:</b>				
Current:				
Instruction	10,227,343	10,839,935	10,872,530	11,090,703
Supporting Services:				
Pupils	610,112	625,555	657,412	644,394
Instructional Staff	317,931	305,817	321,093	581,614
Board of Education	49,101	248,574	329,525	63,368
Administration	1,507,152	1,726,393	1,516,556	1,703,790
Fiscal Services	573,425	514,527	601,325	629,735
Business	20,438	28,922	13,562	17,892
Operation and Maintenance of Plant	1,423,453	1,677,527	1,570,171	1,575,075
Pupil Transportation	544,902	607,345	554,295	652,338
Central	448,230	344,887	408,367	246,830
Operation of Non-Instructional Services				
Community Services	1,994	4,416	0	0
Food Service Operations	553,134	603,909	699,024	709,644
Shared Services	54,691	0	0	0
Extracurricular Activities	463,049	460,474	591,781	631,697
Capital Outlay	68,586	308,295	646,597	173,287
Debt Service:				
Principal Retirement	1,022,773	1,073,448	1,135,286	1,063,627
Interest and Fiscal Charges	465,915	437,664	331,426	295,132
<b>Total Expenditures</b>	<b>18,352,229</b>	<b>19,807,688</b>	<b>20,248,950</b>	<b>20,079,126</b>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,759,957	1,479,319	1,098,169	3,125,123

# *Heath City School District*

2019	2020	2021	2022	2023	2024
\$10,332,895	\$11,956,798	\$12,607,475	\$13,375,342	\$15,231,630	\$13,523,564
1,743,264	2,047,087	2,130,956	266,356	326,962	552,166
437,187	371,107	169,945	123,033	488,027	440,636
301,643	371,613	16,045	(76,028)	432,989	938,252
147,118	123,855	130,079	178,394	208,382	238,186
65,452	77,337	76,136	77,487	73,900	67,104
0	0	0	0	4,753	37,089
7,840,232	7,825,680	8,117,211	9,157,641	9,559,839	10,600,094
1,175,567	1,097,468	2,059,005	3,127,331	2,721,173	2,292,033
591,025	233,277	426,238	483,846	491,045	363,034
22,634,383	24,104,222	25,733,090	26,713,402	29,538,700	29,052,158
11,414,377	11,902,325	12,909,964	11,871,679	12,729,195	13,155,419
918,782	1,113,697	1,215,662	1,006,031	1,098,243	1,173,497
694,798	757,647	896,946	1,052,264	1,013,223	905,649
106,787	138,228	156,391	190,806	191,751	1,326,632
1,535,711	1,541,750	1,760,729	1,848,549	2,055,501	2,337,556
692,595	658,746	670,902	767,749	823,316	856,074
16,137	11,926	16,334	10,044	9,588	16,748
1,830,963	1,522,193	1,545,663	1,554,574	1,735,710	1,734,311
705,637	734,678	768,250	946,204	1,048,780	967,081
296,739	389,984	407,470	368,160	462,425	440,686
0	0	0	19,205	12,687	40,093
869,190	873,348	949,218	1,197,014	1,249,451	1,273,521
0	0	0	0	0	0
751,048	778,300	707,012	818,569	789,396	885,258
725,296	735,489	769,544	1,040,851	918,800	1,111,136
1,182,351	1,160,378	1,168,472	1,870,000	1,060,004	1,115,323
276,662	271,592	266,980	252,487	165,608	129,383
22,017,073	22,590,281	24,209,537	24,814,186	25,363,678	27,468,367
617,310	1,513,941	1,523,553	1,899,216	4,175,022	1,583,791

(Continued)

## *Heath City School District*

*Changes in Fund Balances, Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)*

	2015	2016	2017	2018
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	400	400	3,000	2,000
Insurance Proceeds	0	0	0	0
Refunding General Obligation Bonds Issued	0	7,340,000	0	0
Premium on General				
Obligation Refunding Bond	0	493,000	0	0
Payment to Refunded Bond Escrow Agent	0	(7,688,354)	0	0
Other Financing Sources - Leases	0	0	325,526	8,820
Other Financing Sources - SBITA	0	0	0	0
Transfers In	85,000	0	101,150	128,825
Transfers Out	(85,000)	0	(101,150)	(128,825)
<b>Total Other Financing Sources (Uses)</b>	<u>400</u>	<u>145,046</u>	<u>328,526</u>	<u>10,820</u>
<b>Net Change in Fund Balance</b>	<u><u>\$1,760,357</u></u>	<u><u>\$1,624,365</u></u>	<u><u>\$1,426,695</u></u>	<u><u>\$3,135,943</u></u>
 <b>Debt Service as a Percentage of Noncapital Expenditures</b>	 8.13%	 7.70%	 7.43%	 6.83%

