

**FRANKLIN CITY SCHOOL DISTRICT
WARREN COUNTY**



SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2024

PLATTENBURG
Certified Public Accountants



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Columbus, Ohio 43215
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Board of Education
Franklin City School District
754 East Fourth Street
Franklin, Ohio 45005

We have reviewed the *Independent Auditor's Report* of the Franklin City School District, Warren County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2023 through June 30, 2024. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

February 13, 2025

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**FRANKLIN CITY SCHOOL DISTRICT
WARREN COUNTY
FOR THE YEAR ENDED JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Franklin City School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin City School District, 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 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 District, as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter-Basis for Accounting

As discussed in Note 20 to the financial statements, the District changed from a modified cash reporting basis to a reporting basis in accordance with Generally Accepted Accounting Principles (GAAP). Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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, budgetary comparison schedule, and schedules of pension information and other postemployment information to 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 accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 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.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

December 2, 2024

Franklin City School District, Ohio
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2024
(Unaudited)

The management's discussion and analysis of Franklin City School District's 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 transmittal letter, notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- Net position of governmental activities decreased \$4,923,608 which represents a 17% decrease from 2023.
- General revenues accounted for \$37,908,949 in revenue or 83% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,728,228 or 17% of total revenues of \$45,637,177.
- The District had \$50,560,785 in expenses related to governmental activities; \$7,728,228 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$37,908,949 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

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

Franklin City School District, Ohio
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2024
(Unaudited)

These two statements report the District's *net position* and changes in the net position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the District presents:

- **Governmental Activities** – The District's programs and services are reported here and include instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

Fund Financial Statements

The analysis of the District's major funds is presented in the Fund Financial Statements (see Table of Contents). Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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.

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District as a Whole

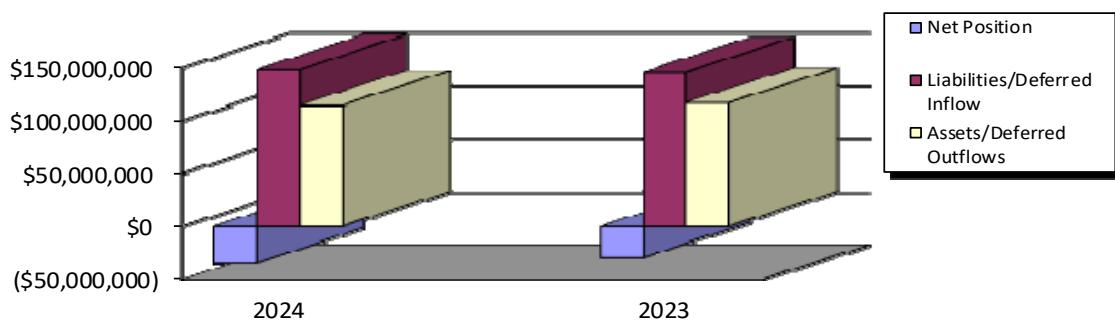
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2024 compared to 2023:

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Franklin City School District, Ohio
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2024
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2024	2023
Assets:		
Current and Other Assets	\$38,452,121	\$58,966,063
Net OPEB Asset	2,534,948	3,529,172
Capital Assets	<u>64,056,447</u>	<u>43,012,430</u>
Total Assets	<u>105,043,516</u>	<u>105,507,665</u>
Deferred Outflows of Resources:		
OPEB	1,668,644	1,186,758
Pension	<u>7,560,662</u>	<u>9,903,117</u>
Total Deferred Outflows of Resources	<u>9,229,306</u>	<u>11,089,875</u>
Liabilities:		
Other Liabilities	6,750,133	4,628,465
Long-Term Liabilities	<u>109,585,247</u>	<u>112,835,597</u>
Total Liabilities	<u>116,335,380</u>	<u>117,464,062</u>
Deferred Inflows of Resources:		
Property Taxes	23,035,903	19,006,125
Revenue in Lieu of Taxes	1,300,000	809,150
OPEB	4,177,661	5,302,521
Pension	<u>3,520,972</u>	<u>3,189,168</u>
Total Deferred Inflows of Resources	<u>32,034,536</u>	<u>28,306,964</u>
Net Position:		
Net Investment in Capital Assets	108,560	(1,091,653)
Restricted	5,621,503	3,946,048
Unrestricted	<u>(39,827,157)</u>	<u>(32,027,881)</u>
Total Net Position	<u>(\$34,097,094)</u>	<u>(\$29,173,486)</u>



Franklin City School District, Ohio
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2024
(Unaudited)

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the District's assets and deferred outflows were less than liabilities and deferred inflows of resources by \$34,097,094.

At year-end, capital assets represented 61% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2024, were \$108,560. 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, \$5,621,503 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current and Other Assets decreased mainly due to the District spending down cash balances from prior year bond proceeds on the ongoing building project. Long-Term Liabilities decreased mainly due to a decreased in the net pension liability.

Table 2 shows the changes in net position for fiscal years 2024 and 2023.

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Franklin City School District, Ohio
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2024
(Unaudited)

Table 2
Changes in Net Position

	<u>Governmental Activities</u>
	<u>2024</u>
Revenues:	
Program Revenues	
Charges for Services and Sales	\$1,512,035
Operating Grants and Contributions	6,216,193
General Revenues:	
Property Taxes	18,341,968
Grants and Entitlements	15,324,153
Other	<u>4,242,828</u>
Total Revenues	<u>45,637,177</u>
Program Expenses:	
Instruction	29,252,112
Support Services:	
Pupil and Instructional Staff	5,514,287
School Administrative, General	
Administration, Fiscal and Business	4,446,177
Operations and Maintenance	3,835,244
Pupil Transportation	2,115,149
Central	200,840
Operation of Non-Instructional Services	2,421,166
Extracurricular Activities	876,541
Interest and Fiscal Charges	<u>1,899,269</u>
Total Program Expenses	<u>50,560,785</u>
Change in Net Position	(4,923,608)
Net Position - Beginning of Year	<u>(29,173,486)</u>
Net Position - End of Year	<u>(\$34,097,094)</u>

*Note: 2024 is the first year the District presented the financial statements of the GAAP basis. Information for 2023 revenues and expenses are not available.

Governmental Activities

The District revenues came from mainly two sources. Property taxes levied for general purposes, debt service purposes, capital projects purposes and grants and entitlements comprised 74% of the District's revenues for governmental activities.

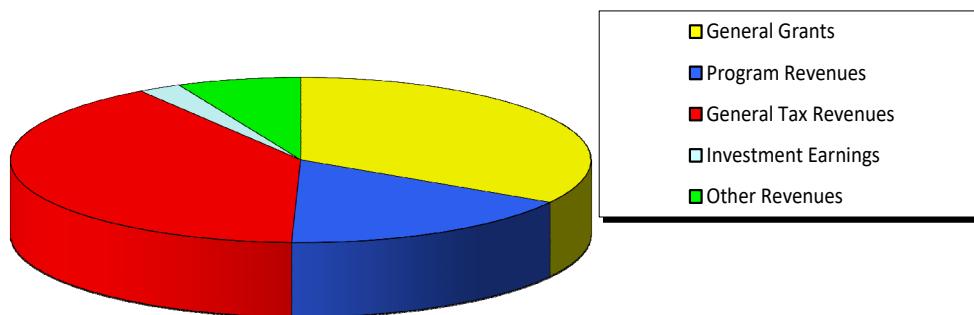
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner 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

Franklin City School District, Ohio
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2024
(Unaudited)

\$35.00.

Thus Ohio districts dependent upon property taxes are hampered by a lack of revenue growth and must regularly return to the voters to maintain a constant level of service. Property taxes made up 40% of revenue for governmental activities for the District in fiscal year 2024. The District's reliance upon tax revenues is demonstrated in the following graph:

Revenue Sources	2024	Percent of Total
General Grants	\$15,324,153	33.6%
Program Revenues	7,728,228	16.9%
General Tax Revenues	18,341,968	40.2%
Investment Earnings	1,099,210	2.4%
Other Revenues	3,143,618	6.9%
Total Revenues	<u>\$45,637,177</u>	<u>100%</u>



Instruction comprises 58% of governmental program expenses. Support services expenses were 32% of governmental program expenses. All other expenses and interest expense was 10%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Grants and Entitlements increased mainly due to an increase in grant monies received in fiscal year 2024 as compared to fiscal year 2023. Property tax revenues decreased mainly due to the timing of advances available from the county auditor. Total expenses increased from the prior year due mainly to an increase in operations and maintenance

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

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Franklin City School District, Ohio
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2024
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services	Net Cost of Services
	2024	2024
Instruction	\$29,252,112	(\$24,947,133)
Support Services:		
Pupil and Instructional Staff	5,514,287	(4,915,666)
School Administrative, General		
Administration, Fiscal and Business	4,446,177	(4,337,114)
Operations and Maintenance	3,835,244	(3,814,476)
Pupil Transportation	2,115,149	(1,794,638)
Central	200,840	(186,857)
Operation of Non-Instructional Services	2,421,166	(359,998)
Extracurricular Activities	876,541	(577,406)
Interest and Fiscal Charges	1,899,269	(1,899,269)
Total Expenses	<u>\$50,560,785</u>	<u>(\$42,832,557)</u>

*Note: 2024 is the first year the District presented the financial statements of the GAAP basis. Information for 2023 revenues and expenses are not available.

The District's Funds

The District has three major governmental funds: the General Fund, the Debt Service Fund, and the Building Fund. Assets of the General fund comprised \$24,644,447 (64%), the Debt Service fund \$4,508,285 (12%) and the Building fund \$6,602,082 (17%) of the total \$38,643,609 governmental funds' assets.