Source: District Treasurer's Office

# *Heath City School District*

2019	2020	2021	2022	2023	2024
0	0	0	0	321	3,500
89,200	18,100	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	128,830
0	0	0	0	152,667	0
0	276,806	80,000	0	0	0
0	(28,559)	(80,000)	0	0	0
89,200	266,347	0	0	152,988	132,330
\$706,510	\$1,780,288	\$1,523,553	\$1,899,216	\$4,328,010	\$1,716,121
6.88%	6.57%	6.16%	8.88%	5.03%	4.71%

## *Heath City School District*

### *Assessed Valuations and Estimated True Values of Taxable Property Last Ten Calendar Years*

<b>Tax year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
	<b>**</b>			<b>*</b>
<b>Real Property</b>				
Assessed	\$246,138,835	\$234,500,020	\$236,501,406	\$259,175,790
Actual	703,253,814	670,000,057	675,718,303	740,502,257
<b>Public Utility</b>				
Assessed	8,025,020	9,434,090	11,761,470	12,215,810
Actual	8,025,020	9,434,090	11,761,470	12,215,810
<b>Total</b>				
Assessed	254,163,855	243,934,110	248,262,876	271,391,600
Actual	711,278,834	679,434,147	687,479,773	752,718,067
<b>Assessed Value as a Percentage of Actual Value</b>	35.73%	35.90%	36.11%	36.05%
<b>Total Direct Tax Rate</b>	\$63.10	\$64.30	\$63.30	\$62.60

Source: Licking County Auditor

\* Reappraisal

\*\* Update

Presented on a calendar year basis because that is the manner  
in which the information is maintained by the County.

Assessed value of Real Property is at 35%, Assessed value of Public Utility is at 100%.

# *Heath City School District*

2018	2019	2020	2021	2022	2023
		**			
\$259,850,293	\$261,638,294	\$285,512,290	\$284,452,507	\$292,013,408	\$398,254,949
742,429,409	747,537,983	815,749,400	812,721,449	834,324,023	1,137,871,283
18,044,810	20,431,940	22,460,320	27,433,120	25,958,510	27,986,370
18,044,810	20,431,940	22,460,320	27,433,120	25,958,510	27,986,370
277,895,103	282,070,234	307,972,610	311,885,627	317,971,918	426,241,319
760,474,219	767,969,923	838,209,720	840,154,569	860,282,533	1,165,857,653
36.54%	36.73%	36.74%	37.12%	36.96%	36.56%
\$62.60	\$62.00	\$64.80	\$64.40	\$64.10	\$60.30

## ***Heath City School District***

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*Property Tax Rates of Direct and Overlapping Governments*  
(per \$1,000 of assessed value)  
*Last Ten Calendar Years*

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	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Direct District Rates</b>				
General Fund	56.60	57.80	57.20	56.10
Bond Retirement Fund	5.30	5.30	4.90	5.30
Permanent Improvement Fund	1.20	1.20	1.20	1.20
Total	<u>63.10</u>	<u>64.30</u>	<u>63.30</u>	<u>62.60</u>
<b>Overlapping Rates</b>				
City of Heath	5.40	6.40	6.40	6.40
Career and Technical Education Center	2.54	2.58	2.57	2.55
Licking County	8.00	8.00	8.00	9.50
Licking County Library	1.00	1.00	1.00	1.00
Licking County Park District	0.25	0.25	0.25	0.25

Ohio Revised Code Sections 5705.02 and 5705.07 require a vote of the people for any millage exceeding the "unvoted" or "inside" millage.

**Source:**

Licking County Auditor's Office  
Licking County Treasurer's Office

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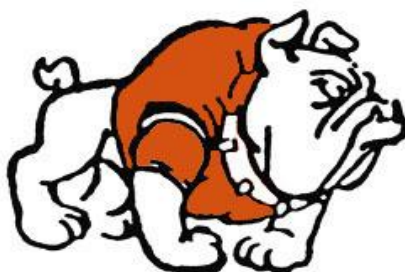
*Heath City School District*

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2018	2019	2020	2021	2022	2023
56.10	55.50	54.30	53.90	53.60	49.80
5.30	5.30	5.30	5.30	5.30	5.30
1.20	1.20	5.20	5.20	5.20	5.20
62.60	62.00	64.80	64.40	64.10	60.30
6.40	6.40	6.40	6.40	6.40	6.40
2.55	2.55	2.50	2.50	2.50	2.00
9.50	9.50	9.50	9.50	8.40	8.40
1.00	1.00	1.00	1.00	1.00	1.00
0.25	0.25	0.25	0.25	0.38	0.38