General Fund: Fund balance at June 30, 2024 was (\$429,330) including (\$603,347) of unassigned balance. The primary reason for the decrease in fund balance was due to a decrease in property tax revenues in 2023 compared to 2024.

Debt Service Fund: Fund balance at June 30, 2024 was \$2,143,551. The primary reason for the decrease in fund balance was due to a decrease in property tax revenues in 2023 compared to 2024.

Building Fund: Fund balance at June 30, 2024 was \$4,142,152. The primary reason for the decrease in fund balance was due to the ongoing capital outlay spending on the construction project in the District in 2024.

General Fund Budgeting Highlights

The District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. During the course of fiscal year 2024, the District amended its general fund budget numerous times. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

Franklin City School District, Ohio
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2024
(Unaudited)

For the General Fund, final budget basis revenue was \$39,566,017, compared to original budget estimates of \$37,412,540. The original budgeted amount and the final budgeted amount had a variance of \$2,153,477. Final budget basis revenues exceeded actual budget basis revenues by \$112,281 mainly due to overestimating for taxes and intergovernmental revenue. Final budget basis expenditures exceeded actual budget basis expenditures by \$400,318 mainly due to overestimates in instruction expenditures.

The District's ending unobligated actual fund balance for the General Fund was \$2,509,657.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$64,056,447 net of depreciation invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 4 shows fiscal year 2024 balances compared to fiscal year 2023:

Table 4
Capital Assets at Year End
(Net of Depreciation)

	Governmental Activities	
	2024	2023
Land	\$2,145,128	\$2,145,128
Construction in Progress	6,602,082	23,018,165
Buildings and Improvements	53,013,884	15,891,759
Furniture and Equipment	1,572,740	1,108,266
Vehicles	722,613	849,112
Total Net Capital Assets	\$64,056,447	\$43,012,430

Overall, capital assets increased due to continuation of the ongoing construction projects.

See Note 5 of the Notes to the Basic Financial Statements for further details on the District's capital assets.

Debt

At fiscal year end, the District had \$68,008,671 in general obligation bonds and notes payable, \$1,043,835 due within one year. Table 5 summarizes bonds and notes outstanding at year end.

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Franklin City School District, Ohio
Management's Discussion and Analysis
For The Fiscal Year Ended June 30, 2024
(Unaudited)

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2024	2023
General Obligation and Leases		
Energy Conservation Bonds	\$63,938	\$127,871
Serial Bonds	225,000	335,000
Term Bonds	610,000	610,000
Premium on Refunding Bonds	56,875	65,007
School Improvement Bonds - 2021B	8,600,000	8,650,000
Premium on 2021B Bonds	992,713	995,989
School Improvement Bonds - 2021A	54,250,000	54,730,000
Premium on 2021A Bonds	2,293,525	2,325,483
Lease Purchase - 2021	<u>916,620</u>	<u>1,211,012</u>
Total Outstanding Debt at Year End	<u><u>\$68,008,671</u></u>	<u><u>\$69,050,362</u></u>

See Note 6 of the Notes to the Basic Financial Statements for further details on the District's long-term obligations.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer at Franklin School District, 150 East 6th Street, Franklin, Ohio 45005.

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Franklin City School District

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$11,463,832
Restricted Cash and Investments	1,194,866
Receivables (Net):	
Taxes	24,037,284
Accounts	6,959
Intergovernmental	1,689,660
Prepaid Items	59,520
Nondepreciable Capital Assets	8,747,210
Depreciable Capital Assets, Net	55,309,237
Net OPEB Asset	<u>2,534,948</u>
 Total Assets	<u>105,043,516</u>
 Deferred Outflows of Resources:	
Pension	7,560,662
OPEB	<u>1,668,644</u>
 Total Deferred Outflows of Resources	<u>9,229,306</u>
 Liabilities:	
Accounts Payable	25,809
Accrued Wages and Benefits	3,875,767
Contracts Payable	1,265,064
Retainage Payable	1,194,866
Accrued Interest Payable	317,891
Unearned Revenue	70,736
Long-Term Liabilities:	
Due Within One Year	1,319,864
Due In More Than One Year	
Net Pension Liability	35,776,186
Net OPEB Liability	2,342,656
Other Amounts	<u>70,146,541</u>
 Total Liabilities	<u>116,335,380</u>
 Deferred Inflows of Resources:	
Property Taxes	23,035,903
Revenue in Lieu of Taxes	1,300,000
Pension	3,520,972
OPEB	<u>4,177,661</u>
 Total Deferred Inflows of Resources	<u>32,034,536</u>
 Net Position:	
Net Investment in Capital Assets	108,560
Restricted for:	
Debt Service	1,862,865
Capital Projects	81,368
District Managed Activities	169,050
Food Service	35,227
Net OPEB Asset	2,534,948
Other Purposes	938,045
Unrestricted	<u>(39,827,157)</u>
 Total Net Position	<u>(\$34,097,094)</u>

See accompanying notes to the basic financial statements.

Franklin City School District
 Statement of Activities
 For the Fiscal Year Ended June 30, 2024

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities		
		Charges for Services and Sales	Operating Grants and Contributions			
Governmental Activities:						
Instruction:						
Regular	\$19,588,837	\$838,570	\$124,467	(\$18,625,800)		
Special	9,358,562	0	3,297,818	(6,060,744)		
Vocational	304,713	0	0	(304,713)		
Other	0	44,124	0	44,124		
Support Services:						
Pupil	3,771,553	0	168,668	(3,602,885)		
Instructional Staff	1,742,734	0	429,953	(1,312,781)		
General Administration	112,041	0	0	(112,041)		
School Administration	2,686,619	0	109,063	(2,577,556)		
Fiscal	1,121,473	0	0	(1,121,473)		
Business	526,044	0	0	(526,044)		
Operations and Maintenance	3,835,244	3,705	17,063	(3,814,476)		
Pupil Transportation	2,115,149	0	320,511	(1,794,638)		
Central	200,840	0	13,983	(186,857)		
Operation of Non-Instructional Services	2,421,166	326,501	1,734,667	(359,998)		
Extracurricular Activities	876,541	299,135	0	(577,406)		
Interest and Fiscal Charges	1,899,269	0	0	(1,899,269)		
Totals	\$50,560,785	\$1,512,035	\$6,216,193	(42,832,557)		

General Revenues:

Property Taxes Levied for:	
General Purposes	15,693,288
Debt Service Purposes	2,014,038
Capital Projects Purposes	634,642
Grants and Entitlements, Not Restricted	15,324,153
Revenue in Lieu of Taxes	2,652,360
Unrestricted Contributions	30,305
Investment Earnings	1,099,210
Other Revenues	460,953
Total General Revenues	37,908,949
Change in Net Position	(4,923,608)
Net Position - Beginning of Year	(29,173,486)
Net Position - End of Year	(\$34,097,094)

See accompanying notes to the basic financial statements.

Franklin City School District

Balance Sheet

Governmental Funds

June 30, 2024

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
Assets:					
Equity in Pooled Cash and Investments	\$2,461,287	\$2,069,858	\$5,407,216	\$1,525,471	\$11,463,832
Restricted Cash and Investments	0	0	1,194,866	0	1,194,866
Receivables (Net):					
Taxes	20,629,416	2,438,427	0	969,441	24,037,284
Accounts	5,554	0	0	1,405	6,959
Intergovernmental	1,300,000	0	0	389,660	1,689,660
Interfund	191,488	0	0	0	191,488
Prepaid Items	56,702	0	0	2,818	59,520
Total Assets	24,644,447	4,508,285	6,602,082	2,888,795	38,643,609
Liabilities:					
Accounts Payable	25,809	0	0	0	25,809
Accrued Wages and Benefits	3,565,951	0	0	309,816	3,875,767
Compensated Absences	120,710	0	0	0	120,710
Contracts Payable	0	0	1,265,064	0	1,265,064
Retainage Payable	0	0	1,194,866	0	1,194,866
Unearned Revenue	0	0	0	70,736	70,736
Interfund Payable	0	0	0	191,488	191,488
Total Liabilities	3,712,470	0	2,459,930	572,040	6,744,440
Deferred Inflows of Resources:					
Property Taxes	20,061,307	2,364,734	0	943,816	23,369,857
Grants	0	0	0	242,752	242,752
Revenue in Lieu of Taxes	1,300,000	0	0	0	1,300,000
Total Deferred Inflows of Resources	21,361,307	2,364,734	0	1,186,568	24,912,609
Fund Balances:					
Nonspendable	56,702	0	0	2,818	59,520
Restricted	0	2,143,551	4,142,152	1,181,736	7,467,439
Committed	0	0	0	194,089	194,089
Assigned	117,315	0	0	0	117,315
Unassigned	(603,347)	0	0	(248,456)	(851,803)
Total Fund Balances	(429,330)	2,143,551	4,142,152	1,130,187	6,986,560
Total Liabilities, Deferred Inflows and Fund Balances	\$24,644,447	\$4,508,285	\$6,602,082	\$2,888,795	\$38,643,609

See accompanying notes to the basic financial statements.

Franklin City School District
 Reconciliation of Total Governmental Fund Balance to
 Net Position of Governmental Activities
 June 30, 2024

Total Governmental Fund Balance \$6,986,560

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets used in the operation of Governmental Funds 64,056,447

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Delinquent Property Taxes	333,954
Intergovernmental	<u>242,752</u>

576,706

In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.

(317,891)

Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds.

Compensated Absences (3,337,024)

Deferred outflows and inflows or resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	7,560,662
Deferred inflows of resources related to pensions	(3,520,972)
Deferred outflows of resources related to OPEB	1,668,644
Deferred outflows of resources related to OPEB	<u>(4,177,661)</u>

1,530,673

Long-term liabilities and net OPEB assets are not available to pay for current period expenditures and are not due and payable in the current period and, therefore, are not reported in the funds.

Net OPEB Asset	2,534,948
Net Pension Liability	(35,776,186)
Net OPEB Liability	(2,342,656)
Other Amounts	<u>(68,008,671)</u>
	<u>(103,592,565)</u>

Net Position of Governmental Activities (\$34,097,094)

See accompanying notes to the basic financial statements.

Franklin City School District
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 Governmental Funds
 For the Fiscal Year Ended June 30, 2024

	General	Debt Service	Building	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Taxes	\$15,650,591	\$2,009,761	\$0	\$633,154	\$18,293,506
Tuition and Fees	839,737	0	0	42,956	882,693
Investment Earnings	70,596	0	999,294	29,320	1,099,210
Intergovernmental	17,610,247	91,581	0	3,931,766	21,633,594
Extracurricular Activities	84,411	0	0	211,056	295,467
Charges for Services	0	0	0	330,169	330,169
Revenue in Lieu of Taxes	2,652,360	0	0	0	2,652,360
Other Revenues	119,069	0	20,000	355,895	494,964
Total Revenues	37,027,011	2,101,342	1,019,294	5,534,316	45,681,963
Expenditures:					
Current:					
Instruction:					
Regular	17,656,242	0	0	127,282	17,783,524
Special	8,155,318	0	0	1,199,589	9,354,907
Vocational	249,005	0	0	0	249,005
Support Services:					
Pupil	3,623,206	0	0	194,425	3,817,631
Instructional Staff	1,519,142	0	0	189,734	1,708,876
General Administration	112,432	0	0	0	112,432
School Administration	2,538,941	0	0	124,274	2,663,215
Fiscal	1,083,008	28,778	0	9,234	1,121,020
Business	508,741	0	0	0	508,741
Operations and Maintenance	2,969,235	0	0	759,699	3,728,934
Pupil Transportation	2,102,161	0	0	828	2,102,989
Central	141,507	0	0	13,983	155,490
Operation of Non-Instructional Services	4,316	0	0	2,403,310	2,407,626
Extracurricular Activities	565,008	0	0	226,066	791,074
Capital Outlay	0	0	23,345,425	122,276	23,467,701
Debt Service:					
Principal Retirement	63,933	640,000	0	294,392	998,325
Interest and Fiscal Charges	4,781	1,921,100	0	20,046	1,945,927
Total Expenditures	41,296,976	2,589,878	23,345,425	5,685,138	72,917,417
Net Change in Fund Balance	(4,269,965)	(488,536)	(22,326,131)	(150,822)	(27,235,454)
Fund Balance - Beginning of Year	3,840,635	2,632,087	26,468,283	1,281,009	34,222,014
Fund Balance - End of Year	(\$429,330)	\$2,143,551	\$4,142,152	\$1,130,187	\$6,986,560

See accompanying notes to the basic financial statements.

Franklin City School District
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balance of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balance - Total Governmental Funds (\$27,235,454)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital asset additions 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 of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	23,320,294
Depreciation Expense	<u>(2,276,277)</u>
	21,044,017

Governmental funds report district pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as pension and OPEB expense.

District Pension Contributions	3,249,088
Pension Expense	<u>(3,102,840)</u>
District OPEB Contributions	100,179
OPEB Expense	<u>303,148</u>
	549,575

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent Property Taxes	48,462
Intergovernmental	<u>(93,248)</u>
	(44,786)

Repayment of bond principal, capital appreciation bonds principal and interest are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 998,325

In the statement of activities interest expense is accrued when incurred; whereas, in governmental funds an interest expenditure is reported when due. 3,292

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences	(281,943)
Amortization of Bond Premium	<u>43,366</u>
	(238,577)

Change in Net Position of Governmental Activities (\$4,923,608)

See accompanying notes to the basic financial statements.

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Note 1 - Summary of Significant Accounting Policies

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

Description of the District

The Franklin City School District (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 operates under a locally elected five-member board and provides educational services as authorized by its charter or further mandated by state/federal agencies. The Board controls the School District's eight instructional facilities and provides education to approximately 2,800 students.

The District is located in Franklin, Ohio and serves an area of approximately 36 square miles. The District operates five elementary schools (K-6), one junior high school (7-8), and one high school (9-12).

Reporting Entity:

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

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

Component units also include legally separate, tax-exempt entities whose resources are for the direct benefit of the District, are accessible to the District and are significant in the amount to the District. The District has no component units.

The District participates in three jointly governed organizations and one insurance purchasing pool. These organizations are the Southwestern Ohio Computer Association (SWOCA), the Warren County Career Center, the Southwestern Ohio Educational Purchasing Council (SOEPC), and the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), respectively. These organizations are presented in Note 11 and 12 to the basic financial statements.

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Measurement Focus

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The interfund services provided and used are not eliminated in the consolidation.

The government-wide statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of net position. Fiduciary Funds are not included in entity-wide statements.

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 contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

Fund Accounting

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

Governmental Funds

Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

inflows of resources is reported as fund balance. The following are the District's major governmental funds:

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

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the District is obligated in some manner for the payment.

Building Fund – The building fund is used to account for receipts and expenditures related to the acquisition and construction of capital facilities including real property. Debt proceeds related to this activity are recorded in this fund, except premium or accrued interest.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District has a custodial fund to account for activities related to OHSAA athletic events of the District. This fund had no activity during the year.

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

Nonexchange transactions, in which the District receives value without directly giving equal value in return, included 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

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes available for advance, grants and other taxes.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources includes pension, and other post-employment benefits. These amounts are reported on the government-wide statement of net position. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 7 and 8.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, pension, OPEB, grants and other taxes, and revenue in lieu of taxes. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance year 2025 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and other taxes and investments have been recorded as deferred inflows on the governmental fund financial statements. For the District, revenue in lieu of taxes includes tax incremental financing (TIF). These amounts are deferred and recognized as inflows of resources in the period the amounts become available. TIF's have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Deferred inflows related to pension and OPEB plans are reported on the government-wide statement of net position. For more pension and OPEB related information, see Notes 7 and 8.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

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

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Equity In Pooled Cash and Investments

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

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

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

There were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, 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.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2024 amounted to \$70,596 credited to the General Fund, \$999,294 credited to the Building Fund and \$29,320 credited to Other Governmental Funds.

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 purchase and expenditure/expense is reported in the year in which services are consumed.

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of five thousand dollars (\$5,000). The District does not possess any infrastructure. Improvements that add to the value of an asset or materially extend an asset's life are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

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

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

<u>Description</u>	<u>Governmental Activities</u> <u>Estimated Lives</u>
Land Improvements	15 - 20 years
Buildings and Improvements	10 - 40 years
Furniture and Equipment	5 -15 years
Vehicles	10 years

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn five to twenty five days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators do not earn vacation time, with the exception of the Superintendent, Assistant Superintendent, Curriculum Coordinator and Treasurer.

Teachers, administrators, and employees earn sick leave at the rate of one and one-fourth days per month. There is not maximum for sick leave accumulation for both classified and certified staff. Upon retirement, employees are paid 25% of their unused sick leave up to a maximum of 65 days for classified staff and 65 days for certified staff for those employees who worked for the School District 10 years or more.

Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Sun Life. The School District provides comprehensive medical/surgical (including major medical) coverage through private carriers to most employees. Employee's medical insurance is provided by Anthem. The School District and employees share in the monthly premiums.

Deferred Compensation

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death, or an unforeseeable emergency.

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB 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 plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Net Position

Net position represents the difference between assets and outflows of resources, and liabilities and 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 are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's \$5,621,503 in restricted net position, none were restricted by enabling legislation.

Fund Balance

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

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education. The formal action that is required to establish (and modify or rescind) a fund balance commitment is a Board Resolution.

Assigned – resources that are intended to be used for specific purposes as approved through the District's formal purchasing procedure by the Treasurer, as established by the board approved purchasing policy.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

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.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables" and "Interfund Payables". These amounts are eliminated on the governmental activities columns of the statement of net position.

As a general rule the effect on interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

Estimates

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

Note 2 - Equity in Pooled Cash and Investments

The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Those held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

3. Written repurchase agreements in the securities listed above provided the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days.
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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.

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement 40, "Deposit and Investment Risk Disclosures".

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2024,

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

\$2,203,685 of the District's bank balance of \$2,703,685 was exposed to custodial credit risk because it was uninsured and collateralized.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be 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 fair value at all times shall be at least 105% 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 fair value of the securities pledged to be 50% of the deposits being secured or a rate set by the Treasurer of State.

Investments

As of June 30, 2024, the District had the following investments:

	Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
STAR Ohio	\$4,109,898	N/A	0.13
Money Market Funds	6,602,082	N/A	0.00
Total Investments	<u><u>\$10,711,980</u></u>		
Portfolio Weighted Average Maturity			0.05

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Inputs to the valuation techniques used in fair the measurement for Level 2 include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2024. STAR Ohio is reported at its share price (Net Asset value per share).

Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments, which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District's investments in STAR Ohio were rated AAA by Standard & Poor's. Money Market funds were not rated.

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Concentration of Credit Risk – The District's investment policy requires investments to be diversified to reduce the risk of loss. The District's policy allows investments in U.S. Agencies or Instrumentalities. Regarding the portfolio of investments, the District has invested 38% in STAR Ohio, and 62% in Money Market Funds.

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 investments or collateral securities that are in the possession of an outside party. STAR Ohio is neither registered nor insured.

Note 3 – Property Taxes

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years.

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. The District receives property taxes from Hamilton County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2025 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes that became measurable as of June 30, 2024. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations.