## Heath City School District

*Principal Taxpayers  
Real Estate Tax and Public Utilities Personal Property  
Current Year and Nine Years Ago*

		Calendar Year 2023		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Ohio Power Company	Utility Company - Electric	\$18,399,510	1	4.62%
Southgate SC LLC ET AL	Shopping Center	6,994,540	2	1.76%
Quest Heathwood Village LLC	Apartments	6,391,670	3	1.60%
AEP Ohio Transmission Co, Inc.	Utility Company - Electric	6,240,560	4	1.57%
Glenwood Apartments, LLC	Apartments	5,124,000	5	1.29%
Wal-Mart Real Estate Business Trust	Retail Store	4,720,870	6	1.19%
Cross Creek Limited Partnership	Real Estate	4,113,590	7	1.03%
KIM-TAM US Limited	Packaging Manufacturer	3,953,740	8	0.99%
JLH Realty LLC	Real Estate	3,669,990	9	0.92%
Heath-Newark-Licking County Port Authority	Real Estate - Leasing	3,514,460	10	0.88%
Subtotal		63,122,930		15.85%
All Others		335,132,019		84.15%
Total		<u>\$398,254,949</u>		<u>100.00%</u>
		Calendar Year 2014		
Name of Taxpayer	Nature of Business	Assessed Value	Rank	Percent of Total Assessed Value
Glimcher Properties Limited Partnership	Development	\$8,967,740	1	3.53%
Ohio Power Company	Utility Company - Electric	5,535,930	2	2.18%
Southgate Association Limited Partnership	Shopping Center	5,483,800	3	2.16%
Cross Creek Limited Partnership	Shopping Center	2,915,120	4	1.15%
Wal*Mart Stores, Inc.	Retail Store	2,912,710	5	1.15%
Heath-Newark-Licking County Port Authority	Real Estate - Leasing	2,640,190	6	1.04%
Kaiser Aluminum and Chemical Corporation	Aluminum Processing	2,595,150	7	1.02%
H&D Holding Company	Development	2,332,260	8	0.92%
Quest Heathwood Village LLC	Apartments	2,233,920	9	0.88%
Inland Western Heath Southgate LLC	Shopping Center	2,169,410	10	0.85%
Subtotal		37,786,230		14.88%
All Others		216,377,625		85.12%
Total		<u>\$254,163,855</u>		<u>100.00%</u>

Source: Licking County Auditor - Land and Buildings  
Based on valuation of property in 2023 and 2014

Presented on a calendar year basis because that is the manner  
in which the information is maintained by the County.

## *Heath City School District*

### *Property Tax Levies and Collections Last Ten Years*

<b>Collection Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>Total Tax Levy</b>	\$10,960,686	\$11,119,757	\$11,551,120
<b>Collections within the Fiscal Year of the Levy</b>			
Current Tax Collections	10,649,259	10,812,156	11,223,676
Percent of Levy Collected	97.16%	97.23%	97.17%
Delinquent Tax Collections <sup>(1)</sup>	167,209	161,863	284,617
Total Tax Collections	10,816,468	10,974,019	11,508,293
<b>Percent of Total Tax Collections To Tax Levy</b>	98.68%	98.69%	99.63%
<b>Accumulated Outstanding Delinquent Taxes</b>	190,554	125,628	120,889
<b>Percentage of Accumulated Delinquent Taxes to Total Tax Levy</b>	1.74%	1.13%	1.05%

Source: Licking County Auditor's Office

Presented on a calendar year basis because that is the manner  
in which the information is maintained by the County.

(1) The County's current computer system is unable to track delinquent tax collections by tax year.

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*Heath City School District*

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<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$11,419,479	\$12,048,452	\$12,409,906	\$12,493,640	\$12,551,841	\$14,329,518	\$14,675,033
11,188,024	11,870,917	12,227,045	12,233,310	12,218,232	14,047,946	14,414,228
97.97%	98.53%	98.53%	97.92%	97.34%	98.04%	98.22%
<u>225,920</u>	<u>197,873</u>	<u>203,873</u>	<u>242,426</u>	<u>269,632</u>	<u>221,592</u>	<u>265,951</u>
11,413,944	12,068,790	12,430,918	12,475,736	12,487,864	14,269,538	14,680,179
99.95%	100.17%	100.17%	99.86%	99.49%	99.58%	100.04%
153,338	174,622	162,162	116,555	122,524	153,733	359,916
1.34%	1.45%	1.31%	0.93%	0.98%	1.07%	2.45%