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

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

	2023 Second-Half Collections		2024 First-Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$515,639,570	92.60%	\$527,255,620	91.91%
Public Utility Personal	41,180,030	7.40%	46,437,760	8.09%
Total	<u>\$556,819,600</u>	<u>100.00%</u>	<u>\$573,693,380</u>	<u>100.00%</u>

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Note 4 – Receivables

Receivables at June 30, 2024, consisted of taxes, accounts, interfund, and intergovernmental. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

Note 5 – Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$2,145,128	\$0	\$0	\$2,145,128
Construction In Progress	23,018,165	22,202,637	38,618,720	6,602,082
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	31,576,927	38,989,870	0	70,566,797
Furniture and Equipment	2,385,946	686,907	0	3,072,853
Vehicles	2,517,813	59,600	0	2,577,413
Totals at Historical Cost	<u>61,643,979</u>	<u>61,939,014</u>	<u>38,618,720</u>	<u>84,964,273</u>
Less Accumulated Depreciation:				
Buildings and Improvements	15,685,168	1,867,745	0	17,552,913
Furniture and Equipment	1,277,680	222,433	0	1,500,113
Vehicles	1,668,701	186,099	0	1,854,800
Total Accumulated Depreciation	<u>18,631,549</u>	<u>2,276,277</u>	<u>0</u>	<u>20,907,826</u>
Governmental Activities Capital Assets, Net	<u>\$43,012,430</u>	<u>\$59,662,737</u>	<u>\$38,618,720</u>	<u>\$64,056,447</u>

Depreciation expense was charged to governmental functions as follows:

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Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Instruction:

Regular	\$1,997,228
Special	1,650

Support Services:

Pupil	1,388
Instructional Staff	466
School Administration	565
Fiscal	5,160
Business	17,204
Operations and Maintenance	61,387
Pupil Transportation	33,375
Central	47,737
Operation of Non-Instructional Services	27,124
Extracurricular Activities	82,993
Total Depreciation Expense	<u><u>\$2,276,277</u></u>

Note 6 - Long-Term Liabilities

	Beginning Balance	Additions	Deletions	Ending Balance	Due In One Year
Bonds Payable:					
Energy Conservation Bonds	\$127,871	\$0	\$63,933	\$63,938	\$63,938
Library Improvement Current					
Serial Bonds	335,000	0	110,000	225,000	110,000
Term Bonds	610,000	0	0	610,000	0
Premium on Refunding Bonds	65,007	0	8,132	56,875	0
School Improvement Bonds - 2021B	8,650,000	0	50,000	8,600,000	50,000
Premium on 2021B Bonds	995,989	0	3,276	992,713	0
School Improvement Bonds - 2021A	54,730,000	0	480,000	54,250,000	520,000
Premium on 2021A Bonds	2,325,483	0	31,958	2,293,525	0
Subtotal Bonds	67,839,350	0	747,299	67,092,051	743,938
Financing Obligations	1,211,012	0	294,392	916,620	299,897
Compensated Absences	3,055,081	471,464	68,811	3,457,734	276,029
Subtotal Bonds and Other Amounts	72,105,443	471,464	1,110,502	71,466,405	1,319,864
Net Pension Liability	38,596,693	0	2,820,507	35,776,186	0
Net OPEB Liability	2,133,461	209,195	0	2,342,656	0
Total Net Pension/OPEB Liability	40,730,154	209,195	2,820,507	38,118,842	0
Total Long-Term Obligations	<u><u>\$112,835,597</u></u>	<u><u>\$680,659</u></u>	<u><u>\$3,931,009</u></u>	<u><u>\$109,585,247</u></u>	<u><u>\$1,319,864</u></u>

Compensated absences, net pension liability, and net OPEB liability will be paid from the fund from which the employee is paid (the majority of which comes from the general fund, federal grant funds, and food service fund).

On August 4, 2010, the School District issued \$959,000 in energy conservation bonds at a 5.5% interest rate. The term bonds are qualified school construction bonds – direct payment where the School District will receive a yearly subsidy reducing the interest costs over the life of the bonds by \$723,975. The School District is required to pay \$63,933 annually. The bonds mature on December 1, 2024. Energy conservation measures include a retrofit of lights, boilers and chillers at the high school. The annual anticipated savings from the energy conservation measures is \$62,751.

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

On July 17, 2007, the School District issued Library Improvement Refunding bonds. \$980,000 is serial bonds with interest rates ranging from 4% to 4.2% with a final maturity on December 1, 2018. \$1,295,000 is term bonds with an interest rate of 4.35% maturing December 1, 2030. \$79,997 is capital appreciation bonds (maturity amount of \$135,000 on December 1, 2019 and 2022 and \$140,000 on December 1, 2020 and 2021). The capital appreciation bonds were accreted \$20,414 in fiscal year 2020. In fiscal year 2018, \$1,425,000 of these bonds was refunded.

On September 7, 2017, the School District issued Library Improvement Current Refunding bonds. \$640,000 is serial bonds with interest rates of 2% with a final maturity on December 1, 2025. \$610,000 is term bonds with an interest rates ranging from 3% to 4% maturing December 1, 2027 and December 1, 2030.

The term bonds are due December 1, 2027 and December 1, 2030, are subject to mandatory sinking fund redemption as follows:

<u>Date</u>	<u>Amount to be Redeemed</u>
December 1, 2026	\$115,000
December 1, 2028	120,000
December 1, 2029	125,000

On March 3, 2021, the School District issued \$56,325,000 in School Improvement Bonds at a 3.0% interest rate. The bonds will mature on November 1, 2057.

The bonds are due November 1, 2032, November 1, 2034, November 1, 2036, November 1, 2038, November 1, 2040, November 1, 2042, November 1, 2045, November 1, 2050, November 1, 2057, are subject to mandatory sinking fund redemption as follows:

<u>Date</u>	<u>Amount to be Redeemed</u>
November 1, 2031	\$530,000
November 1, 2033	620,000
November 1, 2035	745,000
November 1, 2037	880,000
November 1, 2039	930,000
November 1, 2041	1,085,000
November 1, 2043	2,010,000
November 1, 2044	2,070,000
November 1, 2046	2,295,000
November 1, 2047	2,365,000
November 1, 2048	2,435,000
November 1, 2049	2,605,000
November 1, 2051	2,765,000
November 1, 2052	2,845,000
November 1, 2053	2,935,000
November 1, 2054	3,020,000
November 1, 2055	3,215,000
November 1, 2056	3,310,000

Franklin City School District, Ohio
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On March 18, 2021, the School District issued \$8,700,000 in School Improvement Bonds at a 3.0% interest rate. The bonds will mature on November 1, 2042.

The bonds are due November 1, 2032, November 1, 2034, November 1, 2036, November 1, 2038, November 1, 2040, November 1, 2042, are subject to mandatory sinking fund redemption as follows:

<u>Date</u>	<u>Amount to be Redeemed</u>
November 1, 2031	\$530,000
November 1, 2033	565,000
November 1, 2035	600,000
November 1, 2037	635,000
November 1, 2039	675,000
November 1, 2041	715,000

On December 20, 2021, the School District issued \$1,500,000 in Financing Obligations at a 1.87% interest rate. The Obligations will mature on December 1, 2026.

The library bonds and school improvement bonds will be paid from the Bond Retirement Debt Service Fund. The energy conservation bonds will be paid from the General Fund.

Principal and interest requirements to retire general obligation debt outstanding at June 30, 2024, are as follows:

Fiscal Year Ending June 30	Library Bonds		Energy Conservation Bonds		School Improvement Bonds / Taxable Financing Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$110,000	\$25,450	\$63,938	\$26,373	\$869,897	\$1,891,286
2026	115,000	23,200	0	0	965,505	1,867,176
2027	0	20,325	0	0	1,016,218	1,840,935
2028	235,000	16,800	0	0	755,000	1,816,125
2029	0	12,600	0	0	855,000	1,791,975
2030-2034	375,000	10,300	0	0	4,050,000	8,524,875
2035-2039	0	0	0	0	8,295,000	7,597,650
2040-2044	0	0	0	0	7,000,000	6,395,700
2045-2049	0	0	0	0	6,215,000	4,873,800
2050-2054	0	0	0	0	12,385,000	2,984,475
2055-2058	0	0	0	0	21,360,000	781,575
Total	<u>\$835,000</u>	<u>\$108,675</u>	<u>\$63,938</u>	<u>\$26,373</u>	<u>\$63,766,620</u>	<u>\$40,365,572</u>

Note 7 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an

Franklin City School District, Ohio
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For The Fiscal Year Ended June 30, 2024

employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

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

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

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

The remainder of this note includes the required pension disclosures. See Note 8 for the required OPEB disclosures.

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, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

Franklin City School District, Ohio
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For The Fiscal Year Ended June 30, 2024

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy

Plan members are required to contribute 10 percent of their annual covered salary and the 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 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$828,640 for fiscal year 2024. Of this amount \$87,107 is reported as accrued wages and benefits.

Plan Description - 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 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.

Franklin City School District, Ohio
Notes to the Basic Financial Statements
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New members have a choice of three retirement plans: a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent 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.

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

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 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 is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age fifty and after termination of employment.

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

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

Funding Policy

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

The District's contractually required contribution to STRS was \$2,420,448 for fiscal year 2024. Of this amount \$403,408 is reported as accrued wages and benefits.

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

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

	SERS	STRS	Total
Proportionate Share of the Net Pension Liability	\$7,707,386	\$28,068,799	\$35,776,186
Proportion of the Net Pension Liability:			
Current Measurement Date	0.13948720%	0.13034075%	
Prior Measurement Date	0.15341330%	0.13629661%	
Change in Proportionate Share	-0.01392610%	-0.00595586%	
Pension Expense	\$781,929	\$2,320,911	\$3,102,840

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

Franklin City School District, Ohio
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	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$331,280	\$1,023,329	\$1,354,609
Changes of assumptions	54,596	2,311,618	2,366,214
Changes in employer proportionate share of net pension liability	56,339	534,412	590,751
Contributions subsequent to the measurement date	828,640	2,420,448	3,249,088
Total Deferred Outflows of Resources	\$1,270,855	\$6,289,807	\$7,560,662
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$62,286	\$62,286
Changes of assumptions	0	1,739,984	1,739,984
Net difference between projected and actual earnings on pension plan investments	108,334	84,123	192,457
Changes in employer proportionate share of net pension liability	544,759	981,486	1,526,245
Total Deferred Inflows of Resources	\$653,093	\$2,867,879	\$3,520,972

\$3,249,088 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	(\$84,148)	(\$217,800)	(\$301,948)
2026	(491,157)	(927,458)	(1,418,615)
2027	358,686	2,542,632	2,901,318
2028	5,741	(395,894)	(390,153)
Total	(\$210,878)	\$1,001,480	\$790,602

Actuarial Assumptions - SERS

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

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

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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 and compared with June 30, 2022, are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or Ad Hoc COLA	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00% net of system expenses	7.00% net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

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	100.00%	

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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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$11,375,708	\$7,707,386	\$4,617,524

Changes Between the Measurement Date and the Report Date

Governor DeWine signed HB33 in July 2023 authorizing SERS to implement a Contribution Based Benefit Cap beginning August 1, 2024. Any effect on the net pension liability is unknown.

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to those used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected Salary Increases	From 2.50% to 8.50% based on service	From 2.50% to 8.50% based on age
Investment Rate of Return	7.00% net of investments expense, including inflation	7.00% net of investments expense, including inflation
Discount Rate of Return	7.00%	7.00%
Payroll Increases	3.00%	3.00%
Cost-of-Living Adjustments (COLA)	0.00%	0.00%

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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

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percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Asset Class	Target Allocation *	Long-Term Expected 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	<u>1.00%</u>	1.00%
Total	<u>100.00%</u>	

* Final target weights reflected October 1, 2022.

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit 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 payment to determine the total pension liability as of June 30, 2023.

Sensitivity of the 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:

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	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Proportionate share of the net pension liability	\$43,163,601	\$28,068,799	\$15,302,728

Changes Between the Measurement Date and the Report Date

In March 2024, the STRS Board made the eligibility rule requiring 34 years of service for an unreduced retirement permanent, effective June 1, 2024. Eligibility for a reduced retirement benefit has been lowered from 30 to 29 years of service. The effect of these changes on the net pension liability is currently unknown.

Note 8- Defined Benefit OPEB Plans

See Note 7 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description

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

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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, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 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 \$100,179.

The surcharge, added to the allocated portion of the 14.00% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$100,179 for fiscal year 2024.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

Funding Policy

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

Net OPEB Liabilities (Assets), OPEB Expense (Income), 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 respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

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	SERS	STRS	Total
Proportionate Share of the Net OPEB Liability	\$2,342,656	\$0	\$2,342,656
Proportionate Share of the Net OPEB (Asset)	0	(2,534,948)	(2,534,948)
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.14219930%	0.13034075%	
Prior Measurement Date	<u>0.15195480%</u>	<u>0.13629661%</u>	
Change in Proportionate Share	-0.00975550%	-0.00595586%	
OPEB Expense	(\$184,881)	(\$118,268)	(\$303,149)

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$4,880	\$3,952	\$8,832
Changes of assumptions	792,121	373,434	1,165,555
Net difference between projected and actual earnings on OPEB plan investments	18,156	4,524	22,680
Changes in employer proportionate share of net OPEB liability	322,945	48,453	371,398
Contributions subsequent to the measurement date	<u>100,179</u>	<u>0</u>	<u>100,179</u>
Total Deferred Outflows of Resources	<u><u>\$1,238,281</u></u>	<u><u>\$430,363</u></u>	<u><u>\$1,668,644</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$1,208,194	\$386,647	\$1,594,841
Changes of assumptions	665,337	1,672,523	2,337,860
Changes in employer proportionate share of net OPEB liability	243,674	1,286	244,960
Total Deferred Inflows of Resources	<u><u>\$2,117,205</u></u>	<u><u>\$2,060,456</u></u>	<u><u>\$4,177,661</u></u>

\$100,179 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) 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:

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	(\$307,232)	(\$723,522)	(\$1,030,754)
2026	(263,950)	(334,567)	(598,517)
2027	(139,338)	(125,837)	(265,175)
2028	(94,911)	(172,447)	(267,358)
2029	(90,889)	(157,891)	(248,780)
Thereafter	<u>(82,783)</u>	<u>(115,829)</u>	<u>(198,612)</u>
Total	<u><u>(\$979,103)</u></u>	<u><u>(\$1,630,093)</u></u>	<u><u>(\$2,609,196)</u></u>

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Actuarial Assumptions - SERS

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

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

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

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

	June 30, 2023	June 30, 2022
Inflation	2.40%	2.40%
Future Salary Increases, Including Inflation	3.25% to 13.58%	3.25% to 13.58%
Investment Rate of Return	7.00% net of investment expense	7.00% net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048	2044
Municipal Bond Index Rate:		
Measurement Date	3.86%	3.69%
Prior Measurement Date	3.69%	1.92%
Single Equivalent Interest Rate (SEIR), net of plan investment expense, including price inflation:		
Measurement Date	4.27%	4.08%
Prior Measurement Date	4.08%	2.27%
Health Care Cost Trend Rate	6.75% to 4.40%	7.00% to 4.40%

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among

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disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

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

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benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (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%)
Proportionate share of the net OPEB liability	\$2,994,584	\$2,342,656	\$1,828,583
	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%)
Proportionate share of the net OPEB liability	\$1,721,068	\$2,342,656	\$3,166,343

Changes Between Measurement Date and Reporting Date

In September 2023, the SERS Board changed minimum compensation to \$30,000 from \$25,000 for purposes of the surcharge. Any effect on the net OPEB liability is unknown.

Actuarial Assumptions - STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to the prior year are presented below:

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment Rate of Return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Discount Rate of Return	7.00%	7.00%
Health Care Cost Trends:		
Medical		
Pre-Medicare	7.50% initial, 4.14% ultimate	7.50% initial, 3.94% ultimate
Medicare	-10.94% initial, 4.14% ultimate	-68.78% initial, 3.94% ultimate
Prescription Drug		
Pre-Medicare	-11.95% initial, 4.14% ultimate	9.00% initial, 3.94% ultimate
Medicare	1.33% initial, 4.14% ultimate	-5.47% initial, 3.94% ultimate

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

Healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent 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 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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	<u><u>100.00%</u></u>	

* Final target weights reflected at October 1, 2022.

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25%, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual 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 assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

Sensitivity of the Proportionate Share of the Net OPEB (Asset) to Changes in the Discount and Health Care Cost Trend Rate

The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher

Franklin City School District, Ohio
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For The Fiscal Year Ended June 30, 2024

(8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net OPEB (asset)	(\$2,145,501)	(\$2,534,948)	(\$2,874,114)
	1% Decrease	Current Trend Rate	1% Increase
Proportionate share of the net OPEB (asset)	(\$2,889,853)	(\$2,534,948)	(\$2,107,470)

Changes Between the Measurement Date and the Reporting date

In March, 2024, the STRS Board made changes to the eligibility for the maximum health care premium subsidy, going into effect initially with the January 2025 benefit. In May, 2024, the Board aligned the eligibility for the health care premium subsidy with the changes to pension eligibility made in March 2024. The effect on the net OPEB liability (asset) is unknown at this time.

Note 9 - Contingent Liabilities

Grants

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

Litigation

The School District is of the opinion that the ultimate disposition of claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

Note 10 - Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the School District contracted with American Family for its insurance. Building/contents and boiler and machinery insurance have a \$91,874,700 limit. There is a \$2,500 deductible with this coverage.

General liability and sexual misconduct has a \$1 million single and \$3 million aggregate limit. Errors and omission liability limit is \$1 million single and \$3 million aggregate. The deductible is \$5,000. The School District's vehicles are covered by American Family with a liability limit of \$1 million and uninsured motorist or underinsured limit of \$1 million. The deductible is \$500/\$500. The School District also carries an addition \$1 million liability/auto umbrella (excess limit).

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

The School District carries blanket employee bond in the amount of \$500,000. This bond is held by the Wright Specialty. Wright Specialty includes the Treasurer in this bond.

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

Workers' Compensation

For fiscal year 2024, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 12). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to entities that can meet the GRP's selection criteria. The firm of Sheakley Unicomp provides administrative, cost control and actuarial services to the GRP. Each fiscal year, the District pays an enrollment fee to the GRP to cover the costs of administering the program.

Note 11- Jointly Governed Organizations

Southwestern Ohio Computer Association (SWOCA)

The District is a participant in the Southwestern Ohio Computer Association (SWOCA), which is an information technology center which provides on-line computerized services to the member districts. SWOCA provides services to the member districts within the boundaries of Butler, Hamilton, Preble, and Warren 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 districts. The governing board of SWOCA consists of one representative from each of the participating members plus one representative from the fiscal agent. Financial information can be obtained from Todd Yohey, Executive Director of SWOCA at 3611 Hamilton-Middletown Road, Hamilton, Ohio 45011.