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## *Heath City School District*

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### *Ratio of Outstanding Debt By Type Last Ten Years*

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	2015	2016	2017	2018
<b>Governmental Activities (1)</b>				
General Obligation Bonds Payable	\$13,170,033	\$12,140,782	\$11,355,564	\$10,566,487
SBITA Liability	0	0	0	0
Leases	204,216	105,768	256,008	191,201
Total Primary Government	<u>\$13,374,249</u>	<u>\$12,246,550</u>	<u>\$11,611,572</u>	<u>\$10,757,688</u>
<b>Population (2)</b>				
City of Heath	10,310	10,310	10,310	10,310
Outstanding Debt Per Capita	\$1,297	\$1,188	\$1,126	\$1,043
<b>Income (3)</b>				
Personal (in thousands)	410,699	428,700	435,257	455,826
Percentage of Personal Income	3.26%	2.86%	2.67%	2.36%

**Sources:**

- (1) District Treasurer's Office
- (2) US Bureau of Census of Population
- (3) US Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation based on previous calendar year

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*Heath City School District*

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2019	2020	2021	2022	2023	2024
\$9,655,045	\$8,655,813	\$7,553,910	\$5,639,092	\$4,584,274	\$3,489,456
0	0	0	0	102,663	50,159
113,850	58,472	0	0	0	116,011
<u>\$9,768,895</u>	<u>\$8,714,285</u>	<u>\$7,553,910</u>	<u>\$5,639,092</u>	<u>\$4,686,937</u>	<u>\$3,655,626</u>

10,310	10,310	10,412	10,412	10,412	10,412
\$948	\$845	\$726	\$542	\$450	\$351

474,868	489,704	536,634	577,751	581,906	611,289
2.06%	1.78%	1.41%	0.98%	0.81%	0.60%

## *Heath City School District*

### *Ratios of General Bonded Debt Outstanding Last Ten Years*

Year	2015	2016	2017	2018
<b>Population</b> <sup>(1)</sup>	10,310	10,310	10,310	10,310
<b>Assessed Value</b> <sup>(2)</sup>	254,163,855	243,934,110	248,262,876	271,391,600
<b>General Bonded Debt</b> <sup>(3)</sup>				
General Obligation Bonds	13,170,033	12,140,782	11,355,564	10,566,487
<b>Resources Available to Pay Principal</b> <sup>(4)</sup>	1,063,596	1,237,784	998,467	1,395,292
<b>Net General Bonded Debt</b>	12,106,437	10,902,998	10,357,097	9,171,195
<b>Ratio of Net Bonded Debt to Assessed Value</b>	4.76%	4.47%	4.17%	3.38%
<b>Net Bonded Debt per Capita</b>	1,174.24	1,057.52	1,004.57	889.54

**Source:**

(1) U.S. Bureau of Census of Population

(2) Licking County Auditor

(3) Includes all general obligation bonded debt supported by property taxes

(4) Includes only Debt Service funds available for general obligation bonded debt supported by property taxes.

***Heath City School District***

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2019	2020	2021	2022	2023	2024
10,310	10,310	10,412	10,412	10,412	10,412
277,895,103	282,070,234	307,972,610	311,885,627	317,971,918	426,241,319
9,655,045	8,655,813	7,553,910	5,639,092	4,584,274	3,489,456
1,442,042	1,682,531	1,948,331	1,552,448	2,333,492	3,055,506
8,213,003	6,973,282	5,605,579	4,086,644	2,250,782	433,950
2.96%	2.47%	1.82%	1.31%	0.71%	0.10%
796.61	676.36	538.38	392.49	216.17	41.68





## *Heath City School District*

*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2024*

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to Heath City School District</u>	<u>Amount Applicable to Heath City School District</u>
<b>Direct:</b>			
Heath City School District	\$3,655,626	100.00%	\$3,655,626
<b>Overlapping:</b>			
City of Heath	4,825,000	90.66%	4,374,345
Licking County	21,290,000	5.47%	1,164,563
		Subtotal	5,538,908
		Total	\$9,194,534

**Source:** Licking County and Fiscal Officers of Subdivision

Overlapping percentage was calculated by dividing each overlapping subdivision's assessed valuation within the City by the subdivision's total assessed valuation.