Warren County Career Center

The Warren County Career Center, a jointly governed organization, is a district political subdivision of the State of Ohio operated under the direction of a seven-member Board which possesses its own budgeting and taxing authority. The Board is appointed by Franklin, Kings, Lebanon, Little Miami, Springboro and Waynesville Districts, one from each of the six districts and a seventh member from one of those districts in a rotation schedule. Accordingly, the Warren County Career Center is not part of the District and its operations are not included as part of the reporting entity. Financial information can be obtained from Cathy McMonigle, Treasurer, at 3525 N. St. Rt. 48, Lebanon, Ohio 45036.

Southwestern Ohio Educational Purchasing Council

The District participates in the Southwestern Ohio Educational Purchasing Council (SOEPC), a purchasing council made up of 180 districts in 18 counties. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges or other assessments as established by the SOEPC. Each member district has one voting

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

representative. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. To obtain financial information, write the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Vandalia, OH 45377.

Note 12 - Insurance Purchasing Pool

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan

The District participates in the Southwestern Ohio Education Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven member Executive Committee consisting of the Chairperson, the Vice-Chairperson, a representative from the Montgomery County Educational Service Center and eight other members elected by majority vote of all member Districts. The Chief Administrator of GRP serves as the coordinator of the program. Each fiscal year, the participating Districts pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 13 - Required Set-Asides

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

The following cash basis information identifies the changes in the fund balance reserves for capital improvements during fiscal year 2024.

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2023	\$0
Current Year Set Aside Requirements	565,478
Qualified Disbursements	0
Current Year Offsets	<u>(565,478)</u>
Set Aside Reserve Balance as of June 30, 2024	<u><u>\$0</u></u>

The School District had qualifying disbursements during the fiscal year that reduced the capital acquisitions amounts below zero; however, this extra amount may not be used to reduce the set-aside requirement in future fiscal years.

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Note 14 – Accountability

The following fund had a deficit fund balance/net position at June 30, 2024:

<u>Fund</u>	<u>Deficit</u>
Major Governmental Funds:	
General	\$429,330
Other Governmental Funds:	
ESSER	6,042
Title 1 Drug-Free Schools	17,102
Title I	88,227
Title II-A	1
IDEA Part-B Special Education	135,302

The deficit in the general and other governmental funds resulted from adjustments for GAAP accruals. Management expects the deficits in these funds to be corrected in early fiscal year 2024. The General Fund is liable for any deficit in the other governmental funds and provides transfers when cash is required, not when the accruals occur.

Note 15 - Interfund Transactions

Interfund transactions at June 30, 2024, consisted of the following interfund receivable and interfund payables:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$191,488	\$0
Other Governmental Funds	0	191,488
Total All Funds	<u><u>\$191,488</u></u>	<u><u>\$191,488</u></u>

Interfund balance/transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

Note 16 - 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 the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

Fund Balance	General	Debt Service	Building Fund	Other	Total
				Governmental Funds	Governmental Funds
Nonspendable:					
Prepays	\$56,702	\$0	\$0	\$2,818	\$59,520
Total Nonspendable	<u>56,702</u>	<u>0</u>	<u>0</u>	<u>2,818</u>	<u>59,520</u>
Restricted for:					
Other Grants	0	0	0	687,243	687,243
Consumer Economics	0	0	0	83,314	83,314
Auxiliary	0	0	0	17,766	17,766
Food Service	0	0	0	56,875	56,875
Debt Service	0	2,143,551	0		2,143,551
Building	0	0	4,142,152		4,142,152
Student Activity	0	0	0	85,736	85,736
Special Trust	0	0	0	250,802	250,802
Total Restricted	<u>0</u>	<u>2,143,551</u>	<u>4,142,152</u>	<u>1,181,736</u>	<u>7,467,439</u>
Committed to:					
Permanent Improvements	0	0	0	194,089	194,089
Assigned for:					
Encumbrances	5,225	0	0	0	5,225
Public School Supprt	<u>112,090</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>112,090</u>
Total Assigned	<u>117,315</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>117,315</u>
Unassigned	<u>(603,347)</u>	<u>0</u>	<u>0</u>	<u>(248,456)</u>	<u>(851,803)</u>
Total Fund Balance	<u>(\$429,330)</u>	<u>\$2,143,551</u>	<u>\$4,142,152</u>	<u>\$1,130,187</u>	<u>\$6,986,560</u>

Note 17 – Construction and Other Commitments

Other Commitments

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

Description	Remaining Commitment
General	\$31,034
Building	4,633,608
Other Governmental	<u>88,486</u>
Total	<u>\$4,753,128</u>

Note 18 – Tax Abatements entered Into By Other Governments

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures, the School District is required to disclose certain information about tax abatements as defined in the Statement. For purposes of GASB Statement 77, a tax abatement is a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

contributes to economic development or otherwise benefits the local government or its citizens.

Enterprise Zone Program

The Ohio Enterprise Zone Program is an economic development tool administered by municipal and county governments that provides real property tax exemptions to businesses making investments in Ohio. Enterprise zones are designated areas of land in which businesses can receive tax incentives in the form of tax exemptions on eligible new investment. The Enterprise Zone Program can provide tax exemptions for a portion of the value of new real property investment when the investment is made in conjunction with a project that includes job creation. Existing land values and existing building values are not eligible. The zone's geographic area is identified by the local communities involved in the creation of the zone. Once a zone is defined, the local legislative authority participating in the creation must petition the Director of ODSA. The Director must then certify the area for it to become an active Enterprise Zone. Local communities may offer tax incentives for non-retail projects that are establishing or expanding operations in the State of Ohio. Tax incentives are negotiated at the local level, and an enterprise zone agreement must be in place before the project begins.

Businesses located in an Enterprise Zone may negotiate exemptions on new property tax from investment for up to seventy-five percent for ten years. For commercial projects, job retention and/or creation is also required. Taxes are abated as the increase in assessed value resulting from the investment is not included (or included at a lesser amount) in the assessed value used for property tax computation for the taxpayer. Agreements must be in place before the project begins. Pursuant to the terms of such agreements, if the actual number of employee positions created or retained by the business in any three-year period during which the agreement is in effect is not equal to or greater than seventy-five percent of the number of employee positions estimated to be created or retained under the agreement, the business shall repay the amount of taxes on property that would have been payable had the property not been exempted. In addition, the local governments may terminate or modify the exemptions from taxation granted under the agreement if the terms of the agreement are not met.

Community Reinvestment Area (CRA) Program

The Ohio Community Reinvestment Area 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.

Community Reinvestment Areas (CRA) are areas of land in which property owners can receive tax incentives for investing in real property improvements. In order to use the Community Reinvestment program, a city, village, or county petitions to the Ohio Development Services Agency (ODSA) for confirmation of a geographical area in which investment in housing has traditionally been discouraged. Once the area is confirmed by the Director of ODSA, communities may offer real property tax exemptions to taxpayers that invest in that area.

The type of development is determined by specifying the eligibility of residential, commercial and/or industrial projects. The local governments negotiate property tax exemptions on new property tax from investment for up to one hundred percent for up to fifteen years based on the amount of investments made to renovate or construct buildings within a CRA. Taxes are abated as the increase in assessed value resulting from the investment is not included (or included at a lesser amount) in the assessed value used for property tax computation for the taxpayer. For commercial projects, job retention and/or creation is

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

also required. Agreements must be in place before the project begins. Provisions for recapturing property tax exemptions, which can be used at the discretions of the local governments, are pursuant to ORC Section 9.66(C)(1) and 9.66(C)(2).

A summary of the property taxes foregone by the School District for abatement programs within the School District for the year 2024 (the most recent information available) follows:

Type of Abatement/Government	2024
	Abated Taxes
Community Investment Area	\$769,755
	<u>\$769,755</u>

Note 19 – Implementation of New Accounting Principles

New Accounting Principles

For fiscal year 2024, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, Accounting Changes and Error Corrections; and portions of GASB Statement No. 99, Omnibus 2022.

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

GASB Statement No. 99 addresses a variety of topics and includes clarification of provisions related to accounting and reporting of leases under GASB Statement No. 87, provides extension of the period which the London Interbank Offered Rate is considered appropriate benchmark interest rate, guidance on disclosure of nonmonetary transaction, accounting for pledges of future revenues when resources are not received by the pledging government under GASB Statement No. 48, and terminology updates related to certain provisions of GASB Statement No. 63 and No. 53. These topics under GASB Statement No. 99 provisions did not have an effect on the financial statements of the District.

Other topics in GASB Statement No. 99 includes classification of other derivative instruments within the scope of GASB Statement No. 53, clarification of provisions related to accounting and reporting of Public-Private and Public-Public Partnerships under GASB Statement No. 94, and clarification of provisions to accounting and reporting of subscription-based information technology arrangements under GASB Statement No. 96. These topics under GASB Statement No. 99 provisions were implemented and did not have an effect on the financial statements of the District.

Note 20 – Change in Financial Reporting Framework

Effective July 1, 2023, the District converted from a modified cash reporting basis to a reporting basis in accordance with Generally Accepted Accounting Principles (GAAP).

Franklin City School District, Ohio
Notes to the Basic Financial Statements
For The Fiscal Year Ended June 30, 2024

	General	Building	Other Governmental Funds	Total Governmental Funds
Fund Modified Cash Balance as reported June 30, 2023	\$4,052,994	\$26,468,283	\$4,299,427	\$34,820,704
GAAP Adjustments:				
Taxes Receivable	19,180,701	0	3,466,793	22,647,494
Accounts Receivable	1,986	0	510	2,496
Interfund Receivable (Payable)	408,619	0	(408,619)	0
Intergovernmental Receivable	809,150	0	599,968	1,409,118
Prepaid Items	42,426	0	4,395	46,821
Inventory	0	0	39,430	39,430
Accounts Payable	(27,467)	0	(27,250)	(54,717)
Accrued Wages and Benefits	(3,490,377)	0	(351,721)	(3,842,098)
Unearned Revenue	0	0	(410,467)	(410,467)
Deferred Inflows	(17,137,397)	0	(3,299,370)	(20,436,767)
GAAP Beginning Fund Balance, July 1, 2023	\$3,840,635	\$26,468,283	\$3,913,096	\$34,222,014

In addition, the entity-wide statements modified cash net position had the following GAAP adjustments:

Modified Cash Net Position as reported June 30, 2023 \$34,820,704

GAAP Adjustments:

Fund Level Adjustments Noted Above, Net	(598,690)
Taxes Receivable	285,492
Intergovernmental Receivable	336,000
Capital Assets, Net	43,012,430
Accrued Interest Payable	(321,183)
Net Pension Liability and Related Inflows and Outflows	(31,882,744)
Net OPEB Liability/Asset and Related Inflows and Outflows	(2,720,052)
Long-Term Liabilities (Compensated Absences)	(3,055,081)
Long-Term Liabilities (Debt)	(69,050,362)
GAAP Beginning Net Position July 1, 2023	(\$29,173,486)

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REQUIRED **S**UPPLEMENTARY **I**NFORMATION

Franklin City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 School Employees Retirement System of Ohio
 Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total Pension Liability
2024	0.13948720%	\$7,707,386	\$5,533,829	139.28%	76.06%
2023	0.15341330%	8,297,785	5,729,793	144.82%	75.82%
2022	0.15033710%	5,547,003	5,190,314	106.87%	82.86%
2021	0.13624910%	9,011,803	4,776,593	188.67%	68.55%
2020	0.13255020%	7,930,711	4,547,222	174.41%	70.85%
2019	0.13392550%	7,670,161	4,286,793	178.93%	71.36%
2018	0.12914850%	7,716,338	4,196,786	183.86%	69.50%
2017	0.12992170%	9,509,070	4,034,886	235.67%	62.98%
2016	0.12309400%	7,023,863	3,936,313	178.44%	69.16%
2015	0.12899600%	6,528,414	5,844,870	111.69%	71.70%

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

See accompanying notes to the required supplementary information.

Franklin City School District

Required Supplementary Information

Schedule of District's Contributions for Net Pension Liability

School Employees Retirement System of Ohio

Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$828,640	(\$828,640)	\$0	\$5,918,857	14.00%
2023	774,736	(774,736)	0	5,533,829	14.00%
2022	802,171	(802,171)	0	5,729,793	14.00%
2021	726,644	(726,644)	0	5,190,314	14.00%
2020	668,723	(668,723)	0	4,776,593	14.00%
2019	613,875	(613,875)	0	4,547,222	13.50%
2018	578,717	(578,717)	0	4,286,793	13.50%
2017	587,550	(587,550)	0	4,196,786	14.00%
2016	564,884	(564,884)	0	4,034,886	14.00%
2015	518,806	(518,806)	0	3,936,313	13.18%

See accompanying notes to the required supplementary information.

Franklin City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 State Teachers Retirement System of Ohio
 Last Ten Fiscal Years (1)

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total Pension Liability
2024	0.13034075%	\$28,068,799	\$17,258,743	162.64%	80.02%
2023	0.13629661%	30,298,908	19,399,886	156.18%	78.88%
2022	0.13438360%	17,182,151	15,567,257	110.37%	87.78%
2021	0.13059746%	31,599,938	16,468,371	191.88%	75.48%
2020	0.13027616%	28,809,790	15,403,043	187.04%	77.40%
2019	0.12751819%	28,038,387	14,330,086	195.66%	77.31%
2018	0.12539330%	29,787,447	13,789,207	216.02%	75.30%
2017	0.12624887%	42,259,302	12,771,221	330.89%	66.80%
2016	0.12285460%	33,953,418	13,084,643	259.49%	72.10%
2015	0.12906920%	31,394,096	18,152,823	172.94%	74.70%

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

See accompanying notes to the required supplementary information.

Franklin City School District

Required Supplementary Information

Schedule of District's Contributions for Net Pension Liability

State Teachers Retirement System of Ohio

Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$2,420,448	(\$2,420,448)	\$0	\$17,288,914	14.00%
2023	2,416,224	(2,416,224)	0	17,258,743	14.00%
2022	2,715,984	(2,715,984)	0	19,399,886	14.00%
2021	2,179,416	(2,179,416)	0	15,567,257	14.00%
2020	2,305,572	(2,305,572)	0	16,468,371	14.00%
2019	2,156,426	(2,156,426)	0	15,403,043	14.00%
2018	2,006,212	(2,006,212)	0	14,330,086	14.00%
2017	1,930,489	(1,930,489)	0	13,789,207	14.00%
2016	1,787,971	(1,787,971)	0	12,771,221	14.00%
2015	1,831,850	(1,831,850)	0	13,084,643	14.00%

See accompanying notes to the required supplementary information.

Franklin City School District
 Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net OPEB Liability
 School Employees Retirement System of Ohio
 Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB Liability
2024	0.14219930%	\$2,342,656	\$5,533,829	42.33%	30.02%
2023	0.15195480%	2,133,461	5,729,793	37.23%	30.34%
2022	0.14762290%	2,793,884	5,190,314	53.83%	24.08%
2021	0.13441040%	2,921,178	4,776,593	61.16%	18.17%
2020	0.13316440%	3,348,805	4,547,222	73.65%	15.57%
2019	0.13504090%	3,746,399	4,286,793	87.39%	13.57%
2018	0.13045190%	3,500,986	4,196,786	83.42%	12.46%
2017	0.13045190%	3,718,361	4,034,886	92.16%	11.49%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Franklin City School District

Required Supplementary Information

Schedule of District's Contributions for Net OPEB Liability

School Employees Retirement System of Ohio

Last Nine Fiscal Years (1) (2)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$100,179	(\$100,179)	\$0	\$5,918,857	1.69%
2023	96,756	(96,756)	0	5,533,829	1.75%
2022	74,113	(74,113)	0	5,729,793	1.29%
2021	60,694	(60,694)	0	5,190,314	1.17%
2020	53,358	(53,358)	0	4,776,593	1.12%
2019	91,486	(91,486)	0	4,547,222	2.01%
2018	90,718	(90,718)	0	4,286,793	2.12%
2017	68,306	(68,306)	0	4,196,786	1.63%
2016	62,573	(62,573)	0	4,034,886	1.55%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2017 is not available.

(2) Includes surcharge.

See accompanying notes to the required supplementary information.

Franklin City School District

Required Supplementary Information

Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability

State Teachers Retirement System of Ohio

Last Eight Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position Percentage as a of the Total OPEB (Asset)/Liability
2024	0.13034075%	(\$2,534,948)	\$17,258,743	(14.69%)	168.52%
2023	0.13629661%	(3,529,172)	19,399,886	(18.19%)	230.73%
2022	0.13438360%	(2,833,368)	15,567,257	(18.20%)	174.73%
2021	0.13059746%	(2,295,249)	16,468,371	(13.94%)	182.13%
2020	0.13027616%	(2,157,685)	15,403,043	(14.01%)	174.74%
2019	0.12751819%	(2,049,087)	14,330,086	(14.30%)	176.00%
2018	0.12539330%	4,892,384	13,789,207	35.48%	47.10%
2017	0.12624887%	6,751,822	12,771,221	52.87%	37.30%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

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

See accompanying notes to the required supplementary information.

Franklin City School District

Required Supplementary Information

Schedule of District's Contributions for Net OPEB (Asset)/Liability

State Teachers Retirement System of Ohio

Last Nine Fiscal Years (1)

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2024	\$0	\$0	\$0	\$17,288,914	0.00%
2023	0	0	0	17,258,743	0.00%
2022	0	0	0	19,399,886	0.00%
2021	0	0	0	15,567,257	0.00%
2020	0	0	0	16,468,371	0.00%
2019	0	0	0	15,403,043	0.00%
2018	0	0	0	14,330,086	0.00%
2017	0	0	0	13,789,207	0.00%
2016	0	0	0	12,771,221	0.00%

(1) The schedule is intended to show information for the past 10 years and the additional years' information will be displayed as it becomes available. Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

Franklin City School District
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Fiscal Year Ended June 30, 2024

General Fund				
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$17,007,046	\$17,985,977	\$17,934,936	(\$51,041)
Revenue in lieu of taxes	2,515,136	2,659,908	2,652,360	(7,548)
Tuition and Fees	792,909	838,549	836,169	(2,380)
Investment Earnings	296,220	313,270	312,381	(889)
Intergovernmental	16,699,155	17,660,364	17,610,247	(50,117)
Other Revenues	102,074	107,949	107,643	(306)
Total Revenues	37,412,540	39,566,017	39,453,736	(112,281)
Expenditures:				
Current:				
Instruction:				
Regular	16,700,781	17,934,539	17,761,314	173,225
Special	7,659,265	8,225,088	8,145,644	79,444
Vocational	235,927	253,356	250,909	2,447
Support Services:				
Pupil	3,370,757	3,619,769	3,584,807	34,962
Instructional Staff	1,239,607	1,331,183	1,318,325	12,858
General Administration	105,719	113,529	112,432	1,097
School Administration	2,347,810	2,521,253	2,496,901	24,352
Fiscal	1,023,897	1,099,537	1,088,917	10,620
Business	478,418	513,760	508,798	4,962
Operations and Maintenance	2,862,970	3,074,470	3,044,774	29,696
Pupil Transportation	1,935,160	2,078,119	2,058,047	20,072
Central	132,999	142,825	141,445	1,380
Operation of Non-Instructional Services	4,058	4,358	4,316	42
Extracurricular Activities	432,842	464,818	460,328	4,490
Debt Service:				
Principal Retirement	60,116	64,557	63,933	624
Interest and Fiscal Charges	4,496	4,828	4,781	47
Total Expenditures	38,594,822	41,445,989	41,045,671	400,318
Net Change in Fund Balance	(1,182,282)	(1,879,972)	(1,591,935)	288,037
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	4,101,592	4,101,592	4,101,592	0
Fund Balance - End of Year	\$2,919,310	\$2,221,620	\$2,509,657	\$288,037

See accompanying notes to the required supplementary information.