## *Heath City School District*

### *Debt Limitations Last Ten Years*

	2015	2016	2017
Net Assessed Valuation	\$254,163,855	\$243,934,110	\$248,262,876
Legal Debt Limitation (%) (1)	9.00%	9.00%	9.00%
Legal Debt Limitation (\$) (1)	22,874,747	21,954,070	22,343,659
Applicable District Debt Outstanding	13,170,033	12,140,782	11,355,564
Less: Applicable Debt Service Fund Amounts (2)	(1,075,169)	(1,242,170)	(1,006,492)
Net Indebtedness Subject to Limitation	12,094,864	10,898,612	10,349,072
Overall Legal Debt Margin	<u>\$10,779,883</u>	<u>\$11,055,458</u>	<u>\$11,994,587</u>
Legal Debt Limitation (%) (1)	0.10%	0.10%	0.10%
Legal Debt Limitation (\$) (1)	254,164	243,934	248,263
Applicable District Debt Outstanding	0	0	0
Unvoted Legal Debt Margin	<u>\$254,164</u>	<u>\$243,934</u>	<u>\$248,263</u>
Legal Debt Limitation (%) (1)	0.90%	0.90%	0.90%
Legal Debt Limitation (\$) (1)	2,287,475	2,195,407	2,234,366
Applicable District Debt Outstanding	0	0	0
Unvoted Energy Conservation	<u>\$2,287,475</u>	<u>\$2,195,407</u>	<u>\$2,234,366</u>
Loans Legal Debt Margin	<u>\$2,287,475</u>	<u>\$2,195,407</u>	<u>\$2,234,366</u>

(1) Ohio Bond Law sets a limit of 9% for overall debt, 1/10 of 1% for unvoted debt, and 9/10 of 1% for energy conservation debt.

(2) Includes only Debt Service funds available on a modified GAAP basis for general obligation bonded debt supported by property taxes.

# *Heath City School District*

2018	2019	2020	2021	2022	2023	2024
\$271,391,600	\$277,895,103	\$282,070,234	\$307,972,610	\$311,885,627	\$317,971,918	\$426,241,319
9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
24,425,244	25,010,559	25,386,321	27,717,535	28,069,706	28,617,473	38,361,719
10,566,487	9,655,045	8,655,813	7,553,910	5,639,092	4,686,937	3,655,626
(1,399,129)	(1,443,227)	(1,684,827)	(1,956,731)	(1,552,448)	(2,333,492)	(3,055,506)
9,167,358	8,211,818	6,970,986	5,597,179	4,086,644	2,353,445	600,120
\$15,257,886	\$16,798,741	\$18,415,335	\$22,120,356	\$23,983,062	\$26,264,028	\$37,761,599
0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
271,392	277,895	282,070	307,973	311,886	317,972	426,241
0	0	0	0	0	0	0
\$271,392	\$277,895	\$282,070	\$307,973	\$311,886	\$317,972	\$426,241
0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
2,442,524	2,501,056	2,538,632	2,771,753	2,806,971	2,861,747	3,836,172
0	0	0	0	0	0	0
\$2,442,524	\$2,501,056	\$2,538,632	\$2,771,753	\$2,806,971	\$2,861,747	\$3,836,172

## *Heath City School District*

### *Demographic and Economic Statistics Last Ten Years*

Calendar Year	2014	2015	2016	2017
<b>Population</b> (1)				
City of Heath	10,310	10,310	10,310	10,310
Licking County	169,390	170,570	172,198	173,448
<b>Income</b> (2) (a)				
Total Personal (in thousands)	410,699	428,700	435,257	455,826
Per Capita	39,835	41,581	42,217	44,212
<b>Unemployment Rate</b> (3)				
Federal	6.2%	5.3%	4.9%	4.4%
State	5.7%	4.9%	4.9%	5.0%
Licking County	5.1%	4.4%	4.3%	4.2%
<b>Fiscal Year</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>School Enrollment</b> (4)				
Grades K - 2	393	397	376	382
Grades 3 - 5	398	410	418	403
Grades 6 - 8	406	396	385	405
Grades 9 - 12	486	479	489	497
JVS	65	70	56	65
Total	1,748	1,752	1,724	1,752

#### **Sources:**

- (1) US Bureau of Census of Population
- (2) US Department of Commerce, Bureau of Economic Analysis
  - (a) Per Capita Income is only available by County, Total Personal Income is a calculation
- (3) State Department of Labor Statistics
- (4) District Treasurer's Office

Note: In FY 18, all years of School Enrollment were restated using ODE October headcounts.

## *Heath City School District*

2018	2019	2020	2021	2022	2023
10,310	10,310	10,412	10,412	10,412	10,412
175,769	177,174	178,100	178,100	178,100	178,100
474,868	489,704	536,634	577,751	581,906	611,289
46,059	47,498	51,540	55,489	55,888	58,710
3.9%	3.7%	8.1%	5.3%	3.6%	3.6%
4.6%	4.1%	8.1%	5.1%	4.0%	3.5%
4.0%	3.7%	6.5%	4.1%	3.4%	3.1%
2019	2020	2021	2022	2023	2024
394	404	402	418	379	362
385	397	390	382	402	396
421	423	419	412	400	408
408	408	465	464	427	418
77	79	57	38	50	64
1,685	1,711	1,733	1,714	1,658	1,648



## *Heath City School District*

### *Principal Employers Current Year and Nine Years Ago*

		2023	
Employer	Nature of Business	Number of Employees	Rank
Central Ohio Aerospace & Technology Center	Manufacturing	1,125	1
Walmart	Retail Sales	546	2
Heath City Board of Education	Education	316	3
JLH Automotive	Retail Sales	262	4
Kaiser Aluminum & Chemical Co	Manufacturing	227	5
Marathon Petroleum	Petroleum Products	214	6
Samuel Son & Co	Manufacturing	204	7
Englefield	Petroleum Products	199	8
Ariel Corp	Manufacturing	134	9
Coughlin Ford	Retail Sales	111	10
Total		3,338	

		2014	
Employer	Nature of Business	Number of Employees	Rank
Central Ohio Aerospace & Technology Center	Manufacturing	797	1
Super Wal-Mart Stores	Retail Sales	434	2
Arvin/Meritor	Manufacturing	323	3
Kaiser Aluminum & Chemical Co.	Manufacturing	320	4
Heath City Schools	Education	254	5
Heath Nursing Home	Health Care	241	6
Lowe's Home Center	Retail Sales	240	7
Target Stores	Retail Sales	207	8
John Hinderer Honda	Retail Sales	162	9
Englefield Oil	Petroleum Products	141	10
Total		3,119	

**Sources:** City of Heath. Presented on a calendar year basis because that is the manner in which the information is maintained by the City. Information for total City employment is not available.



## *Heath City School District*

### *School District Employees by Type Last Ten Years*

	2015	2016	2017	2018	2019
<b>Supervisory</b>					
Instructional Administrators	2.00	2.00	2.00	2.00	2.00
Noninstructional Administrators	6.00	6.00	6.00	6.00	7.00
Principals	4.00	4.00	3.00	4.00	4.00
Assistant Principals	1.00	1.00	1.00	1.00	2.00
<b>Instruction</b>					
Classroom Teachers	97.50	94.50	89.75	96.25	100.50
<b>Student Services</b>					
Guidance Counselors	1.00	1.00	1.00	1.00	1.00
Psychologists and Health Staff	2.00	2.00	2.00	6.00	6.00
Librarians	1.00	1.00	1.00	1.00	1.00
<b>Support Services</b>					
Clerical/Bookkeeping	11.00	10.00	11.50	12.00	11.00
Tutors/Aides	14.00	14.50	12.00	10.00	9.50
Food Service	11.00	11.00	9.00	10.00	9.50
Maintenance/Grounds	9.00	9.00	9.00	9.00	9.50
Transportation	13.00	11.00	13.00	12.00	10.00
<i>Total Employees</i>	<u>172.50</u>	<u>167.00</u>	<u>160.25</u>	<u>170.25</u>	<u>173.00</u>

**Method:** The District began using EMIS staffing submissions as its source data in FY 18, and as such, restated the statistics from FY 15 through FY 18 using available historical data. Staffing counts reflect current positions at the time of submission of the final CK staff employment record for the fiscal year. In addition, the figures represent only regular positions and exclude temporary or supplemental positions. FTEs are defined as the District's definition of a full-time equivalent for that particular position. For example, some positions are considered to be full-time at 6 hours per day (ex. Cooks), while others might be 7.25 hours per day (ex. Teachers). Staffing figures exclude any positions with less than 3 hours per day.

Source: District Treasurer's Office

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*Heath City School District*

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2020	2021	2022	2023	2024
2.00	2.00	2.00	3.00	4.00
7.00	6.00	6.00	7.00	6.00
4.00	4.00	4.00	4.00	4.00
2.00	2.00	2.00	2.00	2.00
103.60	101.12	110.00	112.00	111.00
2.00	2.00	3.00	3.00	3.00
6.00	4.50	2.00	3.50	4.50
1.00	1.00	1.00	1.00	1.00
11.00	11.00	11.00	10.00	11.00
10.40	11.00	17.50	16.50	16.00
8.00	11.50	15.50	13.50	14.00
8.50	7.00	9.00	9.00	10.00
12.00	9.00	11.00	12.00	12.00
177.50	172.12	194.00	196.50	198.50

## *Heath City School District*

### *Operating Indicators - Cost per Pupil Last Ten Years*

Fiscal Year	2015	2016	2017	2018
Enrollment	1,748	1,752	1,724	1,752
Modified Accrual Basis				
Operating Expenditures	18,352,229	19,807,688	20,248,950	20,079,126
Cost per Pupil	10,499	11,306	11,745	11,461
Percentage of Change	1.4%	7.7%	3.9%	(2.4%)
Accrual Basis (1)				
Expenses	17,415,686	18,853,713	19,635,128	12,122,616
Cost per Pupil	9,963	10,761	11,389	6,919
Percentage of Change	1.04%	8.01%	5.84%	(39.25%)
Teaching Staff	97.50	94.50	89.75	96.25

(1) Expenses exclude interest and fiscal charges

Source: District Treasurer's Office and Ohio Department of Education

Note: In FY 18, all years of Enrollment were restated using ODE October headcounts.

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*Heath City School District*

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2019	2020	2021	2022	2023	2024
1,685	1,711	1,733	1,714	1,658	1,648
22,017,073	22,590,281	24,209,537	24,814,186	25,363,678	27,468,367
13,067	13,203	13,970	14,477	15,298	16,668
14.0%	1.0%	5.8%	3.6%	5.7%	9.0%
19,172,413	22,632,001	24,235,017	21,335,768	24,710,867	25,965,766
11,378	13,227	13,984	12,448	14,904	15,756
64.44%	16.25%	5.72%	(10.99%)	19.73%	5.72%
100.50	103.60	101.12	110.00	112.00	111.00

## *Heath City School District*

### *Operating Indicators by Function Last Ten Years*

	2015	2016	2017
<b>Governmental Activities</b>			
Pupils			
Enrollment	1,735	1,718	1,712
Graduates	133	137	108
Percent of Students with Disabilities	7.2%	7.2%	11.5%
Board of Education			
Regularly scheduled board meetings per year	12	12	12
Administration			
School Attendance Rate	96.70%	96.80%	94.90%
Fiscal Services			
Purchase Orders Processed	2,241	2,287	2,416
Checks Issued (non payroll)	2,318	2,302	2,249
Operation and Maintenance of Plant			
District Square Footage Maintained	291,068	291,068	291,068
District Square Miles Maintained	11.2	11.2	11.2
Pupil Transportation			
Average Daily Students Transported	1,188	1,188	885
Average Daily Bus Fleet Miles	901	901	581
Number of Buses	16	16	17
Operation of Noninstructional Services			
Food Service Operations			
Students Lunches Served Annually	140,972	141,172	134,229
Percent of Free/Reduced Price Meals (1)	48%	49%	63%
Extracurricular Activities			
High School Varsity Teams	17	17	21

Source: District Treasurer's Office

(1) Food Service operation statistics began using the point of sale system reports in FY 2018 and restated statistics for FY 2017 for comparison purposes. FY 2020 reflects that in person classes were not conducted due to state mandated closures due to COVID-19. Free lunches were delivered and available from March through June 2020.

# Heath City School District

2018	2019	2020	2021	2022	2023	2024
1,752	1,685	1,711	1,733	1,714	1,658	1,648
106	115	131	145	122	111	150
13.8%	12.2%	15.0%	15.0%	16.1%	17.4%	19.7%
12	12	12	12	12	12	12
94.00%	94.30%	95.30%	90.60%	93.00%	92.90%	93.80%
2,420	1,940	1,655	1,768	1,618	1,525	1,685
2,114	2,443	1,918	2,371	2,101	1,940	1,859
291,068	291,068	291,068	291,068	291,068	291,068	291,068
11.2	11.2	11.2	11.2	11.2	11.2	11.2
886	845	848	621	791	895	885
533	534	547	488	558	510	809
16	15	15	14	15	13	13
134,746	140,613	126,854	124,930	302,713	241,244	237,382
57%	55%	60%	36%	100%	36%	50%
22	23	23	24	24	24	24

## *Heath City School District*

### *Operating Indicators - Teacher Base Salaries Last Ten Years*

Fiscal Year	2015	2016	2017	2018
Minimum Salary	34,800	35,148	35,148	35,851
Maximum Salary	74,820	75,568	77,326	78,872
District Average Salary	51,776	52,446	52,535	55,769
State Average Salary (1)	55,242	57,154	58,849	58,186

Source: District Treasurer's Office and Ohio Department of Education

### *Operating Indicators - Teacher by Education Last Ten Years*

Fiscal Year	2015	2016	2017	2018
Bachelor's Degree	26	23	34	30
Master's Degree	67	72	57	59
Master's Degree + 30	9	9	9	12
Total	102	104	100	101

Source: District Treasurer's Office

Note: Teachers by Education counts are headcounts, while staffing levels are FTEs.

Furthermore, this schedule reflects all staff paid on the teaching salary schedules,  
which includes some individuals with differing functional titles (ex. Guidance)

N/A means not available at the time this report was prepared

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*Heath City School District*

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2019	2020	2021	2022	2023	2024
36,568	37,299	38,045	38,996	39,971	40,870
80,450	82,058	83,699	87,741	89,935	91,958
53,490	60,284	57,602	56,895	55,459	65,760
60,399	65,754	67,654	69,081	66,399	N/A

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2019	2020	2021	2022	2023	2024
33	32	30	35	41	37
61	64	70	65	63	62
10	10	12	12	11	19
104	106	112	112	115	118



## *Heath City School District*

### *Capital Asset Statistics by Building Last Ten Years*

	2015	2016	2017	2018
<b>Secondary</b>				
Heath High School				
Square Footage	124,740	124,740	124,700	124,700
Capacity (students)	600	600	600	600
Enrollment	551	549	545	562
<b>Middle</b>				
Heath Middle School				
Square Footage	67,197	67,197	67,197	67,197
Capacity (students)	450	450	450	450
Enrollment	406	396	385	405
<b>Elementary</b>				
Stevenson Elementary School				
Square Footage	44,437	44,437	44,437	44,437
Capacity (students)	450	450	450	450
Enrollment	398	410	418	403
Garfield Elementary School				
Square Footage	44,112	44,112	44,112	44,112
Capacity (students)	450	450	450	450
Enrollment	393	397	376	382
<b>All Other</b>				
Central Administration Building				
Square Footage	2,400	2,400	2,400	2,400
Capacity	14	14	14	14
Staff	13	13	13	13
Bus Garage				
Square Footage	10,800	10,800	10,800	10,800
Capacity (Buses)	16	16	17	16

Source: District Treasurer's Office

Note: In FY 18, all years of School Enrollment were restated using ODE October headcounts.

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*Heath City School District*

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2019	2020	2021	2022	2023	2024
124,700	124,700	124,700	124,700	124,700	124,700
600	600	600	600	600	600
485	487	522	502	477	482
67,197	67,197	67,197	67,197	67,197	67,197
450	450	450	450	450	450
421	423	419	412	400	408
44,437	44,437	44,437	44,437	44,437	44,437
450	450	450	450	450	450
385	397	390	382	402	396
44,112	44,112	44,112	44,112	44,112	44,112
450	450	450	450	450	450
394	404	402	418	379	362
2,400	2,400	2,400	2,400	2,400	2,400
14	14	14	14	14	13
13	13	12	12	12	13
10,800	10,800	10,800	10,800	10,800	10,800
15	15	14	15	15	15

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## *Heath City School District*

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### *Educational and Operating Statistics Last Ten Years*

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	2015	2016	2017	2018	2019
<b>ACT Scores (Average)</b>					
Heath	21.9	21.9	21.3	18.3	18.5
Ohio	21.7	21.7	22.0	20.3	20.0
National	21.4	21.4	21.0	20.8	20.7
<b>Cost per Student (ODE)</b>					
Heath	8,225	8,978	9,480	8,335	8,914
Ohio (Average) (1)	9,904	9,837	10,445	9,353	9,724
<b>Attendance Rate</b>					
Heath	94.90%	94.90%	94.90%	94.00%	94.30%
Ohio (Average)	94.10%	94.10%	93.90%	93.70%	93.50%
<b>Graduation Rate (2)</b>					
Heath	96.90%	92.40%	92.80%	90.80%	93.30%
Ohio (Average)	83.00%	83.50%	84.10%	85.30%	85.90%

**Source:**

District's Student Records and Ohio Department of Education

(1) ODE calculation is not based on GAAP financial reports.

(2) ODE report cards report the prior year's Graduation Rates

N/A - Not Available

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*Heath City School District*

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2020	2021	2022	2023	2024
19.1	18.2	19.9	18.1	17.7
19.2	18.9	19.4	19.2	19.0
20.6	20.3	19.8	19.5	19.4
8,654	9,372	9,886	10,632	11,042
9,883	10,336	11,306	11,916	12,397
95.30%	90.60%	92.30%	92.90%	93.80%
N/A	N/A	90.40%	N/A	N/A
94.80%	93.00%	91.40%	91.40%	88.40%
87.20%	87.00%	87.00%	87.30%	N/A



# OHIO AUDITOR OF STATE KEITH FABER



**HEATH CITY SCHOOL DISTRICT**

**LICKING 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 12/31/2024**

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

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