Franklin City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

Note 1 – Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2024.

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as an assignment of fund balance for governmental fund types and expendable trust funds (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis as opposed to the general fund being reported alone (budget basis).

Franklin City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

The following table summarizes the adjustments necessary to reconcile the GAAP basis to the budgetary basis for the general fund.

Net Change in Fund Balance

	<u>General</u>
GAAP Basis	(\$4,269,965)
Revenue Accruals	2,426,725
Expenditure Accruals	282,339
Encumbrances	(31,034)
Budget Basis	<u>(\$1,591,935)</u>

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2023-2024: There were no changes in benefit terms since the prior measurement period.

2022: Cost of Living Adjustments (COLA) increased from 0.50% to 2.50%.

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3.00% annual increase to a Cost of Living Adjustments (COLA) based on the changed in the Consumer Price Index Index (CPI-W), with a cap of 2.50% and a floor of 0.00%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2023-2024: The following changes of assumptions affected the total pension liability since the prior measurement date:

(1) Cost of Living Adjustments (COLA) was increased from 2.00% to 2.50% for calendar year 2024.

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,
- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
- (5) The discount rate was reduced from 7.50% to 7.00%,
- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

Franklin City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) 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,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2019-2024: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2024: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2023: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table:
 - a. Adjusted 110.0% for males, projected forward generationally using mortality improvement scale MP-2020
- (2) Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table:
 - a. Adjusted 95.0% for females, projected forward generationally using mortality improvement scale MP-2020
- (3) Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table:
 - a. Projected forward generationally using mortality improvement scale MP-2020
- (4) Projected salary increases changed from 2.50% to 12.50% to 2.50% to 8.50%

2022: There were changes in assumptions since the prior measurement date, which the discount rate was

Franklin City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

adjusted to 7.00% from 7.45%.

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2024: Effective January 1, 2024, the non-Medicare disability health care subsidy amounts will change to reflect amounts equal to that of service retirees by years of service.

2017-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in Assumptions:

2024: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	4.08%
Measurement Date	4.27%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.69%
Measurement Date	3.86%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	4.08%
Measurement Date	4.27%
- (4) The assumption for percent of pre-Medicare eligible retirees who choose the Wraparound plan increased from 10% to 20%.
- (5) The health care trend assumption on retiree premiums was updated to not apply trend to the \$35 surcharge.
- (6) The morbidity factors were updated based on the Society of Actuaries' June 2013 research report Health Care Costs—From Birth to Death by Dale Yamamoto and from the ASOP 6 practice note developed by the American Academy of Actuaries.

Franklin City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

(7) An assumption was added to assume that 15% of pre-65 retirees who waive will elect coverage upon Medicare eligibility.

2023: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	2.27%
Measurement Date	4.08%

(2) Municipal Bond Index Rate:

Prior Measurement Date	1.92%
Measurement Date	3.69%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	2.27%
Measurement Date	4.08%

(4) Health care trend rates were updated.

2022: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	2.63%
Measurement Date	2.27%

(2) Investment Rate of Return:

Prior Measurement Date	7.50%
Measurement Date	7.00%

(3) Assumed Rate of Inflation:

Prior Measurement Date	3.00%
Measurement Date	2.40%

(4) Payroll Growth Assumption:

Prior Measurement Date	3.50%
Measurement Date	1.75%

(5) Assumed Real Wage Growth:

Prior Measurement Date	0.50%
Measurement Date	0.85%

(6) Municipal Bond Index Rate:

Prior Measurement Date	2.45%
Measurement Date	1.92%

(7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	2.63%
Measurement Date	2.27%

(8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.

(9) Rate of health care participation for future retirees and spouses was updated to reflect recent.

(10) Mortality among active members was updated to the following:

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

(11) Mortality among service retired members was updated to the following:

a. 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.

(12) Mortality among beneficiaries was updated to the following:

Franklin City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

a. 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.

(13) Mortality among disabled member was updated to the following:

a. 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.

(14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.22%
Measurement Date	2.63%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
Measurement Date	2.45%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.22%
Measurement Date	2.63%

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.70%
Measurement Date	3.22%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.62%
Measurement Date	3.13%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.70%
Measurement Date	3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Prior Measurement Date	3.63%
Measurement Date	3.70%

(2) Municipal Bond Index Rate:

Prior Measurement Date	3.56%
Measurement Date	3.62%

(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	3.63%
Measurement Date	3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

(1) Discount Rate:

Franklin City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%
(2) Municipal Bond Index Rate:	
Fiscal Year 2018	3.56%
Fiscal Year 2017	2.92%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Fiscal Year 2018	3.63%
Fiscal Year 2017	2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) 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, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: 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. Healthcare trends were updated to reflect emerging claims and recoveries experience.

2022: The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy

Franklin City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

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.

2020: There was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% 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.

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10% to 1.90% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in Assumptions:

2024: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024. The change in the subsidy percentage and the base amount for all retiree Non-Medicare Eligible (NME) participants, from 2.2% per year in last year's valuation to 2.5% per year, capped at 75%, as well as the unfreezing of the NME subsidy, the removal of the 6% cap on the year over year subsidy increase for Medicare Eligible (ME) participants, the changes in deductible and office visits copays for Aetna's Medicare Advantage plan, and updates in the medical and PBM vendor contracts. In addition, there were benefit changes related to the change in eligibility for unreduced Pension benefits.

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2022: There were changes in assumptions since the prior measurement date, which the discount rate was adjusted to 7.00% from 7.45%.

2021: There were changes in assumptions during the measurement year, which decreased the total OPEB liability by approximately \$0.26 billion. The assumption changes included changes in healthcare costs and trends.

Franklin City School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2024

2020: There were changes in assumptions during the measurement year, which increased the total OPEB liability by approximately \$0.04 billion. The assumption changes included changes in healthcare costs and trends.

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

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

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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**FRANKLIN CITY SCHOOL DISTRICT
WARREN COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grant/ Pass Through Grantor Program Title	Assistance Listing Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed Through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	3L60	\$87,915
Cash Assistance:			
School Breakfast Program	10.553	3L70	270,584
COVID-19 National School Lunch Program	10.555	3L60	70,070
National School Lunch Program	10.555	3L60	<u>657,438</u>
Total National School Lunch Program			727,508
Fresh Fruit and Vegetable Program	10.582	3GG0	57,868
Total Child Nutrition Cluster			<u>1,143,875</u>
Total U.S. Department of Agriculture			<u>1,143,875</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed Through Ohio Department of Education:</i>			
Special Education Cluster:			
Special Education- Grants to States	84.027	3M20	858,242
Special Education- Preschool Grants	84.173	3C50	<u>17,421</u>
Total Special Education Cluster			<u>875,663</u>
COVID-19 American Rescue Plan - Elementary and Secondary School			
Emergency Relief Fund - Homeless Children and Youth	84.425U	3HZ0	8,467
Title I Grants to Local Educational Agencies	84.010	3M00	673,436
English Language Acquisition State Grants	84.365	3Y70	5,360
Supporting Effective Instruction State Grants	84.367	3Y60	119,140
Student Support and Academic Enrichment Program	84.424	3HI0	<u>57,832</u>
Total U.S. Department of Education			<u>1,739,898</u>
<u>U.S. DEPARTMENT OF THE TREASURY</u>			
<i>Passed Through Ohio Facilities Construction Commission:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	5CV3	<u>93,770</u>
Total U.S. Department of the Treasury			<u>93,770</u>
Total Expenditures of Federal Awards			<u>\$2,977,543</u>

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

**FRANKLIN CITY SCHOOL DISTRICT
WARREN COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Franklin City School District (the District) under programs of the federal government for the year ended June 30, 2024. 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 District, it is not intended to and does not present the financial position or changes in net position.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – MATCHING REQUIREMENTS

Certain Federal programs require the District to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.

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

Board of Education
Franklin City School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Franklin City School District (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 2, 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 entity'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

December 2, 2024

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

Board of Education
Franklin City School District

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

Cincinnati, Ohio

December 2, 2024

FRANKLIN CITY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2024

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on the financial statements:

Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?	No
• Significant Deficiency(s) identified?	None reported

Noncompliance material to financial statements noted?

No

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified?	No
• Significant Deficiency(s) identified?	None reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

No

Identification of major federal programs:

Title I Grants to Local Educational Agencies ALN 84.010
Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B Programs

\$750,000

Auditee qualified as low-risk auditee?

No

Section II – Findings Related to the Financial Statements Required to be reported in Accordance with GAGAS

None

Section III – Federal Award Findings and Questioned Costs

None

FRANKLIN CITY SCHOOL DISTRICT
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
2 CFR 200.511(b)
JUNE 30, 2024

Finding Number	Finding Summary	Finding Corrected	Initial Occurrence	Explanation
2023-001	Ohio Revised Code § 117.38 & Ohio Administrative Code § 117-2-03(B) require the District to prepare financial statements in accordance with GAAP.	Yes	FY 2020	The District prepared financial <i>statements in accordance with GAAP for the year ended June 30, 2024.</i>

OHIO AUDITOR OF STATE KEITH FABER



FRANKLIN CITY SCHOOL DISTRICT

WARREN 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 2/25/2025

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov