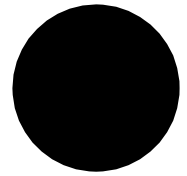


# FAIRBORN CITY SCHOOL DISTRICT

GREENE COUNTY, OHIO



## Comprehensive Annual Financial Report 2020

FAIRBORN, OHIO

FOR THE FISCAL YEAR  
ENDED JUNE 30, 2020

Fairborn City School District  
Treasurer's Office  
Kevin Philo, Treasurer/CFO  
306 E Whittier Ave  
Fairborn, OH 45324  
(937) 878-3961  
[www.fairborn.k12.oh.us](http://www.fairborn.k12.oh.us)  
[kphilo@fairborn.k12.oh.us](mailto:kphilo@fairborn.k12.oh.us)



**THIS PAGE IS INTENTIONALLY LEFT BLANK**

OHIO AUDITOR OF STATE  
KEITH FABER



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

Board of Education  
Fairborn City School District  
306 East Whittier Ave.  
Fairborn, Ohio 45324

We have reviewed the *Independent Auditor's Report* of Fairborn City School District, Greene County, prepared by Julian & Grube, Inc., for the audit period July 1, 2019 through June 30, 2020. 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. Fairborn City School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

January 26, 2021

**This page intentionally left blank.**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

OF THE

**FAIRBORN CITY  
SCHOOL DISTRICT**

FOR THE

**FISCAL YEAR ENDED JUNE 30, 2020**

**PREPARED BY  
TREASURER'S DEPARTMENT  
KEVIN PHILO, TREASURER/CFO**

**306 E. WHITTIER AVE.**

**FAIRBORN, OHIO 45324**

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**TABLE OF CONTENTS**

**I. INTRODUCTORY SECTION**

Table of Contents .....	1-4
Letter of Transmittal.....	5-9
List of Principal Officers.....	10
Organizational Chart .....	11
Certificate of Achievement for Excellence in Financial Reporting .....	12
Certificate of Excellence in Financial Reporting .....	13

**II. FINANCIAL SECTION**

INDEPENDENT AUDITOR’S REPORT .....	15-16
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	17-27
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	29
Statement of Activities .....	30
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	31
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	32
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	33
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	34
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....	35
Statement of Changes in Fiduciary Net Position - Fiduciary Fund.....	36
Notes to the Basic Financial Statements.....	37-80
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of the District’s Proportionate Share of the Net Pension Liability:	
School Employees Retirement System (SERS) of Ohio .....	82-83
State Teachers Retirement System (STRS) of Ohio.....	84-85

REQUIRED SUPPLEMENTARY INFORMATION – (Continued):

Schedule of District Pension Contributions:

School Employees Retirement System (SERS) of Ohio .....	86-87
State Teachers Retirement System (STRS) of Ohio.....	88-89

Schedule of the District’s Proportionate Share of the Net OPEB Liability:

School Employees Retirement System (SERS) of Ohio .....	90
State Teachers Retirement System (STRS) of Ohio.....	91

Schedule of District OPEB Contributions:

School Employees Retirement System (SERS) of Ohio .....	92-93
State Teachers Retirement System (STRS) of Ohio.....	94-95

Notes to Required Supplementary Information .....	96-97
---	-------

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Fund Descriptions - Major Funds.....	100
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Classroom Facilities Fund.....	101
Combining Balance Sheet - Nonmajor Governmental Funds.....	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	103
Fund Descriptions - Nonmajor Special Revenue Funds .....	104-106
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	108-111
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	112-115
Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):	
Miscellaneous Grants Fund .....	116
District Managed Student Activity Fund .....	116
Auxiliary Services Fund .....	116
Public School Preschool Fund .....	117
Data Communications Fund .....	117
Special Trust Fund.....	117
Miscellaneous State Grants Fund .....	118
Limited English Proficiency Fund .....	118
Title VI-B Fund .....	118
Title I Fund .....	119
EHA Preschool Grant Fund .....	119
Reducing Class Size Fund .....	119
Miscellaneous Federal Grants Fund .....	120
Food Service Fund.....	120
Classroom Facilities Maintenance Fund.....	120
Student Managed Activity Fund.....	121
Scholarship Fund.....	121
Student Wellness & Success Fund .....	121



COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES - (Continued):

Nonmajor Governmental Funds included in the General Fund on GAAP basis:

Termination Benefits Fund.....	122
Rotary Fund.....	122
Public School Support Fund.....	122
Unclaimed Funds Fund.....	122

Fund Description - Nonmajor Debt Service Fund .....	123
---	-----

Schedules of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Bond Retirement Fund .....	124
----------------------------	-----

Fund Descriptions - Nonmajor Capital Projects Funds .....	125
---	-----

Combining Balance Sheet - Nonmajor Capital Projects Funds .....	126
---	-----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds .....	127
---	-----

Schedules of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Permanent Improvement Fund .....	128
Building Fund .....	128

Fund Descriptions - Nonmajor Permanent Fund .....	129
---	-----

Schedules of Revenues, Expenditures and Changes in  
Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis):

Teacher Grant Fund .....	130
--------------------------	-----

**III. STATISTICAL SECTION**

Table of Contents.....	133
Net Position by Component - Last Ten Fiscal Years .....	134-135
Changes in Net Position - Last Ten Fiscal Years .....	136-141
Fund Balances, Governmental Funds - Last Ten Fiscal Years .....	142-143
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	144-147
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	148-149
Direct and Overlapping Property Tax Rates - Last Ten Years .....	150
Principal Property Tax Payers - Current Year and Nine Years Ago.....	151
Property Tax Levies and Collections - Last Ten Fiscal Years .....	152-153
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years .....	154
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years .....	155
Direct and Overlapping Governmental Activities Debt - As of June 30, 2020.....	156
Legal Debt Margin Information - Last Ten Fiscal Years .....	157
Demographic and Economic Statistics - Last Ten Fiscal Years.....	158

STATISTICAL SECTION - (Continued):

Principal Employers - Current Year and Nine Years Ago .....	159
Staffing Statistics, Full Time Equivalents by Type and Function -Last Ten Fiscal Years .....	160-161
Operating Indicators by Function - Last Ten Fiscal Years .....	162-163
Capital Asset Statistics - Last Ten Fiscal Years .....	164-165
School Building Information - Last Ten Fiscal Years .....	166-167
Operating Statistics - Last Ten Fiscal Years .....	168-169
Teacher Statistics .....	170

# Fairborn City Schools

306 E. Whittier Avenue  
Fairborn, Ohio 45324  
937.878.3961  
Fax: 937.879.8180  
www.fairborn.k12.oh.us



Superintendent: **Gene Lolli**  
Treasurer: **Kevin Philo**  
Student Services/H.R.: **Gary Walker**  
Public Relations/Grant Writer: **Pam Gayheart**  
Curriculum: **Sue Brackenhoff**  
Business Affairs: **Jeff Patrick**  
Educational Services/H.R.: **Amy Gayheart**

January 11, 2021

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

As the Superintendent and Treasurer/CFO of the Fairborn City School District (the "District"), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) issued by the District. This report provides full disclosure of the financial operation of the District for the fiscal year ended June 30, 2020. This CAFR, which includes an opinion from Julian & Grube, Inc. (who performed the District's audit) conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District's financial affairs. This report is available to the Chamber of Commerce, major taxpayers, the public library, financial rating services, and other interested parties.

The District is located in Southwestern Ohio and is comprised of the City of Fairborn, which is a part of Greene County. As a suburb of Dayton, Fairborn City School District is in Fairborn, Ohio located northeast of Dayton at the intersection of I-70 and I-675. The District serves an area of 40 square miles encompassing both the City of Fairborn and Bath Township. The community has continued to grow over the past 20 years. Fairborn is home to Wright State University, the Ervin J. Nutter Center and Wright Patterson AFB. The Parks & Recreation Department maintains 383.54 acres of park land consisting of 13 parks, a 36 acre nature reserve, and the Kauffman Avenue Bikeway. The City of Fairborn also has a strong Chamber of Commerce that coordinates business partnerships with each of our schools. The District's current buildings were first built in the 1950's and 1960's and have undergone various renovations through the years. The District is in the current process of building new elementary buildings and a new middle and high school to better serve the current needs of the District's students.

The District provides a full range of educational programs and services. These include diverse learning opportunities at the elementary and secondary levels. Educational opportunities range from comprehensive career and technical programs to college preparatory classes with an emphasis on honors and Advanced Placement course work. A broad range of clubs, co-curricular and extracurricular activities are available to students so that they may have a well-rounded educational experience in Fairborn Schools. Special education services are in-depth and provide the support necessary for our students with disabilities to be successful. The District also provides support for adult and community learning. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a non-major governmental fund. The District currently serves approximately 4,516 students in grades pre-K through 12<sup>th</sup> Grade.

Statutorily, the District operates under standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code for the purpose of providing educational services authorized by charter and further mandated by State and/or Federal agencies. A five member Board of Education (the "Board") serves as the taxing authority, contracting body and policy maker for the District. The Board adopts the annual operating budget and approves all expenditures of District monies.

The Superintendent is the chief administrative officer of the District, responsible for both education and support operations. The Treasurer/CFO is the chief financial officer of the District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, and investing idle funds as specified by Ohio law. The District adopts an annual budget for all governmental funds.

Other Board appointed officials includes directors of educational and support services and building principals.

## ***QUALITY IN EDUCATION***

The District strives to maintain quality schools that not only reflect the philosophy of the community but help to maintain property values as well. While the emphasis is on the educational program itself, the District continues to maintain expectations for excellence in our students, staff, and programs. We feel it is appropriate to briefly review some of the District's quality benchmarks that define the foundation upon which the success of our programs are built:

- ❖ Fairborn City Schools has completed the construction of one new elementary building and is in the process of building another new elementary school with funding from the Fairborn community and the Ohio Facilities Construction Commission.

- ❖ In November 2020, the voters of Fairborn approved a new bond issue which will allow the construction of a new high school to be completed in August 2023 and will also qualify for revenues from the State of Ohio through the OFCC ELPP program to build a new middle school, thus allowing the District to have some of the newest educational buildings in the Miami Valley once completed.
- ❖ In September of 2020, the District received a private donation of \$2.5 million to buy 86 acres of property to construct a new high school and middle school. The same donor earlier in the year donated an additional \$750,000 for new technology purchases.
- ❖ All schools in our district are designated as “Purple Star” schools from the Ohio Department of Education for our commitment to and our support of our military students and families.
- ❖ Fairborn High School Freshman Focus program helps with the transition from middle school to high school and includes curriculum and discussion topics to help freshmen adapt to high school and to help build a positive culture at Fairborn High School.
- ❖ Fairborn City Schools partners with local service organizations to give back to the Fairborn community-teaching the value of community and community service. From the Fairborn FISH Pantry to the Goodwill Drive to Victory and the “Senior to Senior” Prom, our students are developing leadership skills through community service.
- ❖ Fairborn improved on the Ohio Department of Education report card one whole letter grade and performs better than comparable districts.
- ❖ Fairborn City Schools has a Military and Family Life Counselor (MFLC) who works with students and families supporting service members and their families and addressing the day-to-day stressors of military life.
- ❖ The annual Fairborn City Schools “Hall of Honor” recognizes the achievements of outstanding Fairborn graduates and those in the community who have achieved excellence in their chosen field of work. Each year, the Selection and Induction committees work together to plan the ceremony recognizing these outstanding individuals.
- ❖ Fairborn City Schools is increasing technology in all classrooms with the student to Chromebook ratio at 2:1.
- ❖ Technology instruction at the elementary schools is increasing student technology literacy and basic technology skills-very important because of required online state testing.
- ❖ Curriculum is vertically aligned ensuring that students are learning new content at each grade level and increasing communication between grade levels and subject areas.
- ❖ Project Lead the Way STEM curriculum is offered at both Baker Middle School and Fairborn High School. With PLTW, College Credit Plus, Digital Academy and the Greene Country Career Center-Fairborn City Schools offers many options to meet the individual needs of our students.
- ❖ Fairborn City Schools offers excellent special education, gifted, and college preparatory classes.
- ❖ Fairborn works closely with Wright State University and Wright Patterson Air Force Base to enhance the educational opportunities for our students. WSU offers professional development support and College Credit Plus. Wright Patterson Air Force Base provides judges for Science Fair and the WPAFB Educational Outreach office provides teacher workshops, Lego League and the Wizards of Wright programs for our students.
- ❖ The District Leadership Team (DLT) and Building Leadership Team (BLT) examine best instructional practices and building data to enhance student achievement.
- ❖ Fairborn City Schools has a strong partnership with the City of Fairborn and shares the cost of three School Resource Officers who work in our buildings.
- ❖ Fairborn City Schools has outstanding music programs including orchestra, band and choir. Every year, Fairborn High School presents a high school musical in the spring. Fairborn Intermediate School and Fairborn Primary School also host holiday musicals to highlight the talent of our youngest Skyhawks.
- ❖ Many local community members support Fairborn City Schools by creating scholarships which are awarded each year to graduating seniors. These scholarships are housed at Greene Giving and are a shining commitment of our graduates and community to “pay it forward” for the leaders of tomorrow.

### ***THE REPORTING ENTITY***

The District has reviewed its reporting entity definition in order to ensure conformance with GASB. In evaluating how to define the District for financial reporting purposes, management has considered all agencies, departments, and organizations making up the District (the primary government) and its potential component units. The District has no component units nor is it a component unit of any other governmental entity. The City of Fairborn has been excluded from the accompanying financial statements.

## ***ECONOMIC CONDITIONS AND OUTLOOK***

The District's population has been stable the past several years with only minimal changes from year to year. The U.S. Census completed in 2010, represented a combined population of 71,744 people in 25,000 households living in the City of Fairborn and Bath Township. Bath Township has realized the most residential growth as it encompasses land available for expansion. Unfortunately, the City of Fairborn has limited land available for residential development. On the other hand, commercial development has increased modestly in both Bath Township and the City of Fairborn.

The State of Ohio is in the first year of biennial budget. The District is expecting to receive slightly more funding in fiscal year 2021 than it received in 2020.

## ***MAJOR INITIATIVES FOR THE FUTURE***

Full implementation of the newly revised Strategic Plan will keep the District focused on student learning through high-quality, differentiated instruction, efficiency and effectiveness of district operations, and vibrant school-community partnerships.

With the full implementation of these plans and directives, the District will continue the academic excellence and fiscal accountability standards that the community has come to expect of the Fairborn City School District.

## ***LONG-TERM FINANCIAL PLANNING***

The Ohio Department of Education requires school districts to submit a five year forecast in October and May each year. The forecast provides three years of historical financial data and five years of revenue and expenditure estimates. The forecast is a benchmark used by administrators and the Fairborn Board of Education to determine the current and future costs of existing educational programs and sustainability of proposed educational initiatives.

## ***FINANCIAL INFORMATION***

**Internal Accounting and Budgetary Control.** The District's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing accounting entity. Governmental fund operations are presented on the modified accrual basis, whereby revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. Proprietary funds and the private-purpose trust fund operations are presented on the accrual basis, whereby revenues are recognized when earned, and expenses when incurred.

In developing the District's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use of disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from the implementation.

The District utilizes a fully automated accounting system, as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted upon receipt from the county Auditor of an amended certificate of estimated resources based on final assessed values and tax rates, which is usually within the first three months of fiscal year. Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriation measures, including any supplements or amendments, do not exceed the amount set forth in the latest of those official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board. Budgets are controlled at the fund level for all budgeted funds. All purchase order requests must be approved by the Director of Business Affairs and certified by the Treasurer/CFO; necessary funds are then encumbered and purchase orders released to vendors. Those requests which exceed the available appropriation are rejected until additional appropriations are secured.

The accounting system used by the District provides interim financial reports, which detail year-to-date expenditures and encumbrances versus the original appropriation, plus any additional appropriations made to date. In addition to interim financial statements, each administrator and school principal is furnished monthly reports showing the status of the budget accounts for which they are responsible. As an additional safeguard, a blanket bond covers all employees, and a separate, higher limit bond covers certain individuals in policy-making roles.

The basis of accounting, the basis of presentation of the District's various funds, and information on budgetary accounting can be found in Note 2 to the financial statements.

## ***FINANCIAL REPORTING***

The basic financial statements for reporting on the District's financial activities are as follows:

**Government-wide financial statements:** These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by business enterprises. The government-wide statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District did not have any business-type activities.

**Fund financial statements:** These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities accrual information presented in the government-wide financial statements. Proprietary and fiduciary funds use the accrual basis of accounting. The District has no proprietary funds.

**Schedule of budgetary comparisons:** This schedule presents comparisons of actual information to the legally adopted budget. The budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The budgetary comparison for the general fund has been presented as part of the basic financial statements.

Management is responsible for preparing a Discussion and Analysis (MD&A) of the District. This discussion appears after the Independent Auditor's Report in the financial section of this report. The MD&A provides an assessment of the District's finances for 2020. The MD&A is intended to be read in conjunction with this letter of transmittal.

## ***INDEPENDENT AUDIT***

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the district's accounting and budgetary controls. Independent auditor Julian & Grube Inc, was selected to render an opinion on the District's financial statements as of and for the fiscal year ended June 30, 2020. The opinion appears at the beginning of the financial section of this report.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all school governments in Ohio. The District adopted and has been in conformance with that system beginning with its financial report for the 1979 year.

## ***Awards***

### ***GFOA Certificate of Achievement***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fairborn City School District for its CAFR for the fiscal year ended June 30, 2019. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such a report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

### ***ASBO Certificate of Excellence in Financial Reporting***

The Association of School Business Officials International (ASBO) awards a Certificate of Excellence in Financial Reporting to school districts that publish Comprehensive Annual Financial Reports which substantially conform to the principles and standards of financial reporting as recommended and adopted by the Association of the School Business Officials. The award is granted only after an intensive review of the financial report by an all-expert panel of certified public accountants and practicing school business officials.

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2019. The District believes that the Comprehensive Annual Financial Report for fiscal year June 30, 2020, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

## ***USE OF THIS REPORT***

This CAFR is published to provide to the School Board, as well as to our residents and other interested persons, detailed information concerning the financial condition of the District. We believe the information, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of our funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activity have been included. Copies of the CAFR are available at the District's offices for use by the public.

**ACKNOWLEDGMENTS**

The publication of the report significantly increases the accountability of the District to the taxpayers. This accomplishment would not have been possible without the support and efforts of the staff of the Treasurer's office and various administrators and employees of the District. Assistance of the County Auditor's office staff and other outside agencies made possible the fair presentation of statistical data.

Special appreciation is expressed to Julian & Grube, Inc. who provided technical assistance on this report. Finally, sincere appreciation is extended to the Board of Education for its interest in and support of this project.

Respectfully,



Kevin Philo  
Treasurer/CFO



Gene Lolli  
Superintendent

**This page intentionally left blank.**



## **FAIRBORN CITY SCHOOL DISTRICT**

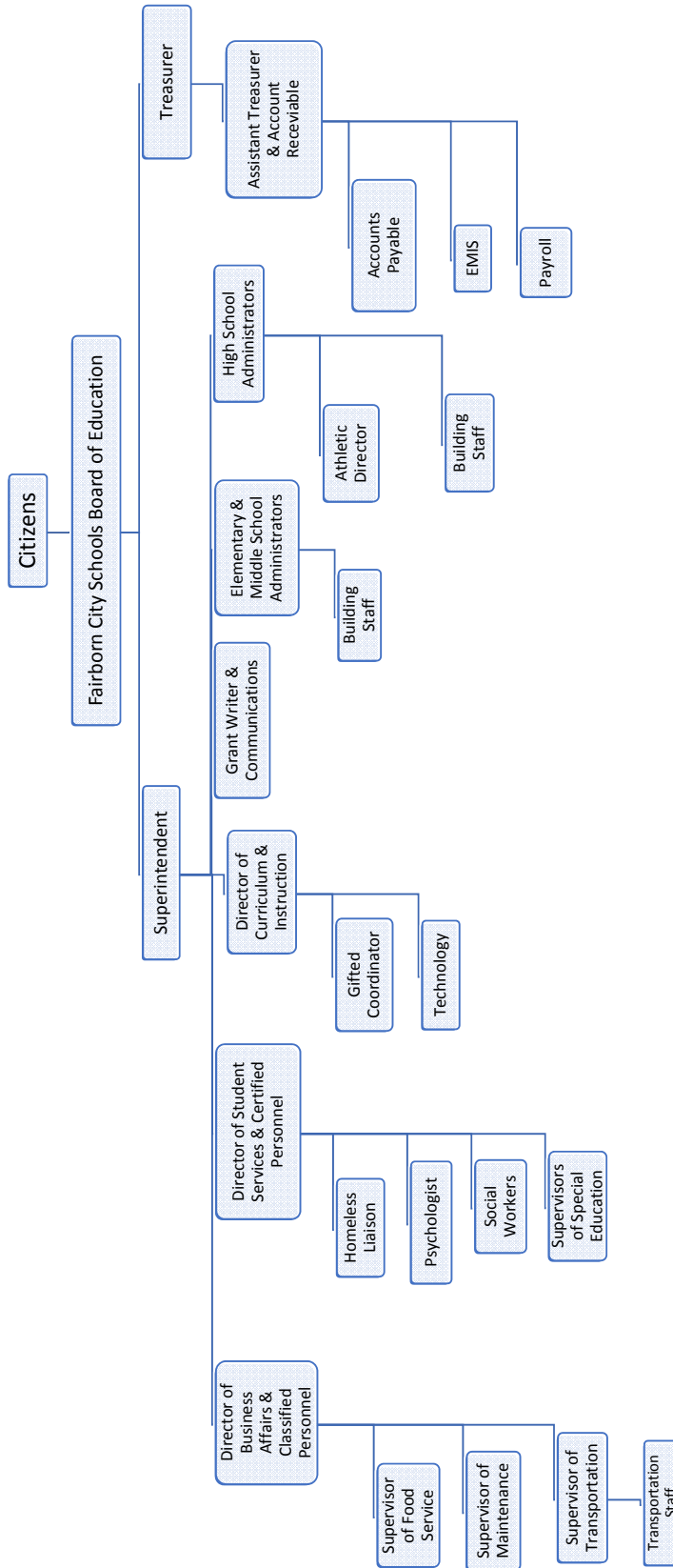
### **PRINCIPAL OFFICERS**

#### **Board of Education**

Mr. Pat McCoart	Board Member, President
Ms. Mary Reaster	Board Member, Vice President
Mr. Andrew Wilson	Board Member
Mrs. Katie Mlod	Board Member
Mr. Jerry Browning	Board Member

#### **Administration**

Mr. Gene Lolli	Superintendent
Mr. Kevin Philo	Treasurer
Mr. Jeffrey Patrick	Director, Business Affairs and Classified Personnel
Dr. Sue Brackenhoff	Director, Curriculum and Instruction
Mr. Gary Walker	Director, Student Services, Certified Personnel
Mrs. Pamela Gayheart	District Public Relations, Grants, Website
Ms. Amy Gayheart	Director of Classified Personnel/Education Services





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Fairborn City School District  
Ohio**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Fairborn City School District**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2019.**

The CAFR meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Claire Hertz'. The signature is written in a cursive style and is positioned above a horizontal line.

Claire Hertz, SFO  
President

A handwritten signature in black ink, reading 'David J. Lewis'. The signature is written in a cursive style and is positioned above a horizontal line.

David J. Lewis  
Executive Director

## Independent Auditor's Report

Fairborn City School District  
Greene County  
306 East Whitter Avenue  
Fairborn, Ohio 45324

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairborn City School District, Greene County, Ohio, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Fairborn City School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility 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; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fairborn City School District's preparation and fair presentation of the financial statements 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 Fairborn City School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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 Fairborn City School District, Greene County, Ohio, as of June 30, 2020, and the respective changes in financial position thereof and the budgetary comparison for the general fund thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matters***

As described in Note 3 to the financial statements, in 2020, the Fairborn City School District adopted new accounting guidance, GASBS No. 84, *Fiduciary Activities*. As described in Note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Fairborn City School District. Our opinions are not modified with respect to these matters.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis and schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit contributions* listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 and Other Information***

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2021, on our consideration of the Fairborn City School District's internal control over financial reporting and on 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 Fairborn City School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fairborn City School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.  
January 11, 2021

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The Management's Discussion and Analysis of the Fairborn City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for 2020 are as follows:

- In total, net position of governmental activities increased \$459,728 which represents a 4.52% increase from 2019's restated net position.
- General revenues accounted for \$47,504,413 in revenue or 80.28% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$11,672,525 or 19.72% of total revenues of \$59,176,938.
- The District had \$58,717,210 in expenses related to governmental activities; only \$11,672,525 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$47,504,413 were adequate to provide for these programs.
- The District's major governmental funds are the general fund and the classroom facilities fund. The general fund had \$48,647,059 in revenues and \$47,936,400 in expenditures and other financing uses. During fiscal year 2020, the general fund's fund balance increased \$710,659 from \$29,301,261 to \$30,011,920.
- The classroom facilities fund had \$6,230,752 in revenues and \$18,019,886 in expenditures. During fiscal year 2020, the classroom facilities fund's fund balance decreased \$11,789,134 from \$26,530,140 to \$14,741,006 as the District continues construction on two new elementary schools.

**Using the Comprehensive Annual Financial Report (CAFR)**

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. In the case of the District, the general fund and classroom facilities fund are by far the most significant funds and are reported as a major funds.

**Reporting the District as a Whole**

*Statement of Net Position and the Statement of Activities*

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2020?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

In the Statement of Net Position and the Statement of Activities, the governmental activities include the District's programs and services, including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

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

***Fund Financial Statements***

The analysis of the District's major governmental funds begins on page 25. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund and classroom facilities fund.

***Governmental Funds***

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using 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 financial 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 basic financial statements.

***Reporting the District's Fiduciary Responsibilities***

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

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

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

***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability/asset.



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position for 2020 and 2019. The net position at June 30, 2019 has been restated as described in Note 3.

	Net Position - Governmental Activities	
	2020	Restated 2019
<b><u>Assets</u></b>		
Current and other assets	\$ 98,076,232	\$ 113,536,404
Net OPEB asset	2,711,587	2,587,250
Capital assets, net	35,388,792	16,026,907
Total assets	136,176,611	132,150,561
<b><u>Deferred outflows of resources</u></b>		
Pension	9,817,120	12,425,393
OPEB	1,355,515	896,938
Total deferred outflows	11,172,635	13,322,331
<b><u>Liabilities</u></b>		
Current liabilities	8,977,424	6,782,285
Long-term liabilities:		
Due within one year	1,863,795	1,814,165
Due in more than one year:		
Net pension liability	47,819,786	46,280,163
Net OPEB liability	4,996,726	5,329,734
Other amounts	43,212,347	44,291,620
Total liabilities	106,870,078	104,497,967
<b><u>Deferred inflows of resources</u></b>		
Property taxes and PILOTS	21,566,507	20,881,878
Deferred gain on refunding	188,217	217,549
Pensions	3,170,782	4,897,488
OPEB	4,913,662	4,797,738
Total deferred inflows	29,839,168	30,794,653
<b><u>Net Position</u></b>		
Net investment in capital assets	(484,418)	(835,421)
Restricted	30,678,684	29,476,814
Unrestricted (deficit)	(19,554,266)	(18,461,121)
Total net position (deficit)	\$ 10,640,000	\$ 10,180,272

The net pension liability is reported pursuant to Governmental Accounting Standards Board (GASB) Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The net other postemployment benefits (OPEB) liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability, and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2020, the District's assets plus deferred outflows of resources were greater than liabilities plus deferred inflows of resources by \$10,640,000.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

At year-end, capital assets represented 25.99% of total assets. Capital assets include land, construction in progress (CIP), land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2020, was a deficit of \$484,418. 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.

Current assets of the District decreased \$15,460,172. This decrease is primarily the result of a decrease in cash and investments due to continued construction expenses related to the two new elementary schools.

Deferred outflows related to pension decreased primarily due to changes in assumptions by the State Teachers Retirement System (STRS). See Note 11 for more detail.

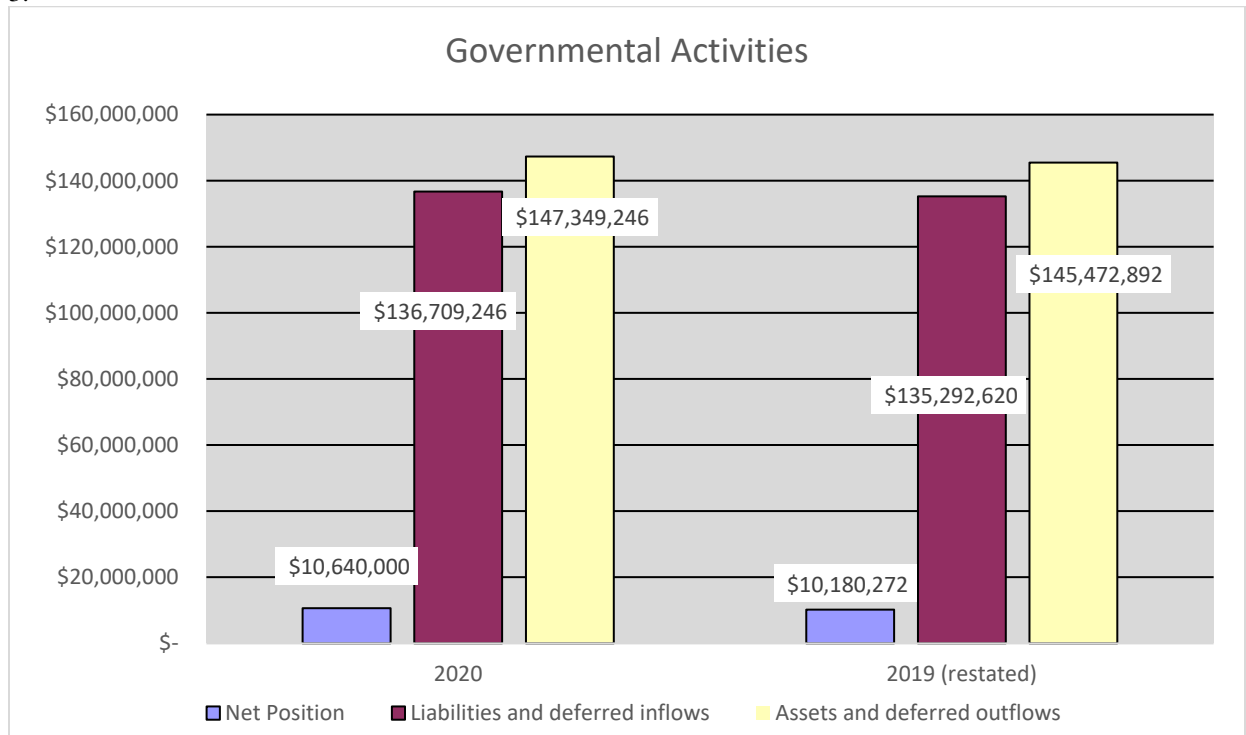
Total assets include a net OPEB asset reported by STRS. See Note 12 for more detail.

Long-term liabilities increased primarily due to an increase in the net pension liability. This liability is outside of the control of the District. The District contributes its statutorily required contributions to the pension systems; however, it's the pension systems that collect, hold and distribute pensions and OPEB to District employees, not the District.

Deferred inflows related to OPEB increased primarily due to changes in assumptions by STRS. See Note 12 for more detail.

A portion of the District's net position, \$30,678,684, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$19,554,266 at June 30, 2020.

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2020 and 2019. The net position at June 30, 2019 has been restated as described in Note 3.



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The table below shows the change in net position for fiscal years 2020 and 2019. Due to practicality, 2019 revenues and expenses in the table below have not been adjusted to reflect the implementation of GASB No. 84 (see Note 3). Rather, the cumulative impact of applying GASB No. 84 is reflected in the beginning net position for 2019.

	Change in Net Position - Governmental Activities	
	2020	2019
<b><u>Revenues</u></b>		
Program revenues:		
Charges for services and sales	\$ 1,204,238	\$ 1,026,500
Operating grants and contributions	10,355,087	7,689,674
Capital grants and contributions	113,200	-
General revenues:		
Property taxes and PILOTS	20,308,422	20,771,122
Income taxes	4,415,664	4,542,234
Grants and entitlements	21,302,276	22,539,837
Investment earnings	1,073,175	1,266,926
Increase in fair value of investments	205,980	772,186
Miscellaneous	198,896	171,884
Total revenues	<u>59,176,938</u>	<u>58,780,363</u>
<b><u>Expenses</u></b>		
Program expenses:		
Instruction:		
Regular	19,862,935	15,222,134
Special	11,709,404	9,202,557
Vocational	287,459	243,443
Other	3,507,565	3,456,282
Support services:		
Pupil	4,043,757	2,878,782
Instructional staff	1,300,971	823,683
Board of education	107,446	70,115
Administration	3,390,578	2,749,916
Fiscal	918,855	860,323
Business	542,361	251,111
Operations and maintenance	4,321,706	4,272,798
Pupil transportation	3,142,630	2,652,859
Central	663,119	614,500
Operation of non-instructional services:		
Food services	2,148,206	2,128,425
Other non-instructional services	42,993	62,237
Extracurricular activities	1,195,071	841,424
Interest and fiscal charges	1,532,154	1,520,615
Total expenses	<u>58,717,210</u>	<u>47,851,204</u>
Change in net position	459,728	10,929,159
Net position (deficit) at beginning of year (restated)	<u>10,180,272</u>	<u>(748,887)</u>
Net position at end of year	<u>\$ 10,640,000</u>	<u>\$ 10,180,272</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**Governmental Activities**

Net position of the District’s governmental activities increased \$459,728. Total governmental expenses of \$58,717,210 were offset by program revenues of \$11,672,525 and general revenues of \$47,504,413. Program revenues supported 19.88% of the total governmental expenses.

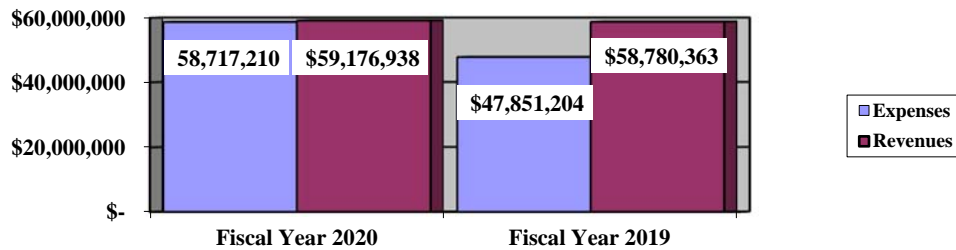
The primary sources of revenue for governmental activities are derived from property taxes, income taxes and grants and entitlements. These revenue sources represent 77.01% of total governmental revenue. Grants and entitlements decreased due to decreased foundation revenue received from the State of Ohio. The increase in fair value of investments is due to the District being required to report investments at fair value rather than cost. The fair value of investments fluctuates throughout the year. The District intends to hold all investments to maturity thus eliminating the risk of fluctuations in fair value. The District received a donation for its turf project and a \$750,000 operating donation.

Overall, expenses of the governmental activities increased \$10,866,006 or 22.71%. This increase is primarily the result of the STRS indefinitely suspending the Cost of Living Adjustment (“COLA”) and the School Employee Retirement System (SERS) lowering the COLA from 3.00% to 2.50% in fiscal year 2019.

On an accrual basis, the District reported \$6,422,051 and \$3,440,781 in pension expense for fiscal year 2020 and 2019, respectively. In addition, the District reported (\$662,220) and (\$5,369,933) in OPEB expense for fiscal year 2020 and 2019, respectively. The increase in both the net pension expense and the OPEB expense from fiscal year 2019 to fiscal year 2020 was \$7,688,983. This increase is primarily the result of the benefit changes by the retirement systems. Fluctuations in the pension and OPEB expense makes it difficult to compare financial information between years. Pension and OPEB expense are components of program expenses reported on the statement of activities. The District’s total expenses for fiscal year 2020 are comparable to total fiscal year 2019 expenses.

The graph below presents the District’s governmental activities revenue and expenses for fiscal years 2020 and 2019.

**Governmental Activities - Revenues and Expenses**



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below shows, for governmental 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 grants and entitlements. As stated above, fluctuations in the pension expense and OPEB expenses reported under GASB 68 and GASB 75, respectively, makes it difficult to compare financial information between years. Pension expense and OPEB expense are components of program expenses reported on the statement of activities.

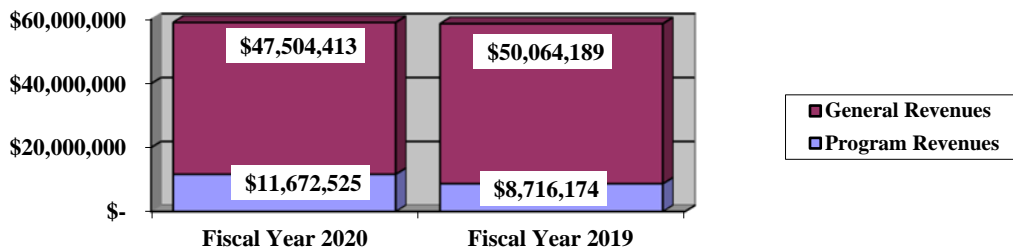
**Governmental Activities**

<b>Program expenses</b>	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
Instruction:				
Regular	\$ 19,862,935	\$ 19,042,171	\$ 15,222,134	\$ 14,757,878
Special	11,709,404	5,645,312	9,202,557	3,935,090
Vocational	287,459	82,410	243,443	43,151
Other	3,507,565	3,447,016	3,456,282	3,456,282
Support services:				
Pupil	4,043,757	2,992,453	2,878,782	2,786,487
Instructional staff	1,300,971	1,029,426	823,683	719,163
Board of education	107,446	105,591	70,115	70,115
Administration	3,390,578	3,084,735	2,749,916	2,532,768
Fiscal	918,855	894,412	860,323	860,323
Business	542,361	533,841	251,111	251,111
Operation and maintenance	4,321,706	4,254,359	4,272,798	4,256,905
Pupil transportation	3,142,630	2,946,685	2,652,859	2,542,446
Central	663,119	652,103	614,500	607,300
Operations of non-instructional services				
Food service operations	2,148,206	154,426	2,128,425	219,062
Other non-instructional services	42,993	(2,337)	62,237	(5,248)
Extracurricular activities	1,195,071	649,928	841,424	581,582
Interest and fiscal charges	1,532,154	1,532,154	1,520,615	1,520,615
<b>Total expenses</b>	<b><u>\$ 58,717,210</u></b>	<b><u>\$ 47,044,685</u></b>	<b><u>\$ 47,851,204</u></b>	<b><u>\$ 39,135,030</u></b>

The dependence upon tax and other general revenues for governmental activities is apparent, 79.78% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 80.12%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, as a whole, are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2020 and 2019.

**Governmental Activities - General and Program Revenues**



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**The District's Funds**

The District's governmental funds (as presented on the Balance Sheet on page 31) reported a combined fund balance of \$53,486,421, which is a lower balance than last year's total restated balance of \$66,554,852. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2020 and 2019. The fund balances at June 30, 2019 have been restated as described in Note 3.

	Fund Balance <u>June 30, 2020</u>	Restated Fund Balance <u>June 30, 2019</u>	<u>Change</u>
General	\$ 30,011,920	\$ 29,301,261	\$ 710,659
Classroom facilities	14,741,006	26,530,140	(11,789,134)
Nonmajor governmental	<u>8,733,495</u>	<u>10,723,451</u>	<u>(1,989,956)</u>
Total	<u>\$ 53,486,421</u>	<u>\$ 66,554,852</u>	<u>\$ (13,068,431)</u>

**General Fund**

The District's general fund balance increased \$710,659. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2020 Amount</u>	<u>2019 Amount</u>	<u>Change</u>	<u>Percentage Change</u>
<b><u>Revenues</u></b>				
Taxes	\$ 21,400,279	\$ 21,937,812	\$ (537,533)	(2.45) %
Payment in lieu of taxes	417,686	261,468	156,218	59.75 %
Tuition	508,545	395,076	113,469	28.72 %
Earnings on investments	514,029	670,619	(156,590)	(23.35) %
Increase in fair value of investments	205,980	772,186	(566,206)	(73.33) %
Extracurricular activities	72,722	103,062	(30,340)	(29.44) %
Intergovernmental	24,272,232	25,731,137	(1,458,905)	(5.67) %
Other revenues	<u>1,255,586</u>	<u>330,065</u>	<u>925,521</u>	280.41 %
Total	<u>\$ 48,647,059</u>	<u>\$ 50,201,425</u>	<u>\$ (1,554,366)</u>	(3.10) %
<b><u>Expenditures</u></b>				
Instruction	\$ 31,073,641	\$ 28,479,816	\$ 2,593,825	9.11 %
Support services	15,515,321	15,328,212	187,109	1.22 %
Operation of non-instructional services	2,625	488	2,137	437.91 %
Extracurricular activities	824,813	843,293	(18,480)	(2.19) %
Facilities acquisition and construction	<u>20,000</u>	<u>-</u>	<u>20,000</u>	100.00 %
Total	<u>\$ 47,436,400</u>	<u>\$ 44,651,809</u>	<u>\$ 2,784,591</u>	6.24 %

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Revenues of the general fund decreased \$1,554,366 or 3.10%. Payment in lieu of taxes increased as the District entered into more TIF agreements. Tuition increased \$113,469 or 28.72% due to increased tuition received from other Districts and increased tuition for special needs students in the District. The decrease in earnings on investment is due to decreasing interest rates. The increase in fair value of investments is due to the District being required to report investments at fair value rather than cost. The fair value of investments fluctuates throughout the year. The District intends to hold all investments to maturity thus eliminating the risk of fluctuations in fair value. Other revenues increased due to the District receiving a \$750,000 operating donation and a \$113,200 donation for the District's turf project.

Expenditures of the general fund increased \$2,784,591 or 6.24%. Instruction expenditures increased primarily in the area of regular instruction which increased \$1,371,334. Support services increased primarily in the area of instruction expenditures which increased \$339,896. Operation of non-instructional services increased significantly percentage wise, but the dollar amount increase is not significant. Extracurricular activities decreased due to decreases in student participation. Facilities acquisition increased due to increased maintenance expenditures.

***Classroom facilities fund***

The classroom facilities fund had \$6,230,752 in revenues and \$18,019,886 in expenditures. During fiscal year 2020, the classroom facilities fund's fund balance decreased \$11,789,134 from \$26,530,140 to \$14,741,006 as the District continues construction on two new elementary schools.

***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.

For the general fund, original and final budgeted revenues and other financing sources were \$49,350,000 and \$49,419,000, respectively. Actual revenues and other financing sources for fiscal year 2020 was \$49,481,273. This represents a \$62,273 increase from final budgeted revenues. Actual property tax amounts were more than final budgeted amounts by the most significant amounts.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$50,449,589 were increased to \$53,754,589 in the final budgeted appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2020 totaled \$50,586,700, which was \$3,167,889 less than the final budget appropriations. Regular instruction expenditures reported the most significant variance with actual expenditures being \$1,819,789 less than the final budgeted amount.

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2020, the District had \$35,388,792 invested in land, CIP, land improvements, buildings and improvements, furniture, equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2020 balances compared to June 30, 2019:

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

	Governmental Activities	
	2020	2019
Land	\$ 299,675	\$ 299,675
CIP	28,711,244	8,238,537
Land improvements	779,694	1,071,407
Building and improvements	2,223,743	2,716,007
Furniture, equipment, and vehicles	3,374,436	3,701,281
Total	\$ 35,388,792	\$ 16,026,907



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Total additions to capital assets for 2020 were \$20,828,799. The District recorded \$1,466,914 in depreciation expense for fiscal year 2020.

Refer to Note 8 in the basic financial statements for further detail on the District's capital assets.

***Debt Administration***

At June 30, 2020, the District had \$40,076,331 in general obligation bonds outstanding. Of this total, \$1,475,000 is due within one year and \$38,601,331 is due within more than one year. The following table summarizes the bonds outstanding.

**Outstanding Debt, at Year End**

	<u>Governmental Activities 2020</u>	<u>Governmental Activities 2019</u>
General obligation bonds	\$ 40,076,331	\$ 41,576,331
Total	<u>\$ 40,076,331</u>	<u>\$ 41,576,331</u>

At June 30, 2020, the District's voted debt margin was \$18,326,824 with an unvoted debt margin of \$629,900.

See Note 9 to the basic financial statements for further detail on the District's debt administration.

**Current Financial Related Activities**

Financially, the District is in sound financial position and working with the community to improve public education in Fairborn. The District opened one new building in August 2020 and started construction on the second one, with its projected completion in August 2022. In addition, the District passed a 5.83 mill bond issue in November 2020 with a 56% positive vote for a new high school and middle school. The new high school is projected to be completed in August 2023. The District has also implemented new curricular programs and has increased its State report card grade. The District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Mr. Kevin Philo, Treasurer Fairborn City School District, 306 E. Whittier Ave., Fairborn, Ohio 45324.

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

STATEMENT OF NET POSITION  
JUNE 30, 2020

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in pooled cash and investments . . . . .	\$ 59,389,658
Cash in segregated accounts . . . . .	381,125
Receivables:	
Property taxes . . . . .	22,718,122
Income taxes . . . . .	1,609,911
Payment in lieu of taxes . . . . .	385,606
Accounts . . . . .	9,208
Accrued interest . . . . .	36,864
Intergovernmental . . . . .	13,356,985
Prepayments . . . . .	187,898
Materials and supplies inventory . . . . .	16
Inventory held for resale . . . . .	839
Net OPEB asset (Note 12) . . . . .	2,711,587
Capital assets:	
Nondepreciable capital assets . . . . .	29,010,919
Depreciable capital assets, net . . . . .	6,377,873
Capital assets, net . . . . .	<u>35,388,792</u>
Total assets . . . . .	<u>136,176,611</u>
<b>Deferred outflows of resources:</b>	
Pension (Note 11) . . . . .	9,817,120
OPEB (Note 12) . . . . .	1,355,515
Total deferred outflows of resources . . . . .	<u>11,172,635</u>
<b>Liabilities:</b>	
Accounts payable . . . . .	83,747
Contracts payable . . . . .	2,993,406
Retainage payable . . . . .	382,589
Accrued wages and benefits payable . . . . .	4,511,928
Intergovernmental payable . . . . .	113,341
Pension and postemployment benefits payable . . . . .	818,562
Accrued interest payable . . . . .	73,851
Long-term liabilities:	
Due within one year . . . . .	1,863,795
Due in more than one year:	
Net pension liability (Note 11) . . . . .	47,819,786
Net OPEB liability (Note 12) . . . . .	4,996,726
Other amounts due in more than one year . . . . .	43,212,347
Total liabilities . . . . .	<u>106,870,078</u>
<b>Deferred inflows of resources:</b>	
Property taxes levied for the next fiscal year . . . . .	21,180,901
Payment in lieu of taxes levied for the next fiscal year . . . . .	385,606
Unamortized deferred gain on debt refunding . . . . .	188,217
Pension (Note 11) . . . . .	3,170,782
OPEB (Note 12) . . . . .	4,913,662
Total deferred inflows of resources . . . . .	<u>29,839,168</u>
<b>Net position:</b>	
Net investment in capital assets . . . . .	(484,418)
Restricted for:	
Capital projects . . . . .	27,096,027
Permanent fund - nonexpendable . . . . .	12,877
Classroom facilities maintenance . . . . .	559,799
Debt service . . . . .	1,025,926
Locally funded programs . . . . .	15,334
State funded programs . . . . .	41,617
Federally funded programs . . . . .	686,738
Student activities . . . . .	359,792
Other purposes . . . . .	880,574
Unrestricted (deficit) . . . . .	(19,554,266)
Total net position . . . . .	<u>\$ 10,640,000</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction:					
Regular . . . . .	\$ 19,862,935	\$ 409,110	\$ 411,654	\$ -	\$ (19,042,171)
Special . . . . .	11,709,404	147,289	5,916,803	-	(5,645,312)
Vocational . . . . .	287,459	-	205,049	-	(82,410)
Other . . . . .	3,507,565	-	60,549	-	(3,447,016)
Support services:					
Pupil . . . . .	4,043,757	-	1,051,304	-	(2,992,453)
Instructional staff . . . . .	1,300,971	-	271,545	-	(1,029,426)
Board of education . . . . .	107,446	-	1,855	-	(105,591)
Administration . . . . .	3,390,578	58,931	246,912	-	(3,084,735)
Fiscal . . . . .	918,855	-	24,443	-	(894,412)
Business . . . . .	542,361	-	8,520	-	(533,841)
Operations and maintenance . . . . .	4,321,706	3,898	63,449	-	(4,254,359)
Pupil transportation . . . . .	3,142,630	1,192	194,753	-	(2,946,685)
Central . . . . .	663,119	-	11,016	-	(652,103)
Operation of non-instructional services:					
Food service operations . . . . .	2,148,206	182,552	1,811,228	-	(154,426)
Other non-instructional services . . . . .	42,993	2,447	42,883	-	2,337
Extracurricular activities . . . . .	1,195,071	398,819	33,124	113,200	(649,928)
Interest and fiscal charges . . . . .	1,532,154	-	-	-	(1,532,154)
<b>Total governmental activities . . . . .</b>	<b>\$ 58,717,210</b>	<b>\$ 1,204,238</b>	<b>\$ 10,355,087</b>	<b>\$ 113,200</b>	<b>(47,044,685)</b>

**General revenues:**

Property taxes levied for:	
General purposes . . . . .	17,001,252
Debt service . . . . .	2,706,131
Facilities maintenance . . . . .	146,830
Payments in lieu of taxes . . . . .	454,209
Income taxes levied for:	
General purposes . . . . .	4,415,664
Grants and entitlements not restricted	
to specific programs . . . . .	21,302,276
Investment earnings . . . . .	1,073,175
Increase in fair value of investments . . . . .	205,980
Miscellaneous . . . . .	198,896
<b>Total general revenues . . . . .</b>	<b>47,504,413</b>
Change in net position . . . . .	459,728
<b>Net position at beginning of year (restated) . . . . .</b>	<b>10,180,272</b>
<b>Net position at end of year . . . . .</b>	<b>\$ 10,640,000</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2020

	General	Classroom Facilities	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Equity in pooled cash and investments . . . . .	\$ 32,436,229	\$ 17,073,712	\$ 9,879,717	\$ 59,389,658
Cash in segregated accounts . . . . .	-	381,125	-	381,125
Receivables:				
Property taxes . . . . .	19,653,581	-	3,064,541	22,718,122
Income taxes . . . . .	1,609,911	-	-	1,609,911
Payment in lieu of taxes . . . . .	334,290	-	51,316	385,606
Accounts . . . . .	763	-	8,445	9,208
Accrued interest . . . . .	36,864	-	-	36,864
Interfund loans . . . . .	7,437	-	-	7,437
Intergovernmental . . . . .	427,178	11,815,379	1,114,428	13,356,985
Prepayments . . . . .	176,493	-	11,405	187,898
Materials and supplies inventory . . . . .	-	-	16	16
Inventory held for resale . . . . .	-	-	839	839
Total assets . . . . .	<u>\$ 54,682,746</u>	<u>\$ 29,270,216</u>	<u>\$ 14,130,707</u>	<u>\$ 98,083,669</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 51,550	\$ -	\$ 32,197	\$ 83,747
Contracts payable . . . . .	-	2,331,915	661,491	2,993,406
Retainage payable . . . . .	-	381,916	673	382,589
Accrued wages and benefits payable . . . . .	4,033,723	-	478,205	4,511,928
Compensated absences payable . . . . .	56,173	-	-	56,173
Intergovernmental payable . . . . .	107,170	-	6,171	113,341
Pension and postemployment benefits payable . . . . .	696,244	-	122,318	818,562
Interfund loans payable . . . . .	-	-	7,437	7,437
Total liabilities . . . . .	<u>4,944,860</u>	<u>2,713,831</u>	<u>1,308,492</u>	<u>8,967,183</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year . . . . .	18,330,188	-	2,850,713	21,180,901
Payment in lieu of taxes levied for the next fiscal year . . . . .	334,290	-	51,316	385,606
Delinquent property tax revenue not available . . . . .	468,961	-	79,701	548,662
Income tax revenue not available . . . . .	354,706	-	-	354,706
Intergovernmental revenue not available . . . . .	216,590	11,815,379	1,106,990	13,138,959
Interest revenue not available . . . . .	21,231	-	-	21,231
Total deferred inflows of resources . . . . .	<u>19,725,966</u>	<u>11,815,379</u>	<u>4,088,720</u>	<u>35,630,065</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory . . . . .	-	-	16	16
Prepays . . . . .	176,493	-	11,405	187,898
Endowments . . . . .	-	-	34,117	34,117
Unclaimed funds . . . . .	6,006	-	-	6,006
Restricted:				
Debt service . . . . .	-	-	1,712,182	1,712,182
Capital improvements . . . . .	-	14,741,006	5,349,921	20,090,927
Classroom facilities maintenance . . . . .	-	-	555,481	555,481
Food service operations . . . . .	-	-	930,857	930,857
Non-public schools . . . . .	-	-	26,186	26,186
Student success and wellness . . . . .	-	-	321	321
Other purposes . . . . .	-	-	21,931	21,931
Extracurricular . . . . .	-	-	359,786	359,786
Special trust . . . . .	-	-	4,443	4,443
Committed:				
Termination benefits . . . . .	654,212	-	-	654,212
Assigned:				
Student instruction . . . . .	738,553	-	-	738,553
Student and staff support . . . . .	1,949,942	-	-	1,949,942
Extracurricular activities . . . . .	39,797	-	-	39,797
Other purposes . . . . .	775	-	-	775
Unassigned (deficit) . . . . .	26,446,142	-	(273,151)	26,172,991
Total fund balances . . . . .	<u>30,011,920</u>	<u>14,741,006</u>	<u>8,733,495</u>	<u>53,486,421</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 54,682,746</u>	<u>\$ 29,270,216</u>	<u>\$ 14,130,707</u>	<u>\$ 98,083,669</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2020

<b>Total governmental fund balances</b>		\$	53,486,421
<i>Amounts reported for governmental activities on the statement of net position are different because:</i>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			35,388,792
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.			
Delinquent property taxes receivable	\$	548,662	
Income taxes receivable		354,706	
Accrued interest receivable		21,231	
Intergovernmental receivable		13,138,959	
Total		13,138,959	14,063,558
Unamortized premiums on bonds issued are not recognized in the funds.			(1,307,892)
Unamortized deferred gains on debt refundings are not recognized in the funds.			(188,217)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.			(73,851)
The net pension liability is not due and payable in the current period; therefore, liability and related deferred inflows are not reported in governmental funds.			
Deferred outflows - pension		9,817,120	
Deferred inflows - pension		(3,170,782)	
Net pension liability		(47,819,786)	
Total		(47,819,786)	(41,173,448)
The net OPEB liability/asset is not due and payable in the current period; therefore, liability/asset and related deferred inflows are not reported in governmental funds.			
Net OPEB asset		2,711,587	
Deferred outflows - OPEB		1,355,515	
Deferred inflows - OPEB		(4,913,662)	
Net OPEB liability		(4,996,726)	
Total		(4,996,726)	(5,843,286)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
General obligation bonds		(40,764,119)	
Compensated absences		(2,947,958)	
Total		(43,712,077)	(43,712,077)
<b>Net position of governmental activities</b>		\$	10,640,000

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General	Classroom Facilities	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 17,008,934	\$ -	\$ 2,860,060	\$ 19,868,994
Income taxes . . . . .	4,391,345	-	-	4,391,345
Payment in lieu of taxes . . . . .	417,686	-	36,523	454,209
Tuition . . . . .	508,545	-	-	508,545
Transportation fees . . . . .	1,192	-	-	1,192
Earnings on investments . . . . .	514,029	403,387	250,250	1,167,666
Increase in fair value of investments . . . . .	205,980	-	-	205,980
Charges for services . . . . .	-	-	182,552	182,552
Extracurricular . . . . .	72,722	-	319,096	391,818
Classroom materials and fees . . . . .	47,854	-	9,448	57,302
Rental income . . . . .	3,898	-	-	3,898
Contributions and donations . . . . .	944,815	-	4,430	949,245
Contract services . . . . .	58,931	-	-	58,931
Other local revenues . . . . .	198,896	-	10,897	209,793
Intergovernmental - state . . . . .	24,095,619	5,827,365	1,387,308	31,310,292
Intergovernmental - federal . . . . .	176,613	-	4,337,061	4,513,674
Total revenues . . . . .	<u>48,647,059</u>	<u>6,230,752</u>	<u>9,397,625</u>	<u>64,275,436</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	18,453,624	-	21,714	18,475,338
Special . . . . .	8,891,668	-	2,269,392	11,161,060
Vocational . . . . .	273,192	-	-	273,192
Other . . . . .	3,455,157	-	-	3,455,157
Support services:				
Pupil . . . . .	2,873,170	-	934,321	3,807,491
Instructional staff . . . . .	1,055,877	-	127,114	1,182,991
Board of education . . . . .	105,668	-	-	105,668
Administration . . . . .	3,018,334	-	164,299	3,182,633
Fiscal . . . . .	840,395	-	41,483	881,878
Business . . . . .	483,766	-	-	483,766
Operations and maintenance . . . . .	3,548,741	-	501,828	4,050,569
Pupil transportation . . . . .	2,965,509	-	-	2,965,509
Central . . . . .	623,861	-	-	623,861
Operation of non-instructional services:				
Food service operations . . . . .	-	-	2,045,223	2,045,223
Other non-instructional services . . . . .	2,625	-	39,347	41,972
Extracurricular activities . . . . .	824,813	-	296,936	1,121,749
Facilities acquisition and construction . . . . .	20,000	18,019,886	2,452,821	20,492,707
Debt service:				
Principal retirement . . . . .	-	-	1,500,000	1,500,000
Interest and fiscal charges . . . . .	-	-	1,493,103	1,493,103
Total expenditures . . . . .	<u>47,436,400</u>	<u>18,019,886</u>	<u>11,887,581</u>	<u>77,343,867</u>
Excess of revenues over (under) expenditures . . . . .	<u>1,210,659</u>	<u>(11,789,134)</u>	<u>(2,489,956)</u>	<u>(13,068,431)</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	-	-	500,000	500,000
Transfers (out) . . . . .	(500,000)	-	-	(500,000)
Total other financing sources (uses) . . . . .	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances . . . . .	710,659	(11,789,134)	(1,989,956)	(13,068,431)
<b>Fund balances at</b>				
<b>beginning of year (restated) . . . . .</b>	<u>29,301,261</u>	<u>26,530,140</u>	<u>10,723,451</u>	<u>66,554,852</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 30,011,920</u>	<u>\$ 14,741,006</u>	<u>\$ 8,733,495</u>	<u>\$ 53,486,421</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<b>Net change in fund balances - total governmental funds</b>	\$	(13,068,431)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 20,828,799	
Current year depreciation	(1,466,914)	
Total		19,361,885
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Delinquent property taxes	(14,781)	
Income taxes	24,319	
Interest revenue	(61,128)	
Intergovernmental revenues	(5,255,194)	
Total		(5,306,784)
Repayment of long-term debt principal is an expenditure in the governmental funds; however, the repayment reduces long-term liabilities on the statement of net position. Principal payments during the year were:		
		1,500,000
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in less interest being reported in the statement of activities:		
(Increase) in accrued interest payable	(1,856)	
Accreted interest on capital appreciation bonds	(237,058)	
Amortization of bond premiums	170,531	
Amortization of deferred gain on debt refunding	29,332	
Total		(39,051)
Contractually required pension contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		4,000,861
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
		(6,422,051)
Contractually required OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
		137,778
Except for amounts reported as deferred inflows/outflows, changes in the net OPEB liability are reported as OPEB expense in the statement of activities.		
		662,220
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		(366,699)
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b>459,728</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ 17,492,163	\$ 16,878,485	\$ 17,512,796	\$ 634,311
Income taxes. . . . .	4,642,053	4,614,169	4,647,528	33,359
Payment in lieu of taxes. . . . .	417,194	6,666	417,686	411,020
Tuition. . . . .	507,850	348,114	508,449	160,335
Transportation fees. . . . .	1,191	19	1,192	1,173
Earnings on investments . . . . .	538,287	808,601	538,922	(269,679)
Extracurricular. . . . .	72,636	68,161	72,722	4,561
Classroom materials and fees . . . . .	47,798	30,264	47,854	17,590
Rental income . . . . .	3,893	62	3,898	3,836
Contributions and donations . . . . .	942,089	765,052	943,200	178,148
Contract services. . . . .	58,862	940	58,931	57,991
Other local revenues . . . . .	140,160	152,239	140,325	(11,914)
Intergovernmental - state . . . . .	24,309,419	25,368,409	24,338,091	(1,030,318)
Intergovernmental - federal . . . . .	176,405	202,819	176,613	(26,206)
Total revenues . . . . .	<u>49,350,000</u>	<u>49,244,000</u>	<u>49,408,207</u>	<u>164,207</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	19,549,773	20,718,633	18,898,844	1,819,789
Special. . . . .	8,675,661	9,001,983	8,926,440	75,543
Vocational. . . . .	265,727	274,137	271,580	2,557
Other. . . . .	3,357,862	3,506,857	3,506,481	376
Support services:				
Pupil. . . . .	2,843,677	3,088,436	2,992,528	95,908
Instructional staff . . . . .	1,479,869	1,549,981	1,034,688	515,293
Board of education . . . . .	95,965	173,589	161,497	12,092
Administration. . . . .	2,871,812	3,111,499	3,091,821	19,678
Fiscal . . . . .	1,248,753	1,297,721	1,028,507	269,214
Business . . . . .	513,773	555,437	552,403	3,034
Operations and maintenance. . . . .	3,929,386	4,432,223	4,404,937	27,286
Pupil transportation . . . . .	3,322,720	3,625,465	3,580,459	45,006
Central. . . . .	939,929	1,030,586	763,582	267,004
Extracurricular activities. . . . .	835,245	868,042	852,933	15,109
Facilities acquisition and construction . . . . .	19,437	20,000	20,000	-
Total expenditures . . . . .	<u>49,949,589</u>	<u>53,254,589</u>	<u>50,086,700</u>	<u>3,167,889</u>
Excess of revenues over (user) expenditures . . . . .	<u>(599,589)</u>	<u>(4,010,589)</u>	<u>(678,493)</u>	<u>3,332,096</u>
<b>Other financing sources (uses):</b>				
Refund of prior year's expenditures . . . . .	-	175,000	67,965	(107,035)
Transfers (out). . . . .	(500,000)	(500,000)	(500,000)	-
Sale of capital assets . . . . .	-	-	5,101	5,101
Total other financing sources (uses) . . . . .	<u>(500,000)</u>	<u>(325,000)</u>	<u>(426,934)</u>	<u>(101,934)</u>
Net change in fund balance . . . . .	(1,099,589)	(4,335,589)	(1,105,427)	3,230,162
<b>Fund balance at beginning of year . . . . .</b>	<b>28,123,982</b>	<b>28,123,982</b>	<b>28,123,982</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>1,754,589</b>	<b>1,754,589</b>	<b>1,754,589</b>	<b>-</b>
<b>Fund balance at end of year . . . . .</b>	<b><u>\$ 28,778,982</u></b>	<b><u>\$ 25,542,982</u></b>	<b><u>\$ 28,773,144</u></b>	<b><u>\$ 3,230,162</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020  
(SEE ACCOUNTANT'S COMPILATION REPORT)

	<b>Custodial</b>
<b>Additions:</b>	
Extracurricular collections for OHSAA . . . . .	\$ 319
<b>Deductions:</b>	
Extracurricular distributions to OHSAA . . . . .	319
Change in net position . . . . .	-
<b>Net position at beginning of year (restated) . . . . .</b>	<b>-</b>
<b>Net position at end of year . . . . .</b>	<b>\$ -</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 1 - DESCRIPTION OF THE DISTRICT**

The Fairborn City School District (the "District") has grown from a union of the Fairborn, Osborn and Bath Township schools, which took place when the town of Osborn was moved. The earliest school records available are of Bath Township schools' purchase of land on September 1, 1856. The oldest historical record of the Osborn schools is a meeting of the Board of Education of July 27, 1906. The early history of the Fairborn school system consists of a log schoolhouse, one room up and two rooms down, in 1873. When consolidation of the three school systems was suggested there was much of the usual opposition. However, consolidation passed by a small majority and the school year 1923 started under the new plan.

Today the District operates under the current standards prescribed by the Ohio Department of Education as provided in division (D) of sections 3301.07 and 119.01 of the Ohio Revised Code. The District is 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 form of government and provides educational services as authorized by the Board and further mandated by state and/or federal agencies.

The Board of Education controls the District's five instructional/support facilities staffed by 249 non-certified, 319 certified employees to provide services to approximately 4,516 students in grades K through 12.

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

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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.

**A. Reporting Entity**

The reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity" as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34". The reporting entity is composed of the primary government and component units. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's Governing Board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

The District is associated with three jointly governed organizations, one related organization, and one public entity risk pool. In addition, the District has shared service agreements with the Educational Service Centers of Greene and Montgomery Counties.

*JOINTLY GOVERNED ORGANIZATIONS*

Southwestern Ohio Educational Purchasing Council (SOEPC)

The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing council made up of over 126 public Districts in 18 counties. The purpose of the council is to obtain reduced 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 representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. 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. Payments to SOEPC are made from the general fund. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, 303 Corporate Center, Suite 208, Vandalia, Ohio 45377.

Greene County Career Center

The Greene County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating Districts' elected Boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Greene County Career Center, Eva Anderson, who serves as Treasurer, at 2960 W. Enon Rd., Xenia, Ohio 45385.

Miami Valley Educational Computer Association

The District is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public-school districts within the boundaries of Clark, Clinton, Fayette, Greene, Ross, Madison, Montgomery and Highland Counties.

The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of six representatives from the member districts elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The District paid MVECA \$163,021 for services provided during the fiscal year. Financial information can be obtained from Thor Sage, Executive Director, at MVECA at 330 East Enon Road, Yellow Springs, Ohio 45387.

*RELATED ORGANIZATION*

Fairborn Digital Academy Community School

The Fairborn Digital Academy Community School (the "Digital Academy") is a nonprofit corporation established pursuant to Ohio Rev. Code Chapters 3314 and 1702 to address the growing need for a comprehensive educational program delivered to students in the 9-12 population primarily through distance learning technologies. The District appoints two non-voting members of the Digital Academy's Board of Directors. Financial information for the Digital Academy can be obtained from Tammy Emrick, Treasurer, Fairborn Digital Academy Community School, 700 Black Lane, Fairborn, Ohio 45324.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

*PUBLIC ENTITY RISK POOL*

Ohio School Boards Association Workers' Compensation Group Rating Program

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

**B. Basis of Presentation**

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

*Government-Wide Financial Statements* - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the District that are governmental activities (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). However, the District has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants, contributions, and interest 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* - During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

**C. Fund Accounting**

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

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

*GOVERNMENTAL FUNDS*

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose 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, deferred outflows of resources, liabilities and deferred inflows of resources is reported as fund balance. The following are the District's major governmental funds:

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

Classroom facilities fund - The classroom facilities fund is used to account for monies received and expended in connection with contracts entered into by the District and the Ohio Facilities Construction Commission (OFCC) for the building and equipping of classroom facilities.

Other governmental funds of the District are used to account for (a) financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets, (b) financial resources that are restricted, committed, or assigned to disbursements for principal and interest, and (c) specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

*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. The District does not have any trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for athletic tournament receipts and disbursements to the Ohio High School Athletic Association (OHSAA).

**D. Measurement Focus**

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

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities and deferred inflows of resources are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflects 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 a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

**E. 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 use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows and deferred inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Nonexchange 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 the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means 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, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from income taxes is recognized in the fiscal year in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the 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 both measurable and available at fiscal year-end: property taxes available as an advance, income taxes, grants, interest, tuition, student fees, and charges for services.

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

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position 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, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2020, but which were levied to finance fiscal year 2021 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes, accrued interest and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

For the District, see Note 11 and Note 12 for deferred inflows of resources related to the District's net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position. In addition, deferred inflows of resources include a deferred gain on debt refunding. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Expenses/Expenditures - On the accrual basis, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the year is reported in the fund financial statements as an expenditure with a like amount reported as intergovernmental 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 governmental funds.

**F. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than the custodial fund, are legally required to be budgeted and appropriated. The legal level of budgetary control for all funds is at the fund level. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present the budgetary statement comparisons at the fund and function level of expenditures. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing or increased tax rates. By no later than January 20, the Board-adopted budget is filed with the Greene County Budget Commission for rate determination.



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Estimated Resources

The County Budget Commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which indicates the projected receipts of each fund. On or about July 1 this certificate is amended to include any unencumbered balances from the preceding fiscal year. Prior to July 1, the District must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budgeted receipts as shown in the accompanying financial statements do not include July 1 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about July 1 of each year for the period July 1 to September 30. An annual appropriation measure must be passed by October 1 of each year for the period July 1 to June 30. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

Lapsing of Appropriations

The District is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

**G. Equity in Pooled Cash and Investments**

To improve cash management, cash received by the District is pooled. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "equity in pooled cash and investments" on the financial statements.

During fiscal year 2020, investments were limited to Federal Home Loan Banks (FHLB), Federal Farm Credit Banks (FFCB), Federal Home Loan Mortgage Corporation (FHLMC), negotiable certificates of deposit (negotiable CDs), U.S. government money market mutual funds, investments in the State Treasury Asset Reserve of Ohio (STAR Ohio), and STAR Plus. Except for STAR Ohio, investments are reported at fair value.

In fiscal year 2020, the District invested in STAR Plus, a federally insured cash account powered by the Federally Insured Cash Account (FICA) program. STAR Plus enables political subdivisions to generate a competitive yield on cash deposits in a network of carefully selected FDIC-insured banks via a single, convenient account. STAR Plus offers attractive yields with no market or credit risk, weekly liquidity and penalty free withdrawals. All deposits with STAR Plus have full FDIC insurance with no term commitment on deposits.

During fiscal year 2020, the District invested in STAR Ohio. STAR 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 a NAV per share that approximates fair value.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

For the fiscal year 2020, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2020 amounted to \$514,029 which includes \$35,355 assigned from other District funds.

For presentation on the balance sheet and statement of net position, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the District's investment account at fiscal year-end is provided in Note 4.

**H. Inventory**

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories are accounted for using the consumption method on the government-wide statements.

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

Inventory consists of expendable supplies held for consumption and food service inventory held for resale (donated food and purchased food).

**I. Capital Assets**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value. The District maintains a capitalization threshold of \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

Description	Governmental Activities <u>Estimated Lives</u>
Land improvements	15 - 20 years
Buildings and improvements	20 - 40 years
Furniture, equipment and vehicles	5 - 20 years

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**J. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave (severance) to the extent that payments to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the District and the employee. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for severance is accrued using the termination method; i.e., a liability is accrued for earned sick leave to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the District's past experience of making termination payments.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2020 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

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

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

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

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

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

As a general rule the effect of 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.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**M. Fund Balance**

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

*Nonspendable* - The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash such as balances of materials and supplies inventory and prepayments. It also includes the long-term amount of loans receivable in the general fund.

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

*Committed* - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education (the highest level of decision-making authority). Those committed amounts cannot be used for any other purpose unless the District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted nor committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of the District Board of Education, which includes giving the Treasurer the authority to constrain monies for intended purposes.

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

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is 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.

**N. Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws and regulations of other governments. The amount restricted for other purposes consists of amounts for food service and scholarship programs.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

The District applies restricted resources first then when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's \$30,678,684 in restricted net position, none was restricted by enabling legislation.

**O. Estimates**

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

**P. Issuance Costs/Bond Premiums and Discounts and Accounting Gain or Loss on Debt Refunding**

On the governmental fund financial statements, issuance costs, bond premiums, bond discounts, and deferred charges from debt refunding are recognized in the current period.

On the government-wide financial statements, issuance costs are recognized in the current period and are not amortized. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Unamortized bond premiums are presented as an addition to the face amount of the bonds reported on the statement of net position. Unamortized bond discounts are presented as a reduction to the face amount of the bonds reported on the statement of net position. The reconciliation between the bonds face value and the amount reported on the statement of net position is presented in Note 9.

For advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred outflow or deferred inflow of resources.

**Q. Non-Public Schools**

Within the District boundaries are various non-public schools. Current state legislation provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public schools by the Treasurer of the District, as directed by the non-public school. The fiduciary responsibility of the District for these monies is reflected in a nonmajor governmental fund for financial reporting purposes.

**R. Pensions/Other Postemployment Benefits (OPEB)**

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

**S. Prepayments**

Payments made to vendors for services that will benefit periods beyond June 30, 2020, are recorded as prepayments using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

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

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**T. Fair Value Measurement**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2020, the District has implemented GASB Statement No. 84, "*Fiduciary Activities*" and GASB Statement No. 90, "*Majority Equity Interests - an amendment to GASB Statements No. 14 and No. 61*".

GASB Statement No. 84 establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifies whether and how business-type activities should report their fiduciary activities. Due to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds and currently will not be reporting any private-purpose trust funds. The District reviewed its agency funds and private-purpose trust funds and certain funds will be reported in the new fiduciary classification of custodial funds, while other funds have been reclassified as governmental funds. These fund reclassifications resulted in the restatement of the District's financial statements.

GASB Statement No. 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The implementation of GASB Statement No. 90 did not have an effect on the financial statements of the District.

**B. Restatement of Net Position and Fund Balances**

The implementation of GASB Statement No. 84 had the following effect on fund balance as reported at June 30, 2019:

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
Fund Balance as previously reported	\$ 29,295,255	\$ 26,530,140	\$ 10,553,457	\$ 66,378,852
GASB Statement No. 84	<u>6,006</u>	<u>-</u>	<u>169,994</u>	<u>176,000</u>
Restated Fund Balance, at June 30, 2019	<u>\$ 29,301,261</u>	<u>\$ 26,530,140</u>	<u>\$ 10,723,451</u>	<u>\$ 66,554,852</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

The implementation of GASB Statement No. 84 had the following effect on the net position as reported at June 30, 2019:

	Governmental Activities
Net position as previously reported	\$ 10,004,272
GASB Statement No. 84	176,000
Restated net position at June 30, 2019	\$ 10,180,272

Due to the implementation of GASB Statement No. 84, the new classification of custodial funds is reporting a beginning net position of \$0. Also, related to the implementation of GASB Statement No. 84, the District will no longer be reporting agency funds and currently will not be presenting any private-purpose trust funds. At June 30, 2019, agency funds reported assets and liabilities of \$161,214 and private-purpose trust funds reported assets and net position of \$20,893.

**C. Deficit Fund Balances**

Fund balances at June 30, 2020 included the following individual fund deficits:

Nonmajor funds	Deficit
Public school preschool	\$ 6,159
Title VI-B	108,550
Title I	126,503
EHA Preschool grant	3,675
Reducing Class Size	16,374
Miscellaneous federal grants	2,985

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

**D. Compliance**

The District was in noncompliance with Ohio Revised Code Sections 5705.41(B) and 5705.40 for the Classroom Facilities fund for the fiscal year ended June 30, 2020.

**NOTE 4 - DEPOSITS AND INVESTMENTS**

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

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

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

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use, but which will be needed before the end of the current period of designation of depositories.

Interim deposits must be evidenced by time certificates of deposit maturing not more than five years from the date of deposit or by savings or deposit accounts including passbook accounts.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that 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 that 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, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the 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.



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**A. Cash on Hand**

At year end, the District had \$1,705 in undeposited cash on hand which is included on the financial statements of the District as part of “equity in pooled cash and investments”.

**B. Cash in Segregated Accounts**

At June 30, 2020, the District has \$381,125 in a separate depository account for a retainage payable account held separate from the District’s internal investment pool. This balance of this depository account is included in “deposits with financial institutions” below.

**C. Deposits with Financial Institutions**

At June 30, 2020, the carrying amount of all District deposits was \$8,251,799 and the bank balance of all District deposits was \$8,486,597. Of the bank balance, \$3,756,871 was covered by the FDIC, \$2,364,863 was covered by the Ohio Pooled Collateral System, and \$2,364,863 was exposed to custodial credit risk discussed below because those deposits were uninsured and uncollateralized.

Custodial credit risk 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. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District’s 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 percent of the deposits being secured, or (2) 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 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2020, the District’s financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the FDIC.

**D. Investments**

As of June 30, 2020, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities			
		6 months or less	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>					
FHLB	\$ 537,742	\$ -	\$ 537,742	\$ -	\$ -
FFCB	1,848,766	-	-	1,848,766	-
FHLMC	1,000,950	-	-	-	1,000,950
Negotiable CDs	5,142,847	1,005,203	1,284,345	767,864	2,085,435
U.S Government money market mutual funds	23,361,674	23,361,674	-	-	-
<i>Amortized Cost:</i>					
STAR Ohio	19,625,300	19,625,300	-	-	-
<b>Total</b>	<b>\$ 51,517,279</b>	<b>\$ 43,992,177</b>	<b>\$ 1,822,087</b>	<b>\$ 2,616,630</b>	<b>\$ 3,086,385</b>

The weighted average maturity of investments is 0.34 years.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

The District's investments in U.S. Government money market mutual funds are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FHLB, FFCB, and FHLMC) and negotiable CD's are valued using quoted prices in markets that are not considered to be active, dealer quotations or alternative pricing sources for similar assets or liabilities for which all significant inputs are observable, either directly or indirectly (Level 2 inputs).

*Interest Rate Risk:* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to State law, the District's investment policy limits investment portfolio maturities to five years or less. The District's investment policy also requires that the investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

*Credit Risk:* The District's investments in federal agency securities were rated AA+ and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. STAR Ohio and the U.S. government money market mutual funds were rated AAAM by Standard & Poor's. The negotiable CD's were not rated but are fully insured by the FDIC. The District has no investment policy that would further limit its investment choices.

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty's trust department or agent, but not in the District's name. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

*Concentration of Credit Risk:* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2020:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
FHLB	\$ 537,742	1.04
FFCB	1,848,766	3.59
FHLMC	1,000,950	1.94
Negotiable CDs	5,142,847	9.98
U.S Government money market mutual funds	23,361,674	45.36
<i>Amortized Cost:</i>		
STAR Ohio	<u>19,625,300</u>	<u>38.09</u>
Total	<u>\$ 51,517,279</u>	<u>100.00</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**E. Reconciliation of Cash and Investments to the Statement of Net Position**

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2020:

Cash and investments per note

Carrying amount of deposits	\$ 8,251,799
Investments	51,517,279
Cash on hand	<u>1,705</u>
Total	<u>\$ 59,770,783</u>

Cash and investments per statement of net position

Governmental activities	<u>\$ 59,770,783</u>
-------------------------	----------------------

**NOTE 5 - RECEIVABLES**

Receivables at June 30, 2020 consisted of property taxes, income taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants. 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. A summary of the principal items of receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 22,718,122
Income taxes	1,609,911
Payment in lieu of taxes	385,606
Accounts	9,208
Accrued interest	36,864
Intergovernmental	<u>13,356,985</u>
Total	<u>\$ 38,116,696</u>

Receivables have been disaggregated on the face of the basic financial statements. The intergovernmental receivable in the amount of \$11,815,379 reported in the classroom facilities fund is expected to be collected over the next several years as the OFCC construction project is completed. All other receivables are expected to be collected in the subsequent year.

**NOTE 6 - INCOME TAXES**

The District levies a voted tax of .50% for general operations on the income of residents and of estates. The tax was first approved in 1990. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the general fund.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 7 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Real property taxes received in calendar year 2020 were levied after April 1, 2019, on the assessed values as of January 1, 2019, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2020 represent the collection of calendar year 2019 taxes. Public utility real and personal property taxes received in calendar year 2020 became a lien on December 31, 2018, were levied after April 1, 2019, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Greene, Montgomery and Clark Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2020 are available to finance fiscal year 2020 operations. The amount available as an advance at June 30, 2020 was \$854,432 in the general fund, \$127,207 in the debt service fund (a nonmajor governmental fund) and \$6,920 in the classroom facilities maintenance fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2019 was \$1,358,294 in the general fund, \$220,162 in the debt service fund (a nonmajor governmental fund), and \$11,016 in the classroom facilities and maintenance fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2020 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows.

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

The assessed values upon which the fiscal year 2020 taxes were collected are:

	2019 Second Half Collections		2020 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 597,127,420	96.09	\$ 603,325,130	95.78
Public utility personal	<u>24,315,590</u>	<u>3.91</u>	<u>26,574,570</u>	<u>4.22</u>
Total	<u>\$ 621,443,010</u>	<u>100.00</u>	<u>\$ 629,899,700</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$55.05		\$54.54	

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 8 - CAPITAL ASSETS**

The following capital asset activity occurred during fiscal year 2020:

	<u>Balance</u> <u>06/30/19</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>06/30/20</u>
<b>Governmental activities:</b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 299,675	\$ -	\$ -	\$ 299,675
Construction in progress	8,238,537	20,472,707	-	28,711,244
Total capital assets, not being depreciated	<u>8,538,212</u>	<u>20,472,707</u>	<u>-</u>	<u>29,010,919</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	7,878,481	-	-	7,878,481
Buildings and improvements	27,013,779	-	-	27,013,779
Furniture, equipment and vehicles	12,160,511	356,092	(39,637)	12,476,966
Total capital assets, being depreciated	<u>47,052,771</u>	<u>356,092</u>	<u>(39,637)</u>	<u>47,369,226</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(6,807,074)	(291,713)	-	(7,098,787)
Buildings and improvements	(24,297,772)	(492,264)	-	(24,790,036)
Furniture, equipment and vehicles	(8,459,230)	(682,937)	39,637	(9,102,530)
Total accumulated depreciation	<u>(39,564,076)</u>	<u>(1,466,914)</u>	<u>39,637</u>	<u>(40,991,353)</u>
Capital assets, being depreciated, net of accumulated depreciation	<u>7,488,695</u>	<u>(1,110,822)</u>	<u>-</u>	<u>6,377,873</u>
Governmental activities capital assets, net	<u>\$ 16,026,907</u>	<u>\$ 19,361,885</u>	<u>\$ -</u>	<u>\$ 35,388,792</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 389,953
Special	155,811
Vocational	3,789
Other	52,011

Support services:

Pupil	51,128
Instructional staff	50,971
Board of education	1,295
Administration	52,038
Fiscal	13,895
Business	3,998
Operations and maintenance	176,715
Pupil Transportation	415,568
Central	9,955

Other non-instructional services:

Food service operations	55,309
Other non-instructional services	1,021
Extracurricular activities	<u>33,457</u>
Total depreciation expense	<u>\$ 1,466,914</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 9 - LONG-TERM OBLIGATIONS**

The District's long-term obligations activity for fiscal year 2020 follows:

	Balance 06/30/19	Increases	Decreases	Balance 06/30/20	Amounts Due Within One Year
<b>Governmental Activities:</b>					
<u>General Obligation Bonds</u>					
Series 2015 refunding bonds					
Current interest bonds, 0.75 - 3.5%	\$ 8,530,000	\$ -	\$ (1,150,000)	\$ 7,380,000	\$ 1,120,000
Capital appreciation bonds	169,940	-	-	169,940	-
Accreted interest	385,737	194,060	-	579,797	-
Unamortized premium	484,230	-	(65,289)	418,941	-
Total Series 2015	<u>9,569,907</u>	<u>194,060</u>	<u>(1,215,289)</u>	<u>8,548,678</u>	<u>1,120,000</u>
Series 2017A construction bonds					
Current interest bonds 2.0 - 4.0%	23,775,000	-	(340,000)	23,435,000	345,000
Capital appreciation bonds	81,391	-	-	81,391	-
Accreted interest	64,993	42,998	-	107,991	-
Unamortized premium	382,112	-	(11,076)	371,036	-
Total Series 2017A	<u>24,303,496</u>	<u>42,998</u>	<u>(351,076)</u>	<u>23,995,418</u>	<u>345,000</u>
Series 2017B construction bonds					
General obligation bonds 2.0 - 4.0%	9,020,000	-	(10,000)	9,010,000	10,000
Unamortized premium	612,081	-	(94,166)	517,915	-
Total Series 2017B	<u>9,632,081</u>	<u>-</u>	<u>(104,166)</u>	<u>9,527,915</u>	<u>10,000</u>
Total bonds	<u>43,505,484</u>	<u>237,058</u>	<u>(1,670,531)</u>	<u>42,072,011</u>	<u>1,475,000</u>
Net pension liability:					
STRS	35,402,268	803,313	-	36,205,581	-
SERS	10,877,895	736,310	-	11,614,205	-
Total net pension liability	<u>46,280,163</u>	<u>1,539,623</u>	<u>-</u>	<u>47,819,786</u>	<u>-</u>
Net OPEB liability:					
SERS	5,329,734	-	(333,008)	4,996,726	-
Total net OPEB liability	<u>5,329,734</u>	<u>-</u>	<u>(333,008)</u>	<u>4,996,726</u>	<u>-</u>
Compensated Absences	2,600,301	796,534	(392,704)	3,004,131	388,795
Total Long-Term Obligations	<u>\$ 97,715,682</u>	<u>\$ 2,573,215</u>	<u>\$ (2,396,243)</u>	<u>\$ 97,892,654</u>	<u>\$ 1,863,795</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

**General Obligation Bonds**

All general obligation bonds are backed by the full faith and credit of the District will be repaid from property taxes in the debt service fund (a nonmajor governmental fund).

**Series 2015 Refunding General Obligation Bonds**

On June 17, 2015, the District issued \$12,169,940 of general obligation bonds (Series 2015 refunding bonds) to advance refund the callable of the Series 2006 refunding general obligation bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the refunded Series 2006 general obligation bonds at June 30, 2020, is \$7,380,000.

The refunding issue is comprised of both current interest bonds, par value \$12,000,000, and capital appreciation bonds par value \$169,940. The interest rates on the current interest bonds range from 0.75% - 3.5%. The capital appreciation bonds mature on December 1, 2021 (effective interest rate 30.33%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bonds is \$1,175,000. Total accreted interest of \$579,797 has been included in the statement of net position at June 30, 2020.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2026. The bonds will be retired from the debt service fund (a nonmajor governmental fund).

The net carrying amount of the old debt (including unamortized premiums removed upon refunding) exceeded the reacquisition price by \$334,877. This deferred gain on refunding is amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. The unamortized portion of the deferred gain is reported as a deferred inflow on the statement of net position.

The future debt service requirements for retirement of the Series 2015 refunding bonds follows:

Fiscal Year Ending June 30,	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 1,120,000	\$ 210,930	\$ 1,330,930	\$ -	\$ -	\$ -
2022	-	197,770	197,770	169,940	1,005,060	1,175,000
2023	1,175,000	180,732	1,355,732	-	-	-
2024	1,215,000	145,470	1,360,470	-	-	-
2025	1,250,000	108,182	1,358,182	-	-	-
2026 - 2027	<u>2,620,000</u>	<u>91,110</u>	<u>2,711,110</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,380,000</u>	<u>\$ 934,194</u>	<u>\$ 8,314,194</u>	<u>\$ 169,940</u>	<u>\$ 1,005,060</u>	<u>\$ 1,175,000</u>

**Series 2017A Construction General Obligation Bonds**

On February 22, 2017, the District issued \$24,550,000 of current interest bonds and \$81,391 of capital appreciation bonds to perform school improvement projects. The interest rates on the current interest bonds range from 2.00% - 4.00%. The capital appreciation bonds mature on December 1, 2024 (effective interest rate 29.37%) and December 1, 2025 (effective interest rate 29.38%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2024 is \$445,000. The accreted value at maturity for the capital appreciation bond maturing December 1, 2025 is \$205,000. Total accreted interest of \$107,991 has been included in the statement of net position at June 30, 2020.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

The general obligation bonds were issued for the purpose of constructing two new elementary schools, one new middle school, one new high school, and to abate and demolish six existing school buildings. As of June 30, 2020, the District had \$8,186,274 of unspent bond proceeds on the bond issue.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated in the issue is December 1, 2053. The bonds will be retired from the debt service fund (a nonmajor governmental fund).

The future debt service requirements for retirement of the Series 2017A construction bonds follows:

Fiscal Year Ending June 30,	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 345,000	\$ 898,438	\$ 1,243,438	\$ -	\$ -	\$ -
2022	380,000	891,188	1,271,188	-	-	-
2023	305,000	884,338	1,189,338	-	-	-
2024	10,000	881,138	891,138	-	-	-
2025	-	880,988	880,988	60,022	384,978	445,000
2026 - 2030	40,000	4,402,136	4,442,136	21,369	183,631	205,000
2031 - 2035	50,000	4,393,561	4,443,561	-	-	-
2036 - 2040	1,055,000	4,364,690	5,419,690	-	-	-
2041 - 2045	5,895,000	3,616,304	9,511,304	-	-	-
2046 - 2050	7,690,000	2,315,349	10,005,349	-	-	-
2051 - 2054	7,665,000	631,900	8,296,900	-	-	-
Total	<u>\$ 23,435,000</u>	<u>\$ 24,160,030</u>	<u>\$ 47,595,030</u>	<u>\$ 81,391</u>	<u>\$ 568,609</u>	<u>\$ 650,000</u>

Series 2017B Construction General Obligation Bonds

On March 14, 2017, the District issued \$9,105,000 of current interest bonds to perform school improvement projects. This issue is comprised of general obligation bonds with interest rates ranging from 2.00% to 4.00%. The general obligation bonds were issued for the purpose of constructing two new elementary schools, one new middle school, one new high school, and to abate and demolish six existing school buildings.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2025. The bonds will be retired from the debt service fund (a nonmajor governmental fund).

The future debt service requirements for retirement of the Series 2017B construction bonds follows:

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2021	\$ 10,000	\$ 352,025	\$ 362,025
2022	10,000	351,825	361,825
2023	90,000	350,825	440,825
2024	395,000	344,988	739,988
2025	10,000	339,925	349,925
2026	<u>8,495,000</u>	<u>169,900</u>	<u>8,664,900</u>
Total	<u>\$ 9,010,000</u>	<u>\$ 1,909,488</u>	<u>\$10,919,488</u>



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)**

**Net Pension Liability**

See Note 11 for further information on the District's net pension liability. The District pays obligations related to employee compensation primarily from the general fund..

**Net OPEB Liability/Asset**

See Note 12 for further information on the District's net OPEB liability/asset. The District pays obligations related to employee compensation primarily from the general fund..

**Compensated Absences**

Compensated absences are primarily paid from the termination benefits fund which, on a GAAP-basis, is included as part of the District's general fund.

**Legal Debt Margin**

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2020, are a voted debt margin of \$18,326,824 (including available funds of \$1,712,182), and an unvoted debt margin of \$629,900.

**NOTE 10 - RISK MANAGEMENT**

**A. Property and Liability**

The District is exposed to various risks related to torts, theft of, damage to, and destruction of assets, error and omissions, injuries to employees and natural disasters. During fiscal year 2020, the District carried property and general liability insurance and boiler and machinery insurance.

Professional liability is protected by Arthur J. Gallagher, with \$1,000,000 each occurrence, and \$3,000,000 in annual aggregate limit. An additional "umbrella" policy through Genesis Insurance Company has \$5,000,000 per occurrence and \$5,000,000 aggregate limit.

The District contracted with Arthur J. Gallagher for building and property insurance. Commercial property is insured at a limit of \$121,819,704 with a \$1,000 deductible on everything except boiler and machinery that have a \$3,500 deductible.

Automobile liability is covered by Selective Insurance Company for replacement cost with a \$1,000 comprehensive deductible, \$1,000 collision deductible, and combined single limit each accident of \$1,000,000.

Settled claims have not exceeded this commercial coverage in any of the past three years, and there has been no significant reduction in insurance coverage from last year.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

**B. Workers' Compensation**

The District participates in the Ohio School Comp Workers' Compensation Group Retro Rating Program (GRP), an insurance purchasing pool provided by Ohio School Board Association (OSBA). The GRP's business and affairs are conducted by a Board of Trustees consisting of a President and regional representatives. OSBA's executive director and regional managers serve on the board in an ex officio capacity. Each fiscal year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program. CompManagement, a Sedgwick Company, administers the GRP.

**C. Employee Medical/Dental Benefits**

The District purchases medical and dental benefits through the SOEPC. Medical benefits are provided through Anthem and dental benefits are provided through Delta Dental. The District has two health plans, HSA and PPO. For the HSA plan, the District pays 80% of the premiums for all eligible employees. For the PPO plan, the District pays 80% of family or single plans with the exception of 9-month classified employees. For classified employees working less than 10 months, the District pays 80% of a single PPO plan and 50% of a family PPO plan. The District provides 100% of the cost of dental insurance to employees. The risk of loss transfers to the insurance carrier upon payment of the premiums.

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

***Net Pension Liability***

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

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

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

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

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

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Age 65 with 5 years of services credit; or Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

Effective January 1, 2018, SERS cost-of-living adjustment (COLA) changed from a fixed 3% annual increase to one based on the Consumer Price Index (CPI-W) with a cap of 2.5% and a floor of 0%. SERS also has the authority to award or suspend the COLA, or to adjust the COLA above or below CPI-W. SERS suspended the COLA increases for 2018, 2019 and 2020 for current retirees, and confirmed their intent to implement a four-year waiting period for the state of a COLA for future retirees.

Funding Policy - Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute 14% 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% for plan members and 14% 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, 2020, the allocation to pension, death benefits, and Medicare B was 14.0%.

The District's contractually required contribution to SERS was \$1,046,766 for fiscal year 2020. Of this amount, \$173,328 is reported as pension and postemployment benefits payable.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

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

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 28 years of service, or 33 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For fiscal year 2020, plan members were required to contribute 14% of their annual covered salary. The District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2020 contribution rates were equal to the statutory maximum rates.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

The District's contractually required contribution to STRS was \$2,954,095 for fiscal year 2020. Of this amount, \$507,456 is reported as pension and postemployment benefits payable.

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

The net pension liability was measured as of June 30, 2019, 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 projected contributions of all participating entities.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.18993440%	0.16100902%	
Proportion of the net pension liability current measurement date	<u>0.19411440%</u>	<u>0.16371949%</u>	
Change in proportionate share	<u>0.00418000%</u>	<u>0.00271047%</u>	
Proportionate share of the net pension liability	\$ 11,614,205	\$ 36,205,581	\$ 47,819,786
Pension expense	\$ 2,096,727	\$ 4,325,324	\$ 6,422,051

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 294,512	\$ 294,774	\$ 589,286
Changes of assumptions	-	4,253,046	4,253,046
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	294,620	679,307	973,927
Contributions subsequent to the measurement date	<u>1,046,766</u>	<u>2,954,095</u>	<u>4,000,861</u>
Total deferred outflows of resources	<u>\$ 1,635,898</u>	<u>\$ 8,181,222</u>	<u>\$ 9,817,120</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ -	\$ 156,728	\$ 156,728
Net difference between projected and actual earnings on pension plan investments	149,083	1,769,532	1,918,615
Difference between employer contributions and proportionate share of contributions/change in proportionate share	<u>56,170</u>	<u>1,039,269</u>	<u>1,095,439</u>
Total deferred inflows of resources	<u>\$ 205,253</u>	<u>\$ 2,965,529</u>	<u>\$ 3,170,782</u>

\$4,000,861 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

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:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2021	\$ 517,458	\$ 1,840,905	\$ 2,358,363
2022	(208,202)	176,645	(31,557)
2023	(9,921)	(53,683)	(63,604)
2024	<u>84,544</u>	<u>297,731</u>	<u>382,275</u>
Total	<u>\$ 383,879</u>	<u>\$ 2,261,598</u>	<u>\$ 2,645,477</u>

***Actuarial Assumptions - SERS***

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

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

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

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2019, are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
COLA or ad hoc COLA	2.50%
Investment rate of return	7.50% net of investments expense, including inflation
Actuarial cost method	Entry age normal (level percent of payroll)

For 2019, the mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disabled members was based upon the 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.

The most recent experience study was completed for the five year period ended June 30, 2015.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** - The total pension liability was calculated using the discount rate of 7.50%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50%). 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.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

*Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*  
- Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50%, 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 (6.50%), or one percentage point higher (8.50%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 16,275,653	\$ 11,614,205	\$ 7,704,997

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation are presented below:

	July 1, 2019
Inflation	2.50%
Projected salary increases	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.45%, net of investment expenses, including inflation
Payroll increases	3.00%
Cost-of-living adjustments (COLA)	0.00%

For the July 1, 2019, actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

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

\*Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2019. Therefore, the long-term expected rate of return on pension plan investments of 7.45% was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2019.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45%, 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 (6.45%) or one-percentage-point higher (8.45%) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 52,910,424	\$ 36,205,581	\$ 22,064,077

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 12 - DEFINED BENEFIT OPEB PLANS**

*Net OPEB Liability/Asset*

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

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

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

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability/asset. Resulting adjustments to the net OPEB liability/asset would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

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

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

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2020, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2020, this amount was \$19,600. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2020, the District's surcharge obligation was \$137,778.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$137,778 for fiscal year 2020. Of this amount, \$137,778 is reported as pension and postemployment benefits payable.

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

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2020, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability/asset was measured as of June 30, 2019, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.19211300%	0.16100902%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.19869360%</u>	<u>0.16371949%</u>	
Change in proportionate share	<u>0.00658060%</u>	<u>0.00271047%</u>	
Proportionate share of the net OPEB liability	\$ 4,996,726	\$ -	\$ 4,996,726
Proportionate share of the net OPEB asset	\$ -	\$ 2,711,587	\$ 2,711,587
OPEB expense	\$ 208,099	\$ (870,319)	\$ (662,220)

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 73,348	\$ 245,825	\$ 319,173
Net difference between projected and actual earnings on OPEB plan investments	11,992	-	11,992
Changes of assumptions	364,954	56,997	421,951
Difference between employer contributions and proportionate share of contributions/change in proportionate share	351,571	113,050	464,621
Contributions subsequent to the measurement date	<u>137,778</u>	<u>-</u>	<u>137,778</u>
Total deferred outflows of resources	<u>\$ 939,643</u>	<u>\$ 415,872</u>	<u>\$ 1,355,515</u>
	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 1,097,747	\$ 137,955	\$ 1,235,702
Net difference between projected and actual earnings on OPEB plan investments	-	170,305	170,305
Changes of assumptions	280,003	2,972,941	3,252,944
Difference between employer contributions and proportionate share of contributions/change in proportionate share	<u>19,581</u>	<u>235,130</u>	<u>254,711</u>
Total deferred inflows of resources	<u>\$ 1,397,331</u>	<u>\$ 3,516,331</u>	<u>\$ 4,913,662</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

\$137,778 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2021	\$ (233,836)	\$ (687,419)	\$ (921,255)
2022	(74,916)	(687,417)	(762,333)
2023	(71,399)	(619,162)	(690,561)
2024	(71,969)	(595,222)	(667,191)
2025	(93,077)	(521,639)	(614,716)
Thereafter	(50,269)	10,400	(39,869)
Total	\$ (595,466)	\$ (3,100,459)	\$ (3,695,925)

***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.

THIS SPACE INTENTIONALLY LEFT BLANK

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2019 are presented below:

Wage inflation	3.00%
Future salary increases, including inflation	3.50% to 18.20%
Investment rate of return	7.50% net of investments expense, including inflation
Municipal bond index rate:	
Measurement date	3.13%
Prior measurement date	3.62%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Measurement date	3.22%
Prior measurement date	3.70%
Medical trend assumption:	
Measurement date	
Medicare	5.25 to 4.75%
Pre-Medicare	7.00 to 4.75%
Prior measurement date	
Medicare	5.375 to 4.75%
Pre-Medicare	7.25 to 4.75%

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

The most recent experience study was completed for the five year period ended June 30, 2015.

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 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Equity	22.50	4.75
International Equity	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2019 was 3.22%. The discount rate used to measure total OPEB liability prior to June 30, 2019 was 3.70%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and 0.50% of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.13%, as of June 30, 2019 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. A municipal bond rate of 3.62% was used as of June 30, 2018. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.22%) and higher (4.22%) than the current discount rate (3.22%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 6,065,078	\$ 4,996,726	\$ 4,147,261
		Current Trend Rate	
	1% Decrease	1% Increase	
District's proportionate share of the net OPEB liability	\$ 4,003,390	\$ 4,996,726	\$ 6,314,643

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

*Actuarial Assumptions - STRS*

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2019, actuarial valuation, compared with July 1, 2018, are presented below:

	July 1, 2019		July 1, 2018	
	Initial	Ultimate	Initial	Ultimate
Inflation	2.50%		2.50%	
Projected salary increases	12.50% at age 20 to 2.50% at age 65		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.45%, net of investment expenses, including inflation		7.45%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discounted rate of return	7.45%		7.45%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
Medical				
Pre-Medicare	5.87%	4.00%	6.00%	4.00%
Medicare	4.93%	4.00%	5.00%	4.00%
Prescription Drug				
Pre-Medicare	7.73%	4.00%	8.00%	4.00%
Medicare	9.62%	4.00%	-5.23%	4.00%

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

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

Actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

**Assumption Changes Since the Prior Measurement Date** - There were no changes in assumptions since the prior measurement date of June 30, 2018.

**Benefit Term Changes Since the Prior Measurement Date** - 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.



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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

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

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

\* Target weights will be phased in over a 24-month period concluding on July 1, 2019.

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

**Discount Rate** - The discount rate used to measure the total OPEB asset was 7.45% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45% was used to measure the total OPEB asset as of June 30, 2019.

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** - The following table represents the net OPEB asset as of June 30, 2019, calculated using the current period discount rate assumption of 7.45%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45%) or one percentage point higher (8.45%) 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	Current Discount Rate	1% Increase
	District's proportionate share of the net OPEB asset	\$ 2,313,800	\$ 2,711,587
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 3,074,816	\$ 2,711,587	\$ 2,266,721

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 13 - EMPLOYEE BENEFITS**

**A. Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and Administrators earn ten to twenty days of vacation per year, depending upon length of service. Employees may accumulate and carry over up to two years vacation accumulation. At the time of separation, an employee is entitled to compensation at the current rate of pay for all unused vacation accrued for the immediately preceding two years in addition to the prorated portion of earned but unused vacation leave for the current year. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated with no maximum accumulation. Upon retirement with a minimum of ten years of service with the District or employees who attain age 55 or retire through STRS or SERS payment is made for thirty-three percent of the employee's accumulated sick leave up to a maximum of 84 days for teachers and administrators and 81 days for classified staff.

**B. Life Insurance**

The District provides life insurance and accidental death insurance to most employees through American United Life Insurance Company with OneAmerica.

**NOTE 14 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

**B. Litigation**

The District is not party to litigation that, in the opinion of management, would have a material effect on the financial condition of the District.

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The statement of revenue, expenditures and changes in fund balance - budget and actual (non-GAAP budgetary basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 15 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (1,105,427)
Net adjustment for revenue accruals	(794,054)
Net adjustment for expenditure accruals	96,699
Net adjustment for other sources/uses	(73,066)
Funds budgeted elsewhere	(99,222)
Adjustment for encumbrances	2,685,729
GAAP basis	\$ 710,659

Certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund on a GAAP basis. This includes the rotary fund, public school support fund, unclaimed monies fund, and the termination benefits fund.

**NOTE 16 - INTERFUND TRANSACTIONS**

- A. Interfund loans receivable/payable consisted of the following at June 30, 2020, as reported on the fund statements:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 7,437

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

Interfund balances between governmental funds are eliminated on the government-wide financial statements, therefore, no internal balances at June 30, 2020 are reported on the Statement of Net Position.

- B. Transfers for the year ended June 30, 2020 consisted of the following as reported on the fund financial statements:

	Transfer In	Transfer Out
General fund	\$ -	\$ 500,000
Nonmajor governmental funds	500,000	-
Total	\$ 500,000	\$ 500,000

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 16 - INTERFUND TRANSACTIONS - (Continued)**

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the fund collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transactions between governmental funds are eliminated on the government-wide financial statements, therefore, no transfers are reported on the Statement of Activities.

All transfers were made in compliance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16.

**NOTE 17 - SET-ASIDES**

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by 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 year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

	<u>Capital Improvements</u>
Set-aside balance June 30, 2019	\$ -
Current year set-aside requirement	739,781
Current year qualifying expenditures	<u>(1,121,113)</u>
Total	<u>\$ (381,332)</u>
Balance carried forward to fiscal year 2021	<u>\$ -</u>
Set-aside balance June 30, 2020	<u><u>\$ -</u></u>

The District issued school improvement general obligation bonds. These proceeds may be used to reduce the capital improvements set-aside amount to zero for future years. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was \$55,194,763 at June 30, 2020.

**NOTE 18 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Year-End Encumbrances</u>
General	\$ 2,648,490
Classroom facilities	27,832,112
Nonmajor governmental	<u>6,213,048</u>
Total	<u><u>\$ 36,693,650</u></u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 19 - PERMANENT FUND BALANCE**

The District’s permanent fund consists of many different donations established for a variety of purposes. The permanent fund includes donor-restricted endowment funds. Net position associated with the permanent fund are classified and reported based on the existence or absence of donor-imposed restrictions. Any additional School Board restrictions are reported in expendable net position under the permanent fund.

The District records the annual income of the permanent fund as expendable net position and appropriated for expenditure upon meeting other donor restrictions. The District reports the original and any future permanently restricted donor funds as nonexpendable net position that are used to generate interest income that is available for expenditure.

The District has a spending policy with respect to expendable amounts available for distribution within the permanent fund. The District has typically expended less than the interest earned; however, all expendable funds could be distributed as long as the other donor restrictions have been satisfied.

**NOTE 20 - CONTRACTUAL COMMITMENTS**

As of June 30, 2020, the District has commitments with the following companies for the construction project.

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Paid as of 2020</u>	<u>Amount Remaining On Contract</u>
SHP Leading Design	\$ 3,939,197	\$ 2,935,838	\$ 1,003,359
Stan and Associates	185,866	53,928	131,938
Hill International	1,429,011	654,428	774,583
Monarch Construction	<u>23,643,951</u>	<u>19,902,767</u>	<u>3,741,184</u>
Total	<u>\$ 29,198,025</u>	<u>\$ 23,546,961</u>	<u>\$ 5,651,064</u>

These contractual commitments relate to the OFCC project undertaken by the District. In addition to the amounts paid above, the District has recorded contracts and retainage payable in the amounts of \$2,993,406 and \$382,589, respectively for costs incurred prior to fiscal year end on the OFCC project. Costs incurred by fiscal year end (including contracts payable) have been recorded as construction-in-progress in the District’s capital assets (see Note 8).

**NOTE 21 - TAX ABATEMENT**

Other governments have entered into property tax abatement agreements with property owners under Enterprise Zone Agreements (“EZAs”) and the Ohio Community Reinvestment Area (“CRA”) program within taxing districts of the District. The EZAs and CRA program are direct incentive tax exemption programs benefiting property owners who renovate existing buildings or construct new buildings. Under these programs, the other governments have designated areas to encourage revitalization of the existing structures and the development of new structures.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**NOTE 21 - TAX ABATEMENT - (Continued)**

The District has incurred a reduction in property tax receipts due to agreements entered into by other governments. During fiscal year 2020 the District's property tax receipts were reduced under agreements entered into by other governments as follows:

Government Entering <u>Into Agreement</u>	<u>Tax Abatement Program</u>		District
	<u>CRA</u>	<u>Ezone</u>	<u>Foregone Taxes</u>
City of Fairborn	\$ 123,000	\$ -	\$ 123,000
City of Xenia	79,454	-	79,454
Greene County	-	14,457	14,457
Total	<u>\$ 202,454</u>	<u>\$ 14,457</u>	<u>\$ 216,911</u>

The District did not receive any amounts from these other governments in association with the forgone property tax receipts in fiscal year 2020.

**NOTE 22 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. The District's investment portfolio and the investments of the pension and other employee benefit plans are subject to increased market volatility, which could result in a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

**NOTE 23 – SUBSEQUENT EVENTS**

In November of 2020, the District passed a 5.83 mil bond issue for a new high school and middle school.

In September of 2020, the District received a private donation of \$2.5 million to buy 86 acres of property to construct a new high school and middle school.

REQUIRED SUPPLEMENTARY INFORMATION

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.19411440%	0.18993440%	0.17786290%	0.18242430%
District's proportionate share of the net pension liability	\$ 11,614,205	\$ 10,877,895	\$ 10,626,915	\$ 13,351,776
District's covered payroll	\$ 6,841,333	\$ 6,407,785	\$ 5,954,764	\$ 5,785,543
District's proportionate share of the net pension liability as a percentage of its covered payroll	169.77%	169.76%	178.46%	230.78%
Plan fiduciary net position as a percentage of the total pension liability	70.85%	71.36%	69.50%	62.98%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



<u>2016</u>	<u>2015</u>	<u>2014</u>
0.18358850%	0.18390200%	0.18390200%
\$ 10,475,738	\$ 9,307,176	\$ 10,936,062
\$ 5,526,973	\$ 5,343,838	\$ 6,656,228
189.54%	174.17%	164.30%
69.16%	71.70%	65.52%

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net pension liability	0.16371949%	0.16100902%	0.15772794%	0.16542193%
District's proportionate share of the net pension liability	\$ 36,205,581	\$ 35,402,268	\$ 37,468,610	\$ 55,371,706
District's covered payroll	\$ 19,184,071	\$ 18,557,550	\$ 17,562,914	\$ 16,907,907
District's proportionate share of the net pension liability as a percentage of its covered payroll	188.73%	190.77%	213.34%	327.49%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.31%	75.30%	66.80%

Note: Information prior to 2014 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.16766317%	0.17550355%	0.17550355%
\$ 46,337,196	\$ 42,688,537	\$ 50,850,306
\$ 17,492,843	\$ 17,931,615	\$ 19,845,169
264.89%	238.06%	256.24%
72.10%	74.70%	69.30%

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,046,766	\$ 923,580	\$ 865,051	\$ 833,667
Contributions in relation to the contractually required contribution	<u>(1,046,766)</u>	<u>(923,580)</u>	<u>(865,051)</u>	<u>(833,667)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,476,900	\$ 6,841,333	\$ 6,407,785	\$ 5,954,764
Contributions as a percentage of covered payroll	14.00%	13.50%	13.50%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 809,976	\$ 728,455	\$ 740,656	\$ 921,222	\$ 892,565	\$ 840,459
<u>(809,976)</u>	<u>(728,455)</u>	<u>(740,656)</u>	<u>(921,222)</u>	<u>(892,565)</u>	<u>(840,459)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,785,543	\$ 5,526,973	\$ 5,343,838	\$ 6,656,228	\$ 6,636,171	\$ 6,686,229
14.00%	13.18%	13.86%	13.84%	13.45%	12.57%

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,954,095	\$ 2,685,770	\$ 2,598,057	\$ 2,458,808
Contributions in relation to the contractually required contribution	<u>(2,954,095)</u>	<u>(2,685,770)</u>	<u>(2,598,057)</u>	<u>(2,458,808)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 21,100,679	\$ 19,184,071	\$ 18,557,550	\$ 17,562,914
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 2,367,107	\$ 2,448,998	\$ 2,331,110	\$ 2,579,872	\$ 2,717,821	\$ 2,910,882
<u>(2,367,107)</u>	<u>(2,448,998)</u>	<u>(2,331,110)</u>	<u>(2,579,872)</u>	<u>(2,717,821)</u>	<u>(2,910,882)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,907,907	\$ 17,492,843	\$ 17,931,615	\$ 19,845,169	\$ 20,906,315	\$ 22,391,400
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.19869360%	0.19211300%	0.18060070%	0.18418380%
District's proportionate share of the net OPEB liability	\$ 4,996,726	\$ 5,329,734	\$ 4,846,848	\$ 5,249,920
District's covered payroll	\$ 6,841,333	\$ 6,407,785	\$ 5,954,764	\$ 5,785,543
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	73.04%	83.18%	81.39%	90.74%
Plan fiduciary net position as a percentage of the total OPEB liability	15.57%	13.57%	12.46%	11.49%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST FOUR FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability/asset	0.16371949%	0.16100902%	0.15772794%	0.16542193%
District's proportionate share of the net OPEB liability/(asset)	\$ (2,711,587)	\$ (2,587,250)	\$ 6,153,962	\$ 8,846,808
District's covered payroll	\$ 19,184,071	\$ 18,557,550	\$ 17,562,914	\$ 16,907,907
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	14.13%	13.94%	35.04%	52.32%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	174.70%	176.00%	47.10%	37.30%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 137,778	\$ 154,380	\$ 133,271	\$ 122,672
Contributions in relation to the contractually required contribution	<u>(137,778)</u>	<u>(154,380)</u>	<u>(133,271)</u>	<u>(122,672)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 7,476,900	\$ 6,841,333	\$ 6,407,785	\$ 5,954,764
Contributions as a percentage of covered payroll	1.84%	2.26%	2.08%	2.06%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 90,266	\$ 135,718	\$ 9,033	\$ 115,125	\$ 118,185	\$ 95,613
<u>(90,266)</u>	<u>(135,718)</u>	<u>(9,033)</u>	<u>(115,125)</u>	<u>(118,185)</u>	<u>(95,613)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 5,785,543	\$ 5,526,973	\$ 5,343,838	\$ 6,656,228	\$ 6,636,171	\$ 6,686,229
1.56%	2.46%	0.17%	1.73%	1.78%	1.43%

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 21,100,679	\$ 19,184,071	\$ 18,557,550	\$ 17,562,914
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ 181,775	\$ 198,452	\$ 209,063	\$ 223,214
-	-	(181,775)	(198,452)	(209,063)	(223,214)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,907,907	\$ 17,492,843	\$ 17,931,615	\$ 19,845,169	\$ 20,906,315	\$ 22,391,400
0.00%	0.00%	1.00%	1.00%	1.00%	1.00%

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

PENSION

---

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts reported for fiscal years 2014-2017. For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%. There were no changes in benefit terms from the amounts previously reported for fiscal years 2019-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2014-2016. For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) Rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%. There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal years 2018-2020.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

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

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

(Continued)

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

---

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

Changes in benefit terms: There were no changes in benefit terms from the amounts previously reported for fiscal years 2017-2020.

Changes in assumptions: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017. For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members, and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%. For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%. For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

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

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

THIS PAGE IS INTENTIONALLY LEFT BLANK



COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTAL INFORMATION

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**MAJOR FUNDS**

**General Fund**

The general fund is used to account for resources traditionally associated with a school district which are not required legally or by sound financial management to be accounted for in another fund. These activities include, but are not limited to, general instruction, pupil services, operation and maintenance of facilities, student transportation, and administration

Since the legal level of budgetary control is not greater than that presented in the basic financial statements, no additional financial statements are presented for the general fund.

**OTHER MAJOR FUNDS**

**Classroom Facilities**

To account for the monies received and expended in connection with contracts entered into by the District and the Ohio Facilities Construction Commission (OFCC) for the building and equipping of classroom facilities.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Classroom facilities</b>				
Total Revenues and Other Sources . . . . .	\$ 3,600,000	\$ 6,219,603	\$ 6,230,752	\$ 11,149
Total Expenditures and Other Uses . . . . .	<u>55,379,775</u>	<u>33,817,542</u>	<u>46,919,797</u>	<u>(13,102,255)</u>
Net Change in Fund Balance . . . . .	(51,779,775)	(27,597,939)	(40,689,045)	(13,091,106)
Fund balance at beginning of year . . . . .	5,218,164	5,218,164	5,218,164	-
Prior Year Encumbrances Appropriated . . . . .	<u>22,379,775</u>	<u>22,379,775</u>	<u>22,379,775</u>	<u>-</u>
Fund balance (deficit) at end of year . . . . .	<u>\$ (24,181,836)</u>	<u>\$ -</u>	<u>\$ (13,091,106)</u>	<u>\$ (13,091,106)</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2020

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Nonmajor Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets:</b>					
Equity in pooled cash and investments. . . . .	\$ 2,711,231	\$ 1,584,975	\$ 5,570,634	\$ 12,877	\$ 9,879,717
Receivables:					
Property taxes . . . . .	154,858	2,909,683	-	-	3,064,541
Payment in lieu of taxes. . . . .	2,672	48,644	-	-	51,316
Accounts. . . . .	8,445	-	-	-	8,445
Intergovernmental . . . . .	1,114,428	-	-	-	1,114,428
Prepayments. . . . .	11,405	-	-	-	11,405
Materials and supplies inventory . . . . .	16	-	-	-	16
Inventory held for resale. . . . .	839	-	-	-	839
Total assets. . . . .	<u>\$ 4,003,894</u>	<u>\$ 4,543,302</u>	<u>\$ 5,570,634</u>	<u>\$ 12,877</u>	<u>\$ 14,130,707</u>
<b>Liabilities:</b>					
Accounts payable. . . . .	\$ 16,979	\$ -	\$ 15,218	\$ -	\$ 32,197
Contracts payable. . . . .	456,669	-	204,822	-	661,491
Retainage payable . . . . .	-	-	673	-	673
Accrued wages and benefits . . . . .	478,205	-	-	-	478,205
Intergovernmental payable . . . . .	6,171	-	-	-	6,171
Pension and postemployment benefits payable. . . . .	122,318	-	-	-	122,318
Interfund loan payable . . . . .	7,437	-	-	-	7,437
Total liabilities . . . . .	<u>1,087,779</u>	<u>-</u>	<u>220,713</u>	<u>-</u>	<u>1,308,492</u>
<b>Deferred inflows of resources:</b>					
Property taxes levied for the next fiscal year . . . . .	143,620	2,707,093	-	-	2,850,713
Payment in lieu of taxes levied for next fiscal year. . . . .	2,672	48,644	-	-	51,316
Delinquent property tax revenue not available . . . . .	4,318	75,383	-	-	79,701
Intergovernmental revenue not available. . . . .	1,106,990	-	-	-	1,106,990
Total deferred inflows of resources. . . . .	<u>1,257,600</u>	<u>2,831,120</u>	<u>-</u>	<u>-</u>	<u>4,088,720</u>
<b>Fund balances:</b>					
Nonspendable:					
Materials and supplies inventory. . . . .	16	-	-	-	16
Prepays. . . . .	11,405	-	-	-	11,405
Endowments . . . . .	21,240	-	-	12,877	34,117
Restricted:					
Debt service . . . . .	-	1,712,182	-	-	1,712,182
Capital improvements . . . . .	-	-	5,349,921	-	5,349,921
Classroom facilities maintenance . . . . .	555,481	-	-	-	555,481
Food service operations . . . . .	930,857	-	-	-	930,857
Non-public schools . . . . .	26,186	-	-	-	26,186
Student success and wellness . . . . .	321	-	-	-	321
Other purposes. . . . .	21,931	-	-	-	21,931
Extracurricular . . . . .	359,786	-	-	-	359,786
Special trusts. . . . .	4,443	-	-	-	4,443
Unassigned (deficit) . . . . .	(273,151)	-	-	-	(273,151)
Total fund balances . . . . .	<u>1,658,515</u>	<u>1,712,182</u>	<u>5,349,921</u>	<u>12,877</u>	<u>8,733,495</u>
Total liabilities, deferred inflows and fund balances . . . . .	<u>\$ 4,003,894</u>	<u>\$ 4,543,302</u>	<u>\$ 5,570,634</u>	<u>\$ 12,877</u>	<u>\$ 14,130,707</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Fund</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Nonmajor Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>					
From local sources:					
Property taxes . . . . .	\$ 146,852	\$ 2,713,208	\$ -	\$ -	\$ 2,860,060
Payment in lieu of taxes . . . . .	3,104	33,419	-	-	36,523
Earnings on investments . . . . .	33,363	-	216,677	210	250,250
Charges for services . . . . .	182,552	-	-	-	182,552
Extracurricular . . . . .	319,096	-	-	-	319,096
Classroom materials and fees . . . . .	9,448	-	-	-	9,448
Contributions and donations . . . . .	4,430	-	-	-	4,430
Other local revenues . . . . .	10,897	-	-	-	10,897
Intergovernmental - state . . . . .	1,180,772	206,536	-	-	1,387,308
Intergovernmental - federal . . . . .	4,337,061	-	-	-	4,337,061
<b>Total revenues . . . . .</b>	<b>6,227,575</b>	<b>2,953,163</b>	<b>216,677</b>	<b>210</b>	<b>9,397,625</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular . . . . .	\$ 21,714	\$ -	\$ -	\$ -	\$ 21,714
Special . . . . .	2,269,392	-	-	-	2,269,392
Support services:					
Pupil . . . . .	934,321	-	-	-	934,321
Instructional staff . . . . .	127,114	-	-	-	127,114
Administration . . . . .	164,299	-	-	-	164,299
Fiscal . . . . .	8,878	32,605	-	-	41,483
Operations and maintenance . . . . .	14,809	-	487,019	-	501,828
Operation of non-instructional services:					
Food service operations . . . . .	2,045,223	-	-	-	2,045,223
Other non-instructional services . . . . .	39,347	-	-	-	39,347
Extracurricular activities . . . . .	296,936	-	-	-	296,936
Facilities acquisition and construction . . . . .	622,926	-	1,829,895	-	2,452,821
Debt service:					
Principal retirement . . . . .	-	1,500,000	-	-	1,500,000
Interest and fiscal charges . . . . .	-	1,493,103	-	-	1,493,103
<b>Total expenditures . . . . .</b>	<b>6,544,959</b>	<b>3,025,708</b>	<b>2,316,914</b>	<b>-</b>	<b>11,887,581</b>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(317,384)	(72,545)	(2,100,237)	210	(2,489,956)
<b>Other financing sources:</b>					
Transfers in . . . . .	-	-	500,000	-	500,000
<b>Net change in fund balances . . . . .</b>	<b>(317,384)</b>	<b>(72,545)</b>	<b>(1,600,237)</b>	<b>210</b>	<b>(1,989,956)</b>
<b>Fund balances at beginning of year (restated) . . . . .</b>	<b>1,975,899</b>	<b>1,784,727</b>	<b>6,950,158</b>	<b>12,667</b>	<b>10,723,451</b>
<b>Fund balances at end of year . . . . .</b>	<b>\$ 1,658,515</b>	<b>\$ 1,712,182</b>	<b>\$ 5,349,921</b>	<b>\$ 12,877</b>	<b>\$ 8,733,495</b>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**FUND DESCRIPTIONS**

**Nonmajor Special Revenue Funds**

The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The title of each special revenue fund is descriptive of the activities accounted for therein. The nonmajor special revenue funds are:

**Miscellaneous Grants**

To account for a number of small local grants that are restricted for specific expenditures.

**District Managed Student Activity**

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund includes athletic programs as well as band, cheerleaders, drama clubs, and other similar types of activities.

**Auxiliary Services**

To account for State funds which provide services and materials to students attending non-public schools within the boundaries of the District as provided by State law.

**Public School Preschool**

To account for State funds provided to the District for paying the cost of preschool programs for three and four year olds.

**Data Communications**

To account for revenues received from the State to be used to install and provide support costs for data communication links to connect any school to the local A-site.

**Special Trust**

To account for contributions received that can be expended for the benefit of the District's programs. For the District, this includes volunteer appreciation, chemical interventions, and the Hall of Honor.

**Miscellaneous State Grants**

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

**Limited English Proficiency**

To account for federal monies to develop and carry out elementary and secondary school programs to meet the educational needs of children of limited English proficiency.

**Title VI-B**

To account for Federal funds for the provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels; assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**FUND DESCRIPTIONS**

**Nonmajor Special Revenue Funds (Continued)**

**Title I**

To account for Federal funds for services provided to meet special educational needs of educationally deprived children.

**EHA Preschool Grant**

To account for Federal funds used for the improvement and expansion of services for handicapped children ages three through five years.

**Reducing Class Size**

To account for a Federal grant aimed at reducing class sizes throughout the District.

**Miscellaneous Federal Grants**

To account for Federal revenues received through State agencies from the Federal government or directly from the Federal government which are not classified elsewhere.

**Food Service**

To account for all revenues and expenditures related to the provision of food services, including breakfast and lunch, for the District students and staff.

**Classroom Facilities Maintenance**

To account for revenues earmarked for the maintenance of facilities.

**Student Managed Activity**

A fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund includes activities which consist of a student body, student president, student treasurer, and faculty advisor.

**Scholarship fund**

A fund provided to account for an endowment for student scholarships paid from earnings on the initial investment, which do not support District programs. The District is in charge of selecting the scholarship recipient

**Student Wellness & Success**

This fund accounts for revenues received from the State to be used for students well being and success, such as providing mental health services for students.

**Non-competitive supplemental**

A fund provided to account for revenues received from the federal government to help schools improve teaching and learning of children failing, or most at risk of failing to meet challenging State academic achievement standards.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**FUND DESCRIPTIONS**

**Nonmajor Special Revenue Funds (Continued)**

The following funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis). These funds are not included in the combining statements for the nonmajor special revenue funds since they are reported in the general fund (GAAP basis); however, the budgetary schedules for these funds are presented in this section.

**Termination Benefits**

To account for monies used for payment of termination benefits to former employees.

**Rotary Fund**

To account for operations that provide goods or services to other governmental units on a cost-reimbursement basis.

**Public School Support**

To account for specific local revenue sources (other than taxes) generated by individual school buildings (e.g. sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extra-curricular programs.

**Unclaimed Funds**

This fund accounts for the unclaimed monies within the District. These monies must be held for a period of time, after that time period passes, the monies may be returned to the general fund.



THIS PAGE IS INTENTIONALLY LEFT BLANK

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2020

	<u>Miscellaneous Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Public School Preschool</u>
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 15,334	\$ 202,607	\$ 29,996	\$ -
Receivables:				
Property taxes . . . . .	-	-	-	-
Payment in lieu of taxes . . . . .	-	-	-	-
Accounts. . . . .	-	-	-	-
Intergovernmental . . . . .	-	-	-	23,077
Prepayments. . . . .	-	6	39	398
Materials and supplies inventory . . . . .	-	-	-	-
Inventory held for resale. . . . .	-	-	-	-
Total assets. . . . .	<u>\$ 15,334</u>	<u>\$ 202,613</u>	<u>\$ 30,035</u>	<u>\$ 23,475</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ -	\$ 9,602	\$ 97	\$ -
Contracts payable. . . . .	-	-	-	-
Accrued wages and benefits . . . . .	-	-	-	5,901
Intergovernmental payable . . . . .	-	-	-	62
Pension and postemployment benefits payable. . . . .	-	-	3,713	595
Interfund loan payable . . . . .	-	-	-	7,437
Total liabilities. . . . .	<u>-</u>	<u>9,602</u>	<u>3,810</u>	<u>13,995</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	-	-	-	-
Payment in lieu of taxes levied for the next fiscal year . . . . .	-	-	-	-
Delinquent property tax revenue not available. . . . .	-	-	-	-
Intergovernmental revenue not available. . . . .	-	-	-	15,639
Total deferred inflows of resources. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,639</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	-	-	-	-
Prepays. . . . .	-	6	39	398
Endowments . . . . .	-	-	-	-
Restricted:				
Classroom facilities maintenance . . . . .	-	-	-	-
Food service operations . . . . .	-	-	-	-
Non-public schools . . . . .	-	-	26,186	-
Student success and wellness . . . . .	-	-	-	-
Other purposes. . . . .	15,334	-	-	-
Extracurricular . . . . .	-	193,005	-	-
Special trust . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,557)</u>
Total fund balances (deficit) . . . . .	<u>15,334</u>	<u>193,011</u>	<u>26,225</u>	<u>(6,159)</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 15,334</u>	<u>\$ 202,613</u>	<u>\$ 30,035</u>	<u>\$ 23,475</u>

<u>Special Trust</u>	<u>Miscellaneous State Grants</u>	<u>Limited English Proficiency</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>EHA Preschool Grant</u>
\$ 4,443	\$ 6,163	\$ 434	\$ 25,065	\$ 36,244	\$ 618
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,424	168,480	566,776	73,334
-	-	63	4,534	3,461	67
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 4,443</u>	<u>\$ 6,163</u>	<u>\$ 2,921</u>	<u>\$ 198,079</u>	<u>\$ 606,481</u>	<u>\$ 74,019</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	119,277	142,409	3,788
-	-	-	1,557	1,821	54
-	-	-	17,315	21,978	518
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>138,149</u>	<u>166,208</u>	<u>4,360</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,424	168,480	566,776	73,334
<u>-</u>	<u>-</u>	<u>2,424</u>	<u>168,480</u>	<u>566,776</u>	<u>73,334</u>
-	-	-	-	-	-
-	-	63	4,534	3,461	67
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	6,163	434	-	-	-
-	-	-	-	-	-
4,443	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,084)</u>	<u>(129,964)</u>	<u>(3,742)</u>
<u>4,443</u>	<u>6,163</u>	<u>497</u>	<u>(108,550)</u>	<u>(126,503)</u>	<u>(3,675)</u>
<u>\$ 4,443</u>	<u>\$ 6,163</u>	<u>\$ 2,921</u>	<u>\$ 198,079</u>	<u>\$ 606,481</u>	<u>\$ 74,019</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

COMBINING BALANCE SHEET (CONTINUED)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2020

	<u>Reducing Class Size</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>	<u>Classroom Facilities Maintenance</u>
<b>Assets:</b>				
Equity in pooled cash and investments. . . . .	\$ 2,889	\$ 10	\$ 1,529,479	\$ 548,561
Receivables:				
Property taxes . . . . .	-	-	-	154,858
Payment in lieu of taxes . . . . .	-	-	-	2,672
Accounts. . . . .	-	-	8,445	-
Intergovernmental . . . . .	141,260	74,077	-	-
Prepayments. . . . .	440	5	2,392	-
Materials and supplies inventory . . . . .	-	-	16	-
Inventory held for resale. . . . .	-	-	839	-
Total assets. . . . .	<u>\$ 144,589</u>	<u>\$ 74,092</u>	<u>\$ 1,541,171</u>	<u>\$ 706,091</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 2,072	\$ 3,000	\$ 2,208	\$ -
Contracts payable. . . . .	-	-	456,669	-
Accrued wages and benefits . . . . .	15,128	-	91,388	-
Intergovernmental payable . . . . .	199	-	1,202	-
Pension and postemployment benefits payable. . . . .	2,304	-	56,439	-
Interfund loan payable . . . . .	-	-	-	-
Total liabilities. . . . .	<u>19,703</u>	<u>3,000</u>	<u>607,906</u>	<u>-</u>
<b>Deferred inflows of resources:</b>				
Property taxes levied for the next fiscal year. . . . .	-	-	-	143,620
Payment in lieu of taxes levied for the next fiscal year . . . . .	-	-	-	2,672
Delinquent property tax revenue not available. . . . .	-	-	-	4,318
Intergovernmental revenue not available. . . . .	141,260	74,077	-	-
Total deferred inflows of resources. . . . .	<u>141,260</u>	<u>74,077</u>	<u>-</u>	<u>150,610</u>
<b>Fund balances:</b>				
Nonspendable:				
Materials and supplies inventory. . . . .	-	-	16	-
Prepays. . . . .	440	5	2,392	-
Discretionary nonspendable . . . . .	-	-	-	-
Restricted:				
Classroom facilities maintenance . . . . .	-	-	-	555,481
Food service operations . . . . .	-	-	930,857	-
Non-public schools . . . . .	-	-	-	-
Student success and wellness . . . . .	-	-	-	-
Other purposes. . . . .	-	-	-	-
Extracurricular . . . . .	-	-	-	-
Special trust . . . . .	-	-	-	-
Unassigned (deficit) . . . . .	<u>(16,814)</u>	<u>(2,990)</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit) . . . . .	<u>(16,374)</u>	<u>(2,985)</u>	<u>933,265</u>	<u>555,481</u>
Total liabilities, deferred inflows and fund balances .	<u>\$ 144,589</u>	<u>\$ 74,092</u>	<u>\$ 1,541,171</u>	<u>\$ 706,091</u>

<u>Student Managed Activity</u>	<u>Scholarship Fund</u>	<u>Student Wellness and Success</u>	<u>Non-competitive Supplemental</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 166,781	\$ 21,240	\$ 121,367	\$ -	2,711,231
-	-	-	-	154,858
-	-	-	-	2,672
-	-	-	-	8,445
-	-	-	65,000	1,114,428
-	-	-	-	11,405
-	-	-	-	16
-	-	-	-	839
<u>\$ 166,781</u>	<u>\$ 21,240</u>	<u>\$ 121,367</u>	<u>\$ 65,000</u>	<u>\$ 4,003,894</u>
\$ -	\$ -	\$ -	\$ -	\$ 16,979
-	-	-	-	456,669
-	-	100,314	-	478,205
-	-	1,276	-	6,171
-	-	19,456	-	122,318
-	-	-	-	7,437
<u>-</u>	<u>-</u>	<u>121,046</u>	<u>-</u>	<u>1,087,779</u>
-	-	-	-	143,620
-	-	-	-	2,672
-	-	-	-	4,318
-	-	-	65,000	1,106,990
<u>-</u>	<u>-</u>	<u>-</u>	<u>65,000</u>	<u>1,257,600</u>
-	-	-	-	16
-	-	-	-	11,405
-	21,240	-	-	21,240
-	-	-	-	555,481
-	-	-	-	930,857
-	-	-	-	26,186
-	-	321	-	321
-	-	-	-	21,931
166,781	-	-	-	359,786
-	-	-	-	4,443
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(273,151)</u>
<u>166,781</u>	<u>21,240</u>	<u>321</u>	<u>-</u>	<u>1,658,515</u>
<u>\$ 166,781</u>	<u>\$ 21,240</u>	<u>\$ 121,367</u>	<u>\$ 65,000</u>	<u>\$ 4,003,894</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Miscellaneous Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Public School Preschool</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Payment in lieu of taxes . . . . .	-	-	-	-
Earnings on investments . . . . .	-	2,900	290	-
Charges for services . . . . .	-	-	-	-
Extracurricular . . . . .	-	135,476	-	-
Classroom materials and fees . . . . .	-	9,448	-	-
Contributions and donations . . . . .	1,500	1,240	-	-
Other local revenues . . . . .	100	1,288	-	-
Intergovernmental - state . . . . .	-	-	80,374	210,155
Intergovernmental - federal . . . . .	-	-	-	-
Total revenues . . . . .	<u>1,600</u>	<u>150,352</u>	<u>80,664</u>	<u>210,155</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	\$ -	\$ -	\$ -	\$ -
Special . . . . .	-	-	18,178	209,692
Support services:				
Pupil . . . . .	-	-	-	-
Instructional staff . . . . .	-	-	-	-
Administration . . . . .	-	-	18,251	-
Fiscal . . . . .	-	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Operation of non-instructional services:				
Food service operations . . . . .	-	-	-	-
Other non-instructional services . . . . .	3,500	-	29,692	-
Extracurricular activities . . . . .	-	113,829	-	-
Facilities acquisition and construction . . . . .	-	-	-	-
Total expenditures . . . . .	<u>3,500</u>	<u>113,829</u>	<u>66,121</u>	<u>209,692</u>
Net change in fund balances . . . . .	(1,900)	36,523	14,543	463
<b>Fund balances (deficits)</b>				
at beginning of year (restated) . . . . .	<u>17,234</u>	<u>156,488</u>	<u>11,682</u>	<u>(6,622)</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ 15,334</u>	<u>\$ 193,011</u>	<u>\$ 26,225</u>	<u>\$ (6,159)</u>

<u>Data Communications</u>	<u>Special Trust</u>	<u>Miscellaneous State Grants</u>	<u>Limited English Proficiency</u>	<u>Title VI-B</u>	<u>Title I</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	72	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,200	-	7,999	-	-	-
-	-	-	23,075	951,892	1,352,632
<u>7,200</u>	<u>72</u>	<u>7,999</u>	<u>23,075</u>	<u>951,892</u>	<u>1,352,632</u>

\$ -	\$ -	\$ -	\$ 20,823	\$ -	\$ -
-	-	-	-	844,260	1,173,838
-	-	1,486	-	-	-
-	-	-	-	-	619
-	-	-	-	81,211	64,837
7,200	-	-	-	-	-
-	-	14,809	-	-	-
-	-	-	-	-	-
-	-	-	-	-	3,682
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,200</u>	<u>-</u>	<u>16,295</u>	<u>20,823</u>	<u>925,471</u>	<u>1,242,976</u>
-	72	(8,296)	2,252	26,421	109,656
-	4,371	14,459	(1,755)	(134,971)	(236,159)
<u>\$ -</u>	<u>\$ 4,443</u>	<u>\$ 6,163</u>	<u>\$ 497</u>	<u>\$ (108,550)</u>	<u>\$ (126,503)</u>

- Continued

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>EHA Preschool Grant</u>	<u>Reducing Class Size</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>
<b>Revenues:</b>				
From local sources:				
Property taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Payment in lieu of taxes . . . . .	-	-	-	-
Earnings on investments . . . . .	-	-	-	27,319
Charges for services . . . . .	-	-	-	182,552
Extracurricular . . . . .	-	-	-	-
Classroom materials and fees . . . . .	-	-	-	-
Contributions and donations . . . . .	-	-	-	-
Other local revenues . . . . .	-	-	-	-
Intergovernmental - state . . . . .	-	-	-	-
Intergovernmental - federal . . . . .	24,021	132,721	68,811	1,783,909
Total revenues . . . . .	<u>24,021</u>	<u>132,721</u>	<u>68,811</u>	<u>1,993,780</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular . . . . .	\$ -	\$ 891	\$ -	\$ -
Special . . . . .	23,424	-	-	-
Support services:				
Pupil . . . . .	-	-	63,148	-
Instructional staff . . . . .	-	122,847	3,648	-
Administration . . . . .	-	-	-	-
Fiscal . . . . .	-	-	-	-
Operations and maintenance . . . . .	-	-	-	-
Operation of non-instructional services:				
Food service operations . . . . .	-	-	-	2,045,223
Other non-instructional services . . . . .	-	-	-	-
Extracurricular activities . . . . .	-	-	-	-
Facilities acquisition and construction . . . . .	-	-	-	622,926
Total expenditures . . . . .	<u>23,424</u>	<u>123,738</u>	<u>66,796</u>	<u>2,668,149</u>
Net change in fund balances . . . . .	597	8,983	2,015	(674,369)
<b>Fund balances (deficits)</b>				
<b>at beginning of year (restated) . . . . .</b>	<u>(4,272)</u>	<u>(25,357)</u>	<u>(5,000)</u>	<u>1,607,634</u>
<b>Fund balances (deficits) at end of year . . . . .</b>	<u>\$ (3,675)</u>	<u>\$ (16,374)</u>	<u>\$ (2,985)</u>	<u>\$ 933,265</u>

- Continued



<u>Classroom Facilities Maintenance</u>	<u>Student Managed Activity</u>	<u>Scholarship Fund</u>	<u>Student Wellness and Success</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ 146,852	\$ -	\$ -	\$ -	\$ 146,852
3,104	-	-	-	3,104
-	2,435	347	-	33,363
-	-	-	-	182,552
-	183,620	-	-	319,096
-	-	-	-	9,448
-	1,690	-	-	4,430
-	9,509	-	-	10,897
5,036	-	-	870,008	1,180,772
-	-	-	-	4,337,061
<u>154,992</u>	<u>197,254</u>	<u>347</u>	<u>870,008</u>	<u>6,227,575</u>
\$ -	\$ -	\$ -	\$ -	\$ 21,714
-	-	-	-	2,269,392
-	-	-	869,687	934,321
-	-	-	-	127,114
-	-	-	-	164,299
1,678	-	-	-	8,878
-	-	-	-	14,809
-	-	-	-	2,045,223
-	2,473	-	-	39,347
-	183,107	-	-	296,936
-	-	-	-	622,926
<u>1,678</u>	<u>185,580</u>	<u>-</u>	<u>869,687</u>	<u>6,544,959</u>
153,314	11,674	347	321	(317,384)
<u>402,167</u>	<u>155,107</u>	<u>20,893</u>	<u>-</u>	<u>1,975,899</u>
<u>\$ 555,481</u>	<u>\$ 166,781</u>	<u>\$ 21,240</u>	<u>\$ 321</u>	<u>\$ 1,658,515</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Miscellaneous Grants</b>				
Total Revenues and Other Sources . . . . .	\$ -	\$ 1,600	\$ 1,600	\$ -
Total Expenditures and Other Uses . . . . .	<u>17,234</u>	<u>17,234</u>	<u>3,813</u>	<u>13,421</u>
Net Change in Fund Balance . . . . .	(17,234)	(15,634)	(2,213)	13,421
Fund balance at beginning of year . . . . .	<u>17,234</u>	<u>17,234</u>	<u>17,234</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ -</u>	<u>\$ 1,600</u>	<u>\$ 15,021</u>	<u>\$ 13,421</u>
<b>District Managed Student Activity</b>				
Total Revenues and Other Sources . . . . .	\$ 25,250	\$ 127,227	\$ 150,077	\$ 22,850
Total Expenditures and Other Uses . . . . .	<u>260,215</u>	<u>210,215</u>	<u>116,864</u>	<u>93,351</u>
Net Change in Fund Balance . . . . .	(234,965)	(82,988)	33,213	116,201
Fund balance at beginning of year . . . . .	154,442	154,442	154,442	-
Prior year encumbrances appropriated. . . . .	<u>10,215</u>	<u>10,215</u>	<u>10,215</u>	<u>-</u>
Fund balance (deficit) at end of year . . . . .	<u>\$ (70,308)</u>	<u>\$ 81,669</u>	<u>\$ 197,870</u>	<u>\$ 116,201</u>
<b>Auxiliary Services</b>				
Total Revenues and Other Sources . . . . .	\$ 65,000	\$ 80,000	\$ 80,664	\$ 664
Total Expenditures and Other Uses . . . . .	<u>77,822</u>	<u>87,822</u>	<u>67,956</u>	<u>19,866</u>
Net Change in Fund Balance . . . . .	(12,822)	(7,822)	12,708	20,530
Fund balance at beginning of year . . . . .	769	769	769	-
Prior year encumbrances appropriated. . . . .	<u>12,822</u>	<u>12,822</u>	<u>12,822</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 769</u>	<u>\$ 5,769</u>	<u>\$ 26,299</u>	<u>\$ 20,530</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Public School Preschool</b>				
Total Revenues and Other Sources . . . . .	\$ 255,193	\$ 229,647	\$ 206,570	\$ (23,077)
Total Expenditures and Other Uses . . . . .	<u>275,006</u>	<u>225,793</u>	<u>210,153</u>	<u>15,640</u>
Net Change in Fund Balance . . . . .	(19,813)	3,854	(3,583)	(7,437)
Fund balance (deficit) at beginning of year . . . . .	(3,860)	(3,860)	(3,860)	-
Prior Year Encumbrances Appropriated . . . . .	<u>6</u>	<u>6</u>	<u>6</u>	<u>-</u>
Fund balance (deficit)at end of year . . . . .	<u>\$ (23,667)</u>	<u>\$ -</u>	<u>\$ (7,437)</u>	<u>\$ (7,437)</u>
<b>Data Communications</b>				
Total Revenues and Other Sources . . . . .	\$ 7,200	\$ 7,200	\$ 7,200	\$ -
Total Expenditures and Other Uses . . . . .	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Net Change in Fund Balance . . . . .	-	-	-	-
Fund balance at beginning of year . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Special Trust</b>				
Total Revenues and Other Sources . . . . .	\$ 50	\$ 50	\$ 72	\$ 22
Total Expenditures and Other Uses . . . . .	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Net Change in Fund Balance . . . . .	(1,950)	(1,950)	72	2,022
Fund balance at beginning of year (restated) . . . . .	<u>4,371</u>	<u>4,371</u>	<u>4,371</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 2,421</u>	<u>\$ 2,421</u>	<u>\$ 4,443</u>	<u>\$ 2,022</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Miscellaneous State Grants</b>				
Total Revenues and Other Sources . . . . .	\$ 10,483	\$ 10,059	\$ 10,059	\$ -
Total Expenditures and Other Uses . . . . .	<u>67,739</u>	<u>28,971</u>	<u>22,808</u>	<u>6,163</u>
Net Change in Fund Balance . . . . .	(57,256)	(18,912)	(12,749)	6,163
Fund balance at beginning of year . . . . .	16,173	16,173	16,173	-
Prior year encumbrances appropriated . . . . .	<u>2,739</u>	<u>2,739</u>	<u>2,739</u>	<u>-</u>
Fund balance (deficit) at end of year . . . . .	<u>\$ (38,344)</u>	<u>\$ -</u>	<u>\$ 6,163</u>	<u>\$ 6,163</u>
<b>Limited English Proficiency</b>				
Total Revenues and Other Sources . . . . .	\$ 24,970	\$ 24,826	\$ 23,852	\$ (974)
Total Expenditures and Other Uses . . . . .	<u>51,005</u>	<u>24,049</u>	<u>24,044</u>	<u>5</u>
Net Change in Fund Balance . . . . .	(26,035)	777	(192)	(969)
Fund balance (deficit) at beginning of year . . . . .	(782)	(782)	(782)	-
Prior year encumbrances appropriated . . . . .	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>
Fund balance (deficit) at end of year . . . . .	<u>\$ (26,812)</u>	<u>\$ -</u>	<u>\$ (969)</u>	<u>\$ (969)</u>
<b>Title VI-B</b>				
Total Revenues and Other Sources . . . . .	\$ 1,190,400	\$ 1,096,772	\$ 1,023,163	\$ (73,609)
Total Expenditures and Other Uses . . . . .	<u>1,202,338</u>	<u>1,025,501</u>	<u>926,828</u>	<u>98,673</u>
Net Change in Fund Balance . . . . .	(11,938)	71,271	96,335	25,064
Fund balance (deficit) at beginning of year . . . . .	(73,608)	(73,608)	(73,608)	-
Prior year encumbrances appropriated . . . . .	<u>2,338</u>	<u>2,338</u>	<u>2,338</u>	<u>-</u>
Fund balance (deficit) at end of year . . . . .	<u>\$ (83,208)</u>	<u>\$ 1</u>	<u>\$ 25,065</u>	<u>\$ 25,064</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Title I</b>				
Total Revenues and Other Sources . . . . .	\$ 1,957,678	\$ 1,618,625	\$ 1,458,940	\$ (159,685)
Total Expenditures and Other Uses . . . . .	<u>2,153,377</u>	<u>1,512,317</u>	<u>1,318,867</u>	<u>193,450</u>
Net Change in Fund Balance . . . . .	(195,699)	106,308	140,073	33,765
Fund balance (deficit) at beginning of year . . . . .	(159,685)	(159,685)	(159,685)	-
Prior year encumbrances appropriated. . . . .	<u>53,377</u>	<u>53,377</u>	<u>53,377</u>	<u>-</u>
Fund balance (deficit) at end of year . . . . .	<u>\$ (302,007)</u>	<u>\$ -</u>	<u>\$ 33,765</u>	<u>\$ 33,765</u>
<b>EHA Preschool Grant</b>				
Total Revenues and Other Sources . . . . .	\$ 103,298	\$ 27,309	\$ 25,660	\$ (1,649)
Total Expenditures and Other Uses . . . . .	<u>80,010</u>	<u>25,671</u>	<u>23,404</u>	<u>2,267</u>
Net Change in Fund Balance . . . . .	23,288	1,638	2,256	618
Fund balance (deficit) at beginning of year . . . . .	(1,648)	(1,648)	(1,648)	-
Prior year encumbrances appropriated. . . . .	<u>10</u>	<u>10</u>	<u>10</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 21,650</u>	<u>\$ -</u>	<u>\$ 618</u>	<u>\$ 618</u>
<b>Reducing Class Size</b>				
Total Revenues and Other Sources . . . . .	\$ 274,192	\$ 161,728	\$ 147,121	\$ (14,607)
Total Expenditures and Other Uses . . . . .	<u>320,207</u>	<u>147,328</u>	<u>136,037</u>	<u>11,291</u>
Net Change in Fund Balance . . . . .	(46,015)	14,400	11,084	(3,316)
Fund balance (deficit) at beginning of year . . . . .	(14,607)	(14,607)	(14,607)	-
Prior year encumbrances appropriated. . . . .	<u>207</u>	<u>207</u>	<u>207</u>	<u>-</u>
Fund balance (deficit) at end of year . . . . .	<u>\$ (60,415)</u>	<u>\$ -</u>	<u>\$ (3,316)</u>	<u>\$ (3,316)</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Miscellaneous Federal Grants</b>				
Total Revenues and Other Sources . . . . .	\$ 140,877	\$ 76,788	\$ 69,561	\$ (7,227)
Total Expenditures and Other Uses . . . . .	<u>105,537</u>	<u>76,037</u>	<u>70,402</u>	<u>5,635</u>
Net Change in Fund Balance . . . . .	35,340	751	(841)	(1,592)
Fund balance at beginning of year . . . . .	(6,288)	(6,288)	(6,288)	-
Prior year encumbrances appropriated. . . . .	<u>5,537</u>	<u>5,537</u>	<u>5,537</u>	<u>-</u>
Fund balance (deficit) at end of year . . . . .	<u>\$ 34,589</u>	<u>\$ -</u>	<u>\$ (1,592)</u>	<u>\$ (1,592)</u>
<b>Food Service</b>				
Total Revenues and Other Sources . . . . .	\$ 1,700,000	\$ 1,830,000	\$ 1,838,875	\$ 8,875
Total Expenditures and Other Uses . . . . .	<u>3,713,451</u>	<u>3,556,364</u>	<u>3,066,895</u>	<u>489,469</u>
Net Change in Fund Balance . . . . .	(2,013,451)	(1,726,364)	(1,228,020)	498,344
Fund balance at beginning of year . . . . .	1,012,913	1,012,913	1,012,913	-
Prior year encumbrances appropriated. . . . .	<u>713,451</u>	<u>713,451</u>	<u>713,451</u>	<u>-</u>
Fund balance (deficit) at end of year . . . . .	<u>\$ (287,087)</u>	<u>\$ -</u>	<u>\$ 498,344</u>	<u>\$ 498,344</u>
<b>Classroom Facilities Maintenance</b>				
Total Revenues and Other Sources . . . . .	\$ 154,200	\$ 154,200	\$ 159,088	\$ 4,888
Total Expenditures and Other Uses . . . . .	<u>10,000</u>	<u>10,000</u>	<u>1,678</u>	<u>8,322</u>
Net Change in Fund Balance . . . . .	144,200	144,200	157,410	13,210
Fund balance at beginning of year . . . . .	<u>391,151</u>	<u>391,151</u>	<u>391,151</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 535,351</u>	<u>\$ 535,351</u>	<u>\$ 548,561</u>	<u>\$ 13,210</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Student Managed Activity</b>				
Total Revenues and Other Sources . . . . .	\$ 333,309	\$ 204,300	\$ 207,898	\$ 3,598
Total Expenditures and Other Uses . . . . .	<u>458,120</u>	<u>308,120</u>	<u>210,699</u>	<u>97,421</u>
Net Change in Fund Balance . . . . .	(124,811)	(103,820)	(2,801)	101,019
Fund balance at beginning of year (restated) .	153,094	153,094	153,094	-
Prior year encumbrances appropriated. . . .	<u>8,120</u>	<u>8,120</u>	<u>8,120</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 36,403</u>	<u>\$ 57,394</u>	<u>\$ 158,413</u>	<u>\$ 101,019</u>
<b>Scholarship Fund</b>				
Total Revenues and Other Sources . . . . .	\$ 311	\$ 311	\$ 347	\$ 36
Total Expenditures and Other Uses . . . . .	<u>1,246</u>	<u>1,246</u>	<u>-</u>	<u>1,246</u>
Net Change in Fund Balance . . . . .	(935)	(935)	347	1,282
Fund balance at beginning of year (restated) .	<u>20,893</u>	<u>20,893</u>	<u>20,893</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 19,958</u>	<u>\$ 19,958</u>	<u>\$ 21,240</u>	<u>\$ 1,282</u>
<b>Student Wellness &amp; Success</b>				
Total Revenues and Other Sources . . . . .	\$ -	\$ 870,008	\$ 870,008	\$ -
Total Expenditures and Other Uses . . . . .	<u>-</u>	<u>870,008</u>	<u>748,641</u>	<u>121,367</u>
Net Change in Fund Balance . . . . .	-	-	121,367	121,367
Fund balance at beginning of year . . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,367</u>	<u>\$ 121,367</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Termination Benefits</b>				
Total Expenditures and Other Uses. . . . .	\$ 569,042	\$ 419,042	\$ 111,744	\$ 307,298
Net Change in Fund Balance . . . . .	(569,042)	(419,042)	(111,744)	307,298
Fund balance at beginning of year . . . . .	751,800	751,800	751,800	-
Prior year encumbrances appropriated. . . . .	19,042	19,042	19,042	-
Fund balance at end of year . . . . .	<u>\$ 201,800</u>	<u>\$ 351,800</u>	<u>\$ 659,098</u>	<u>\$ 307,298</u>
<b>Rotary Fund</b>				
Total Expenditures and Other Uses. . . . .	\$ 750	\$ 750	\$ -	\$ 750
Net Change in Fund Balance . . . . .	(750)	(750)	-	750
Fund balance at beginning of year . . . . .	775	775	775	-
Fund balance at end of year . . . . .	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 775</u>	<u>\$ 750</u>
<b>Public School Support</b>				
Total Revenues and Other Sources. . . . .	\$ 45,456	\$ 33,871	\$ 33,872	\$ 1
Total Expenditures and Other Uses. . . . .	127,225	102,225	36,313	65,912
Net Change in Fund Balance . . . . .	(81,769)	(68,354)	(2,441)	65,913
Fund balance at beginning of year . . . . .	94,018	94,018	94,018	-
Prior year encumbrances appropriated. . . . .	2,225	2,225	2,225	-
Fund balance at end of year . . . . .	<u>\$ 14,474</u>	<u>\$ 27,889</u>	<u>\$ 93,802</u>	<u>\$ 65,913</u>
<b>Unclaimed Funds</b>				
Fund balance at beginning of year (restated). . . . .	\$ 6,006	\$ 6,006	\$ 6,006	\$ -
Fund balance at end of year . . . . .	<u>\$ 6,006</u>	<u>\$ 6,006</u>	<u>\$ 6,006</u>	<u>\$ -</u>



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**FUND DESCRIPTION**

**Nonmajor Debt Service Fund**

A fund used to account for and report financial resources that are restricted, committed, or assigned to expenditure for payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment. It is also used to account for the accumulation of resources and payment of general obligation bonds and library bonds payable, as required by Ohio Law. The bond retirement fund is the District's only debt service fund, therefore a debt service combining balance sheet and statement of revenues, expenditures, and changes in fund balance are not required.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Bond Retirement</b>				
Total Revenues and Other Sources . . . . .	\$ 2,974,500	\$ 2,976,500	\$ 3,046,118	\$ 69,618
Total Expenditures and Other Uses . . . . .	<u>3,014,103</u>	<u>3,027,000</u>	<u>3,025,708</u>	<u>1,292</u>
Net Change in Fund Balance . . . . .	(39,603)	(50,500)	20,410	70,910
Fund balance at beginning of year . . . . .	<u>1,564,565</u>	<u>1,564,565</u>	<u>1,564,565</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 1,524,962</u>	<u>\$ 1,514,065</u>	<u>\$ 1,584,975</u>	<u>\$ 70,910</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**FUND DESCRIPTIONS**

**Nonmajor Capital Projects Funds**

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition and construction of capital facilities and other capital assets. The nonmajor capital projects funds are:

**Permanent Improvement**

To account for the acquisition, construction, or improvement of capital facilities other than those financed by proprietary and trust funds.

**Building Fund**

This fund is used to account for monies received and expended in connection with the renovation and construction of District buildings.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2020

	<b>Permanent Improvement</b>	<b>Building</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>Assets:</b>			
Equity in pooled cash and investments. . . . .	\$ 284,177	\$ 5,286,457	\$ 5,570,634
Total assets. . . . .	\$ 284,177	\$ 5,286,457	\$ 5,570,634
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 15,218	\$ -	\$ 15,218
Contracts payable. . . . .	-	204,822	204,822
Retainage payable . . . . .	-	673	673
Total liabilities. . . . .	15,218	205,495	220,713
<b>Fund balances:</b>			
Restricted:			
Capital improvements . . . . .	268,959	5,080,962	5,349,921
Total fund balances . . . . .	268,959	5,080,962	5,349,921
Total liabilities, deferred inflows and fund balances .	\$ 284,177	\$ 5,286,457	\$ 5,570,634

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Projects Funds</u>
<b>Revenues:</b>			
From local sources:			
Earnings on investments . . . . .	\$ -	\$ 216,677	\$ 216,677
Total revenues . . . . .	<u>-</u>	<u>216,677</u>	<u>216,677</u>
<b>Expenditures:</b>			
Current:			
Support services:			
Operations and maintenance . . . . .	487,019	-	487,019
Facilities acquisition and construction . . . . .	-	1,829,895	1,829,895
Total expenditures . . . . .	<u>487,019</u>	<u>1,829,895</u>	<u>2,316,914</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(487,019)	(1,613,218)	(2,100,237)
<b>Other financing sources:</b>			
Transfers in . . . . .	500,000	-	500,000
Net change in fund balances . . . . .	12,981	(1,613,218)	(1,600,237)
<b>Fund balances at beginning of year . . . . .</b>	<u>255,978</u>	<u>6,694,180</u>	<u>6,950,158</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 268,959</u>	<u>\$ 5,080,962</u>	<u>\$ 5,349,921</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Permanent Improvement</b>				
Total Revenues and Other Sources . . . . .	\$ 500,000	\$ 500,000	\$ 500,000	\$ -
Total Expenditures and Other Uses . . . . .	<u>656,022</u>	<u>696,022</u>	<u>539,801</u>	<u>156,221</u>
Net Change in Fund Balance . . . . .	(156,022)	(196,022)	(39,801)	156,221
Fund balance at beginning of year . . . . .	99,956	99,956	99,956	-
Prior year encumbrances appropriated . . . . .	<u>156,022</u>	<u>156,022</u>	<u>156,022</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 99,956</u>	<u>\$ 59,956</u>	<u>\$ 216,177</u>	<u>\$ 156,221</u>
<b>Building</b>				
Total Revenues and Other Sources . . . . .	\$ 100,000	\$ 200,000	\$ 216,677	\$ 16,677
Total Expenditures and Other Uses . . . . .	<u>8,400,844</u>	<u>6,910,456</u>	<u>6,845,742</u>	<u>64,714</u>
Net Change in Fund Balance . . . . .	(8,300,844)	(6,710,456)	(6,629,065)	81,391
Fund balance at beginning of year . . . . .	5,209,612	5,209,612	5,209,612	-
Prior year encumbrances appropriated . . . . .	<u>1,600,844</u>	<u>1,600,844</u>	<u>1,600,844</u>	<u>-</u>
Fund balance (deficit) at end of year . . . . .	<u>\$ (1,490,388)</u>	<u>\$ 100,000</u>	<u>\$ 181,391</u>	<u>\$ 81,391</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**FUND DESCRIPTION**

**Permanent Fund**

A fund category used to account for resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the District or its students.

**Teacher Grant**

To account for monies received to be used to provide grants to teachers of the District. Only the interest earned may be used to provide grants to teachers. The principal investment must remain intact and cannot be spent. The teacher grant fund is the District's only permanent fund, therefore a permanent fund combining balance sheet and statement of revenues, expenditures, and changes in fund balance are not required.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget- Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Teacher Grant</b>				
Total Revenues and Other Sources . . . . .	\$ 189	\$ 189	\$ 210	\$ 21
Total Expenditures and Other Uses . . . . .	<u>754</u>	<u>754</u>	<u>-</u>	<u>754</u>
Net Change in Fund Balance . . . . .	(565)	(565)	210	775
Fund balance at beginning of year . . . . .	<u>12,667</u>	<u>12,667</u>	<u>12,667</u>	<u>-</u>
Fund balance at end of year . . . . .	<u>\$ 12,102</u>	<u>\$ 12,102</u>	<u>\$ 12,877</u>	<u>\$ 775</u>



## STATISTICAL SECTION

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

STATISTICAL SECTION

This part of the Fairborn City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	<b>134-147</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	<b>148-153</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	<b>154-157</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	<b>158-159</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	<b>160-170</b>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019 (4)</u>	<u>2018 (3)</u>	<u>2017 (3)</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ (484,418)	\$ (835,421)	\$ (1,661,308)	\$ (3,267,779)
Invested in capital assets, net of related debt	-	-	-	-
Restricted	30,678,684	29,476,814	28,848,602	29,857,426
Unrestricted (deficit)	(19,554,266)	(18,461,121)	(28,112,181)	(52,816,731)
Total governmental activities net position	<u>\$ 10,640,000</u>	<u>\$ 10,180,272</u>	<u>\$ (924,887)</u>	<u>\$ (26,227,084)</u>

(1) New terminology in accordance with GASB Statements No. 63 and No. 65 which was implemented in 2013. Amounts for 2012 have been restated to reflect the implementation of GASB Statements No. 63 and No. 65.

(2) The District implemented GASB Statement No. 68 in 2015. Amounts for 2014 have been restated to reflect the implementation of this statement.

(3) The District implemented GASB Statement No. 75 in 2018. Amounts for 2017 have been restated to reflect the implementation of this statement.

(4) The District implemented GASB Statement No. 84 in 2020. Amounts for 2019 have been restated to reflect the implementation of this statement.

**Source:** School District financial records.

<b>2016</b>	<b>2015 (2)</b>	<b>2014 (2)</b>	<b>2013</b>	<b>2012 (1)</b>	<b>2011</b>
\$ (2,104,264)	\$ (1,985,698)	\$ (1,459,939)	\$ (3,246,698)	\$ (3,312,870)	\$ -
-	-	-	-	-	(3,350,609)
3,308,836	2,745,402	2,997,314	2,890,844	3,002,788	3,523,017
(43,539,438)	(49,602,801)	(53,963,251)	358,082	764,011	141,664
<u>\$ (42,334,866)</u>	<u>\$ (48,843,097)</u>	<u>\$ (52,425,876)</u>	<u>\$ 2,228</u>	<u>\$ 453,929</u>	<u>\$ 314,072</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Expenses</b>				
Governmental activities:				
Instruction:				
Regular	\$ 19,862,935	\$ 15,222,134	\$ 8,044,802	\$ 17,019,438
Special	11,709,404	9,202,557	6,059,993	9,617,254
Vocational	287,459	243,443	87,909	-
Other	3,507,565	3,456,282	3,520,583	3,873,420
Support services:				
Pupil	4,043,757	2,878,782	1,440,767	2,771,003
Instructional staff	1,300,971	823,683	480,154	925,489
Board of education	107,446	70,115	89,841	74,347
Administration	3,390,578	2,749,916	1,599,420	3,289,477
Fiscal	918,855	860,323	506,910	880,459
Business	542,361	251,111	130,093	287,639
Operations and maintenance	4,321,706	4,272,798	2,924,369	3,493,445
Pupil transportation	3,142,630	2,652,859	1,596,271	2,751,908
Central	663,119	614,500	492,083	503,744
Operation of non-instructional services:				
Food service operations	2,148,206	2,128,425	1,514,863	1,978,748
Other non-instructional services	42,993	62,237	81,865	145,327
Extracurricular activities	1,195,071	841,424	491,917	842,724
Interest and fiscal charges	1,532,154	1,520,615	1,784,782	806,351
Total governmental activities expenses	<u>58,717,210</u>	<u>47,851,204</u>	<u>30,846,622</u>	<u>49,260,773</u>

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 15,955,675	\$ 15,686,540	\$ 16,956,807	\$ 18,303,069	\$ 18,664,716	\$ 19,508,508
9,218,968	8,847,298	8,856,853	7,220,416	7,412,089	7,764,899
-	-	-	-	-	-
3,607,359	3,482,117	3,135,954	3,260,717	2,743,893	3,325,636
2,593,028	2,562,651	2,680,853	2,621,214	2,681,951	3,113,242
1,077,018	870,299	622,123	2,114,751	2,176,997	2,533,334
116,771	70,502	61,264	48,278	50,486	68,524
3,005,776	2,970,160	2,902,535	3,105,266	3,257,389	3,187,826
807,496	805,235	712,071	763,665	837,236	857,912
269,419	320,615	300,181	263,279	245,617	251,154
3,614,206	3,503,186	3,427,869	3,565,573	3,788,308	3,731,456
2,694,958	2,677,487	2,467,642	2,643,613	2,812,606	2,343,773
559,402	466,167	429,785	381,502	443,363	443,172
1,806,473	1,744,725	1,779,522	2,005,027	1,836,826	1,669,831
47,917	68,725	-	-	-	-
841,833	702,610	715,775	668,171	816,457	719,144
247,685	837,070	957,730	899,871	885,831	1,160,884
<u>46,463,984</u>	<u>45,615,387</u>	<u>46,006,964</u>	<u>47,864,412</u>	<u>48,653,765</u>	<u>50,679,295</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS - (Continued)  
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Instruction:				
Regular	\$ 409,110	\$ 367,679	\$ 698,863	\$ 228,454
Special	147,289	82,640	2,634	28,248
Other	-	-	-	-
Support services:				
Administration	58,931	89,961	98,364	88,706
Operations and maintenance	3,898	2,385	6,761	8,612
Pupil transportation	1,192	4,163	4,761	69,292
Operation of non-instructional services:				
Food service operations	182,552	230,415	288,182	286,530
Other non-instructional services	2,447	-	-	-
Extracurricular activities	398,819	249,257	261,856	245,049
Operating grants and contributions:				
Instruction:				
Regular	411,654	96,577	202,827	367,168
Special	5,916,803	5,184,827	5,361,456	5,294,166
Vocational	205,049	200,292	200,292	-
Other instructional	60,549	-	-	202,061
Support services:				
Pupil	1,051,304	92,295	30,165	47,382
Instructional staff	271,545	104,520	131,144	136,420
Board of education	1,855	-	-	-
Administration	246,912	127,187	137,788	147,666
Fiscal	24,443	-	-	-
Business	8,520	-	-	-
Operations and maintenance	63,449	13,508	36,872	656
Pupil transportation	194,753	106,250	149,803	121,366
Central	11,016	7,200	7,200	7,200
Operation of non-instructional services:				
Food service operations	1,811,228	1,678,948	1,732,495	1,782,895
Other non-instructional services	42,883	67,485	84,625	122,470
Extracurricular activities	33,124	10,585	28,966	25,028
Capital grants and contributions:				
Extracurricular activities	113,200	-	-	-
Total governmental program revenues	<u>11,672,525</u>	<u>8,716,174</u>	<u>9,465,054</u>	<u>9,209,369</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	<u>(47,044,685)</u>	<u>(39,135,030)</u>	<u>(21,381,568)</u>	<u>(40,051,404)</u>



	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
\$	413,522	\$ 322,161	\$ 402,811	\$ 551,704	\$ 384,714	\$ 370,852
	79,702	146,679	359,420	274,744	375,057	330,265
	-	-	-	22,777	-	-
	129,093	129,922	-	-	-	-
	17,675	35,280	18,113	5,202	7,077	40,426
	6,093	10,691	-	-	-	7,044
	303,061	393,289	401,977	468,729	542,574	578,794
	244,571	233,692	253,013	263,103	285,301	281,837
	365,820	128,729	490,640	106,080	989,681	285,365
	4,686,948	4,563,755	3,790,852	3,340,700	3,094,099	3,670,359
	-	-	68,867	3,920	3,920	3,920
	109,557	9,015	70,174	6,922	29,270	678,925
	55,154	45,358	71,882	84,900	60,018	67,436
	320,919	139,632	254,055	522,242	189,499	1,945,713
	-	-	-	-	-	-
	180,708	110,968	145,544	119,719	94,447	145,459
	-	-	-	-	-	-
	-	-	-	-	-	-
	289	672	-	-	-	208,205
	133,248	116,547	124,641	138,474	125,016	157,357
	7,200	-	14,400	7,200	7,200	14,100
	1,665,339	1,381,740	1,360,130	1,446,085	1,471,177	1,273,667
	54,286	87,043	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>8,773,185</u>	<u>7,855,173</u>	<u>7,826,519</u>	<u>7,362,501</u>	<u>7,659,050</u>	<u>10,059,724</u>
	<u>(37,690,799)</u>	<u>(37,760,214)</u>	<u>(38,180,445)</u>	<u>(40,501,911)</u>	<u>(40,994,715)</u>	<u>(40,619,571)</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS - (Continued)  
(ACCRUAL BASIS OF ACCOUNTING)

<b>General Revenues and Other Changes in Net Position</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Governmental activities:				
Property taxes levied for:				
General purposes	\$ 17,001,252	\$ 17,431,311	\$ 16,924,108	\$ 17,798,353
Debt service	2,706,131	2,903,286	2,777,979	2,320,201
Facilities maintenance	146,830	149,713	145,329	98,769
School district income taxes	4,415,664	4,542,234	4,472,395	3,877,917
Payment in lieu of taxes	454,209	286,812	130,542	247,036
Grants and entitlements not restricted to specific programs	21,302,276	22,539,837	21,805,494	21,242,409
Grants restricted for Ohio Schools Facilities Commission (OSFC)	-	-	-	23,452,778
Investment earnings	1,279,155	2,039,112	310,565	79,534
Miscellaneous	198,896	171,884	117,353	105,367
Unrestricted Contributions	-	-	-	-
Total governmental activities	<u>47,504,413</u>	<u>50,064,189</u>	<u>46,683,765</u>	<u>69,222,364</u>
<b>Change in Net Position</b>				
Governmental activities	<u>\$ 459,728</u>	<u>\$ 10,929,159</u>	<u>\$ 25,302,197</u>	<u>\$ 29,170,960</u>

**Source:** School District financial records.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 16,449,350	\$ 16,177,779	\$ 17,896,482	\$ 16,086,746	\$ 16,496,227	\$ 16,698,189
1,178,862	1,235,511	1,339,235	1,539,121	1,501,030	1,458,096
3,814,525	3,710,712	2,336,769	3,520,676	3,478,808	2,865,953
138,837	245,927	211,926	187,737	219,187	194,446
22,146,093	19,260,745	19,033,850	18,167,061	19,057,334	19,446,496
-	-	-	-	-	-
153,159	43,645	26,303	16,119	40,119	122,390
318,204	668,674	978,653	532,750	341,867	195,876
-	-	1,000	-	-	12,742
<u>44,199,030</u>	<u>41,342,993</u>	<u>41,824,218</u>	<u>40,050,210</u>	<u>41,134,572</u>	<u>40,994,188</u>
<u>\$ 6,508,231</u>	<u>\$ 3,582,779</u>	<u>\$ 3,643,773</u>	<u>\$ (451,701)</u>	<u>\$ 139,857</u>	<u>\$ 374,617</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019 (2)</u>	<u>2018</u>	<u>2017</u>
General Fund:				
Nonspendable	\$ 182,499	\$ 201,233	\$ 211,968	\$ 188,798
Restricted	-	-	-	-
Committed	654,212	751,800	831,664	555,248
Assigned	2,729,067	1,573,301	3,050,601	1,299,607
Unassigned	<u>26,446,142</u>	<u>26,774,927</u>	<u>20,151,406</u>	<u>18,760,524</u>
Total general fund	<u>\$ 30,011,920</u>	<u>\$ 29,301,261</u>	<u>\$ 24,245,639</u>	<u>\$ 20,804,177</u>
All Other Governmental Funds:				
Nonspendable	\$ 45,538	\$ 35,467	\$ 28,877	\$ 34,952
Restricted	23,702,114	37,645,135	40,853,093	40,309,261
Unassigned (deficit)	<u>(273,151)</u>	<u>(427,011)</u>	<u>(403,406)</u>	<u>(364,267)</u>
Total all other governmental funds	<u>\$ 23,474,501</u>	<u>\$ 37,253,591</u>	<u>\$ 40,478,564</u>	<u>\$ 39,979,946</u>

(1) The District implemented GASB Statement No. 54 in fiscal year 2011.

(2) The District implemented GASB Statement No. 84 in 2020.  
Amounts for 2019 have been restated to reflect the implementation of this statement.

**Source:** School District financial records.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011 (1)</u>
\$ 76,591	\$ 65,450	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,109,875
397,710	185,057	425,454	606,767	484,204	-
639,995	750,359	3,837,998	282,913	340,274	208,250
15,102,964	9,734,940	3,691,075	2,938,444	2,953,933	1,283,117
<u>\$ 16,217,260</u>	<u>\$ 10,735,806</u>	<u>\$ 7,954,527</u>	<u>\$ 3,828,124</u>	<u>\$ 3,778,411</u>	<u>\$ 2,601,242</u>
\$ 22,273	\$ 41,708	\$ 32,222	\$ 49,581	\$ 146,404	\$ 157,737
2,942,251	2,666,926	2,638,934	2,692,509	2,775,769	2,772,577
(92,458)	(7,963)	(30,790)	(57,978)	(20,321)	(196,799)
<u>\$ 2,872,066</u>	<u>\$ 2,700,671</u>	<u>\$ 2,640,366</u>	<u>\$ 2,684,112</u>	<u>\$ 2,901,852</u>	<u>\$ 2,733,515</u>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Revenues</b>				
From local sources:				
Taxes and payments in lieu of taxes	\$ 24,714,548	\$ 25,271,861	\$ 24,159,763	\$ 24,305,862
Tuition	508,545	395,076	625,199	190,044
Transportation fees	1,192	4,163	4,761	69,292
Earnings on investments	1,373,646	2,094,910	334,653	16,071
Charges for services	182,552	230,415	288,182	286,530
Extracurricular	391,818	241,545	273,588	250,533
Classroom materials and fees	57,302	62,955	67,494	65,384
Rental income, contributions and donations, contract services and other local revenues	1,221,867	284,116	300,762	238,183
Intergovernmental	-	-	-	-
Intergovernmental - state	31,310,292	29,386,256	26,850,237	25,176,339
Intergovernmental - federal	4,513,674	4,717,152	4,612,815	4,274,326
Total revenues	<u>64,275,436</u>	<u>62,688,449</u>	<u>57,517,454</u>	<u>54,872,564</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	18,475,338	17,248,585	16,758,125	16,022,716
Special	11,161,060	10,177,717	9,948,497	9,286,417
Vocational	273,192	264,615	152,400	-
Other	3,455,157	3,397,007	3,456,818	3,797,579
Support services:				
Pupil	3,807,491	3,292,556	2,883,192	2,612,482
Instructional staff	1,182,991	878,675	802,550	751,600
Board of education	105,668	70,307	93,211	71,721
Administration	3,182,633	3,127,528	3,250,153	3,099,508
Fiscal	881,878	912,520	774,684	869,002
Business	483,766	261,039	292,633	272,428
Operations and maintenance	4,050,569	4,895,214	3,814,502	3,431,656
Pupil transportation	2,965,509	2,948,145	2,756,187	2,719,125
Central	623,861	651,475	672,391	464,806
Operation of non-instructional services:				
Food service operations	2,045,223	2,211,869	1,998,896	1,881,104
Other non-instructional services	41,972	61,070	80,646	142,188
Extracurricular activities	1,121,749	974,257	878,282	770,832
Facilities acquisitions and construction	20,492,707	6,692,638	1,453,421	92,478
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	1,500,000	1,445,000	1,625,000	10,995,000
Interest and fiscal charges	1,493,103	1,523,583	1,885,786	369,238
Bond issue costs	-	-	-	443,074
Total expenditures	<u>77,343,867</u>	<u>61,033,800</u>	<u>53,577,374</u>	<u>58,092,954</u>
Excess (deficiency) of revenues over (under) expenditures	(13,068,431)	1,654,649	3,940,080	(3,220,390)

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
\$	21,509,471	\$ 21,466,940	\$ 21,800,092	\$ 21,580,177	\$ 21,914,326	\$ 21,117,182
	423,310	338,215	584,288	657,697	554,165	541,026
	6,093	10,691	-	-	-	-
	151,562	37,050	26,303	16,106	76,402	86,120
	303,061	393,289	607,215	678,268	779,295	792,860
	244,858	238,698	238,659	246,366	257,069	271,898
	74,082	130,814	-	-	-	-
	473,799	861,319	757,367	480,576	148,828	297,921
	-	-	25,302,215	24,005,353	25,844,314	27,194,906
	25,065,885	22,044,571	-	-	-	-
	4,322,578	4,417,142	-	-	-	-
	<u>52,574,699</u>	<u>49,938,729</u>	<u>49,316,139</u>	<u>47,664,543</u>	<u>49,574,399</u>	<u>50,301,913</u>
	15,711,696	15,844,229	15,857,053	17,321,992	17,560,156	18,400,348
	9,165,076	9,014,752	8,610,982	7,343,730	7,420,265	7,875,363
	-	-	-	-	-	-
	3,532,290	3,404,590	3,135,954	3,260,994	2,800,224	3,284,479
	2,542,048	2,645,451	2,621,854	2,591,899	2,692,210	3,169,393
	930,442	768,985	639,021	2,118,418	2,203,056	2,403,786
	114,626	70,195	61,264	48,278	50,486	68,524
	3,048,820	3,035,798	2,954,760	3,007,761	3,159,795	3,183,857
	788,014	775,899	714,947	759,968	835,058	864,251
	265,469	282,733	286,021	260,435	248,336	232,685
	3,628,548	3,545,756	3,436,007	3,575,773	3,808,200	3,725,907
	2,739,508	3,250,579	2,406,320	2,875,254	2,685,669	2,250,011
	550,922	460,715	427,573	380,980	422,131	448,006
	1,779,943	1,691,288	1,770,807	1,943,853	1,950,801	1,610,688
	47,140	102,962	-	-	-	-
	784,418	736,969	660,535	716,804	741,756	759,851
	-	-	-	-	-	-
	-	-	-	-	11,548	147,993
	1,000,000	830,000	238,976	965,000	935,000	890,000
	292,890	636,244	1,421,408	664,831	704,202	750,305
	-	178,693	-	-	-	-
	<u>46,921,850</u>	<u>47,275,838</u>	<u>45,243,482</u>	<u>47,835,970</u>	<u>48,228,893</u>	<u>50,065,447</u>
	5,652,849	2,662,891	4,072,657	(171,427)	1,345,506	236,466

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS (Continued)  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	\$ 500,000	\$ 535,262	\$ 500,000	\$ 28,533,319
Transfers (out)	(500,000)	(535,262)	(500,000)	(28,533,319)
Sale of capital assets	-	-	-	-
Issuance of bonds	-	-	-	33,736,391
Issuance of notes	-	-	-	9,900,000
Refunding bond issued	-	-	-	-
Premium on bonds and notes issued	-	-	-	1,278,796
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,915,187</u>
Net change in fund balances	<u>\$ (13,068,431)</u>	<u>\$ 1,654,649</u>	<u>\$ 3,940,080</u>	<u>\$ 41,694,797</u>
Debt service principal and interest as a percentage of noncapital expenditures	5.30%	5.56%	6.80%	19.74%

Source: School District financial records.



<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
\$ -	\$ -	\$ 10,107	\$ -	\$ 196,573	\$ 243,875
-	-	(10,107)	-	(196,573)	(243,875)
-	-	10,000	3,400	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	12,169,940	-	-	-	-
-	745,386	-	-	-	-
-	(12,736,633)	-	-	-	-
-	178,693	10,000	3,400	-	-
<u>\$ 5,652,849</u>	<u>\$ 2,841,584</u>	<u>\$ 4,082,657</u>	<u>\$ (168,027)</u>	<u>\$ 1,345,506</u>	<u>\$ 236,466</u>
2.78%	3.16%	3.67%	3.43%	3.42%	3.28%

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS

Collection Year	Real Property (a)		Tangible Personal Property (b)		Public Utility (c)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2020	\$ 603,325,130	\$ 1,723,786,086	\$ -	\$ -	\$ 26,574,570	\$ 75,927,343
2019	597,127,420	1,706,078,343	-	-	24,315,590	69,473,114
2018	588,803,760	1,682,296,457	-	-	22,696,900	64,848,286
2017	579,361,190	1,655,317,686	-	-	21,287,390	60,821,114
2016	577,102,760	1,648,865,029	-	-	19,875,960	56,788,457
2015	576,450,780	1,647,002,229	-	-	19,251,570	55,004,486
2014	595,676,590	1,701,933,114	-	-	18,519,470	52,912,771
2013	592,073,150	1,691,637,571	-	-	19,301,560	55,147,314
2012	589,326,510	1,683,790,029	-	-	15,737,050	44,963,000
2011	635,189,390	1,814,826,829	775,420	3,101,680	15,306,870	43,733,914

**Source:** Greene County Auditor's Office

(a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.

(b) Tangible personal property and public utility tangible property are assessed at varying percentages of true value. As categories of tangible personal property have not been separated for this table, the maximum assessed rate of 25% of true value is assumed. Tangible personal property is being phased out, and was reduced to zero for fiscal year 2011, collection year 2012.

(c) Assumes public utilities are assessed at true value which is 35%.

		<b>Total</b>		
<b>Total Direct Tax Rate</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>%</b>	
\$ 54.54	629,899,700	1,799,713,429	35.00%	
55.05	621,443,010	1,775,551,457	35.00%	
55.25	611,500,660	1,747,144,743	35.00%	
55.35	600,648,580	1,716,138,800	35.00%	
52.65	596,978,720	1,705,653,486	35.00%	
52.65	595,702,350	1,702,006,715	35.00%	
52.50	614,196,060	1,754,845,885	35.00%	
52.50	611,374,710	1,746,784,885	35.00%	
52.65	605,063,560	1,728,753,029	35.00%	
51.90	651,271,680	1,861,662,423	34.98%	

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(RATE PER \$1,000 OF ASSESSED VALUE)  
LAST TEN YEARS**

<b>Tax Year/ Collection Year</b>	<b>Overlapping Rates</b>		<b>Direct Rates</b>				<b>Greene County Joint Vocational School</b>
	<b>County</b>	<b>Township</b>	<b>Voted</b>			<b>Total</b>	
			<b>General</b>	<b>Bond</b>	<b>Permanent Improvement</b>		
2019/2020	14.45	12.10	49.74	4.55	0.25	54.54	3.45
2018/2019	14.45	12.10	49.85	4.95	0.25	55.05	4.48
2017/2018	13.95	12.10	50.10	4.90	0.25	55.25	3.45
2016/2017	14.45	12.10	50.20	4.90	0.25	55.35	3.45
2015/2016	14.45	9.90	50.35	2.30	-	52.65	3.45
2014/2015	12.65	9.90	50.25	2.40	-	52.65	3.45
2013/2014	12.25	9.90	50.10	2.40	-	52.50	3.45
2012/2013	12.25	9.90	50.10	2.40	-	52.50	3.45
2011/2012	12.25	9.90	50.20	2.45	-	52.65	3.45
2010/2011	12.25	9.90	47.70	2.20	-	49.90	3.45

**Source:** Greene County Auditor's Office

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO

<b>December 31, 2019</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Dayton Power & Light Electric	\$ 16,392,420	1	2.60%
Vectren Energ Delivery of Ohio Gas	6,631,530	2	1.05%
Charter Woods LLC	6,166,370	3	0.98%
NL Core Avalon Place LLC	5,414,930	4	0.86%
REOF Fairborn One LLC	4,864,370	7	0.77%
Fairborn Cement Company LLC	4,383,110	5	0.70%
Group Housing LLC	4,262,190	6	0.68%
Brinley Place LLC	3,773,920	8	0.60%
2377 Commerce Center BLVD LLC	3,569,870	9	0.57%
Woods Development LLC	3,437,360	10	0.55%
Total	\$ 58,896,070		\$ 629,899,700

<b>December 31, 2010</b>			
<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total City Taxable Assessed Value</b>
Dayton Power & Light Co	\$ 8,975,560	1	1.38%
Charter Woods LLC	6,547,140	2	1.01%
Wright Executive Hotel	5,642,880	3	0.87%
MG - Mapleview LTD	4,221,630	4	0.65%
2377 Commerce Center BLVD LLC	3,617,500	5	0.56%
Miami Valley Publishing	3,290,870	6	0.51%
Campus Village Wright State LLC	3,265,050	7	0.50%
NATDayton LLC	3,254,990	8	0.50%
Highlands Apartments	2,967,300	9	0.46%
Shoppes at VG LTD	2,714,800	10	0.42%
Total	\$ 44,497,720		\$ 651,271,680

**Source:** Greene County Auditor's Office

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

<b>Tax Year/ Collection Year</b>	<b>Current Levy</b>	<b>Delinquent Levy</b>	<b>Total Levy</b>	<b>Current Collection</b>	<b>Percent of Current Levy Collected</b>
2019/2020	\$ 18,350,732	\$ 952,347	19,303,079	\$ 17,832,208	97.17%
2018/2019	18,987,298	1,224,979	20,212,277	18,431,482	97.07%
2017/2018	18,708,140	1,279,663	19,987,803	18,055,695	96.51%
2016/2017	18,442,430	1,412,101	19,854,531	17,753,176	96.26%
2015/2016	16,805,433	1,258,551	18,063,984	16,009,308	95.26%
2014/2015	16,742,577	1,188,351	17,930,928	15,898,713	94.96%
2013/2014	16,700,500	1,063,650	17,764,150	15,927,467	95.37%
2012/2013	16,576,845	1,381,248	17,958,093	15,908,438	95.97%
2011/2012	16,369,589	1,584,755	17,954,344	15,555,307	95.03%
2010/2011	16,672,597	1,544,014	18,216,611	15,752,996	94.48%

Note: "Delinquent Levy" indicates the portion collected that was delinquent.

**Source:** Greene County Auditor's Office

	<b>Delinquent Collection</b>	<b>Total Collection</b>	<b>Total Collection As a Percent of Total Levy</b>
\$	500,985	18,333,193	94.98%
	676,621	19,108,103	94.54%
	754,309	18,810,004	94.11%
	866,245	18,619,421	93.78%
	800,051	16,809,359	93.05%
	663,182	16,561,895	92.36%
	598,192	16,525,659	93.03%
	900,949	16,809,387	93.60%
	881,752	16,437,059	91.55%
	729,415	16,482,411	90.48%

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		(a) Total Primary Government	(b) Per Capita	(b) Per ADM	(b) Percentage Personal Income
	General Obligation Bonds	Energy Conservation Improvement Notes				
2020	\$ 42,072,011	\$ -	\$ 42,072,011	1,242	10,167	4.66%
2019	43,505,484	-	43,505,484	1,010	10,006	4.31%
2018	44,925,146	-	44,925,146	1,043	10,366	4.45%
2017	46,594,653	-	46,594,653	1,082	10,851	4.61%
2016	12,735,066	-	12,735,066	296	2,951	1.26%
2015	13,750,326	-	13,750,326	319	3,136	1.36%
2014	14,677,900	-	14,677,900	448	3,290	2.20%
2013	15,251,473	180,000	15,431,473	471	3,370	2.31%
2012	15,767,687	350,000	16,117,687	492	3,433	2.41%
2011	16,363,741	515,000	16,878,741	515	3,575	2.53%

**Source:** School District financial records

(a) See notes to the financial statements regarding the District's outstanding debt information. Includes unamortized premiums and accreted interest on capital appreciation bonds.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>General Obligation Bonds (1)</b>	<b>Net Position Restricted for Debt Service (2)</b>	<b>Net General Bonded Debt Outstanding</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2020	\$ 42,072,011	\$ (1,025,926)	\$ 41,046,085	2.28%	\$ 1,212
2019	43,505,484	(1,344,462)	42,161,022	2.37%	979
2018	44,925,146	(2,789,001)	42,136,145	2.41%	978
2017	46,594,653	(2,087,351)	44,507,302	2.59%	1,033
2016	12,735,066	(1,145,857)	11,589,209	0.68%	269
2015	13,750,326	(1,061,310)	12,689,016	0.75%	295
2014	14,677,900	(1,071,973)	13,605,927	0.78%	415
2013	15,251,473	(1,260,278)	13,991,195	0.80%	427
2012	15,767,687	(1,124,655)	14,643,032	0.85%	447
2011	16,363,741	(1,087,276)	15,276,465	0.82%	466

(1) Details regarding the District's outstanding debt can be found in the notes to the financial statements. Total includes unamortized premiums and accreted interest on capital appreciation bonds.

(2) Amounts and calculations have been updated for 2018-2010 to reflect the net position restricted for debt service.

**Source:** School District financial records

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2020

<u>Governmental Unit</u>	<u>Net General Tax Supported Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Fairborn City School District	\$ 42,072,011	100.00%	\$ 42,072,011
Overlapping debt:			
Clark County	19,500,000	0.03%	5,850
Greene County	23,955,191	13.91%	3,332,167
Dayton City	52,995,000	1.44%	763,128
Fairborn City	2,843,920	90.94%	2,586,261
Riverside City	515,920	7.91%	40,809
Greene County Career Center	54,100,000	14.71%	7,958,110
Dayton Metro Library District	147,999,986	0.55%	814,000
Total overlapping debt	<u>301,910,017</u>		<u>15,500,325</u>
 Total direct and overlapping debt	 <u>\$ 343,982,028</u>		 <u>\$ 57,572,336</u>

**Note:** The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the subdivision's boundaries and dividing it by the District's total taxable assessed value. Net general tax supported debt includes accreted interest on capital appreciation bonds and unamortized bond premiums, but excludes unamortized deferred losses on refundings.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Voted Debt Limit</b>	<b>Total Debt Applicable to Limit (1)</b>	<b>Debt Service Available Balance</b>	<b>Net Debt Applicable to Limit</b>	<b>Voted Legal Debt Margin</b>	<b>Total Net Debt Applicable to Limit as a Percentage of Debt Limit</b>
2020	\$ 56,690,973	\$ 40,076,331	\$ 1,712,182	\$ 38,364,149	\$ 18,326,824	67.67%
2019	55,929,871	41,576,331	1,344,462	40,231,869	15,698,002	71.93%
2018	55,035,059	43,021,331	1,645,987	41,375,344	13,659,715	75.18%
2017	54,058,372	44,646,331	2,169,463	42,476,868	11,581,504	78.58%
2016	53,728,085	12,004,940	1,124,558	10,880,382	42,847,703	20.25%
2015	53,613,212	13,004,940	1,043,630	11,961,310	41,651,902	22.31%
2014	55,277,645	13,046,011	1,083,288	11,962,723	43,314,922	21.64%
2013	55,023,724	13,104,987	1,219,326	11,885,661	43,138,063	21.60%
2012	54,455,720	13,899,987	1,117,397	12,782,590	41,673,130	23.47%
2011	58,614,451	14,669,987	1,084,057	13,585,930	45,028,521	23.18%

**Source:** Greene County Auditor and School District financial records

(1) Total debt applicable to limit excludes unamortized premiums and accreted interest on capital appreciation bonds.

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. House Bill 530 became effective on March 30, 2006, which excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Personal Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rates (3)</u>		
						<u>Greene County</u>	<u>Ohio</u>	<u>United States</u>
2020	33,876	\$ 26,659	\$ 903,100,284	33.7	4,138	4.1%	5.6%	6.6%
2019	43,066	23,450	1,009,897,700	33.8	4,348	4.0%	4.0%	3.7%
2018	43,066	23,450	1,009,897,700	33.8	4,334	3.7%	4.6%	3.7%
2017	43,066	23,450	1,009,897,700	33.8	4,294	3.9%	5.0%	4.4%
2016	43,066	23,450	1,009,897,700	33.8	4,316	4.3%	4.9%	4.9%
2015	43,066	23,450	1,009,897,700	33.8	4,385	4.4%	4.9%	5.3%
2014	32,770	20,396	668,376,920	32.4	4,462	5.2%	5.8%	6.2%
2013	32,770	20,396	668,376,920	32.4	4,579	7.0%	7.5%	7.4%
2012	32,770	20,396	668,376,920	32.4	4,695	6.9%	7.4%	8.1%
2011	32,770	20,396	668,376,920	32.4	4,721	8.3%	8.8%	8.9%

(1) U. S. Census Bureau information for the City of Fairborn  
2015-2019 information reflects estimates from Census Bureau.  
2011-2014 information from 2010 Census.  
2008-2010 information from 2005 Census.

(2) School District records.

(3) ODJFS, Bureau of Labor Market Information

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

<b>Employer</b>	<b>Nature of Business</b>	<b>December 31, 2019</b>		
		<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Wright Patterson Air Force Base	Governmental/Military	30,000	1	35.56%
Wright State University	Education	2,300	2	2.73%
Unison Industries	Manufacturing	1,425	3	1.69%
Greene County	Governmental	1,144	4	1.36%
Beavercreek City School District	Education	871	5	1.03%
Fairborn City School District	Education	750	6	0.89%
Walmart Stores	Retail Shopping	675	7	0.80%
Cedarville University	Education	599	8	0.71%
Xenia Community Schools	Education	590	9	0.70%
Air Force Institute of Technology	Education	500	10	0.59%
Total		<u>38,854</u>		<u>46.06%</u>
Total Employment within the County		<u>84,355</u>		

<b>Employer</b>	<b>Nature of Business</b>	<b>December 31, 2010</b>		
		<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Wright Patterson Air Force Base	Government/Military	27,406	1	33.31%
Wright State University	Education	3,695	2	4.49%
Beavercreek City School District	Education	1,463	3	1.78%
Teleperformance USA Inc.	Communications	1,203	4	1.46%
Greene County	Governmental	1,035	5	1.26%
Kroger Stores	Grocery	794	6	0.96%
Greene Memorial Hospital	Healthcare	764	7	0.93%
Unison Industries	Manufacturing	753	8	0.92%
Xenia Community Schools	Education	643	9	0.78%
Cedarville University	Education	579	10	0.70%
Total		<u>38,335</u>		<u>46.59%</u>
Total Employment within the County		<u>82,282</u>		

**Source:** Greene County Auditor

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**STAFFING STATISTICS  
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION  
LAST TEN FISCAL YEARS**

<b>Type</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Official - administrative	25.0	28.5	28.0	25.0
Professional - educational	269.0	274.3	284.3	280.3
Professional - other	29.0	20.3	22.4	22.1
Technical	23.0	24.0	22.0	59.0
Office - clerical	33.5	33.5	35.5	63.5
Craft & trade	7.0	7.0	8.0	10.0
Operative	64.0	66.0	70.0	63.5
Service worker/laborer	159.5	156.5	173.5	78.0
<b>Total</b>	<b>610.0</b>	<b>610.1</b>	<b>643.7</b>	<b>601.4</b>

<b>Function</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Instruction:				
Regular	217.0	191.4	201.5	195.0
Special	52.0	53.8	54.2	57.0
Vocational	2.0	1.9	1.9	2.0
Other	27.0	29.2	26.6	26.3
Support Services:				
Pupil	0.0	0.0	0.0	5.0
Administration	25.0	28.5	28.0	25.0
Fiscal	3.0	3.0	3.0	3.0
Operations and maintenance	113.0	125.5	139.5	49.0
Pupil transportation	64.0	66.0	70.0	63.5
Other non-instructional services:				
Food service operations	35.0	36.0	41.0	38.0
Other non-instructional	72.0	74.8	77.9	137.6
<b>Total Governmental Activities</b>	<b>610.0</b>	<b>610.1</b>	<b>643.6</b>	<b>601.4</b>

**Source:** School District records

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
24.0	23.0	24.0	26.3	23.9	24.5
279.0	255.5	277.7	285.4	302.8	309.1
22.6	20.3	19.3	20.1	19.1	21.9
44.0	33.0	35.0	4.0	4.0	4.0
55.6	38.8	64.0	97.8	86.8	103.8
8.0	9.0	9.0	8.0	8.0	8.0
55.7	52.4	35.9	51.0	49.0	51.0
69.0	57.2	49.3	56.9	58.9	66.9
<b>557.9</b>	<b>489.2</b>	<b>514.2</b>	<b>549.5</b>	<b>552.5</b>	<b>589.2</b>

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
188.0	182.0	199.6	198.1	207.6	207.2
55.0	54.0	55.1	56.7	65.6	63.0
2.0	2.0	2.0	1.7	1.7	1.7
34.0	17.5	21.0	28.9	27.9	37.2
5.0	4.0	5.0	31.0	31.0	36.0
24.0	23.0	24.0	26.3	23.9	24.5
3.0	3.0	3.0	3.0	3.0	3.0
38.0	35.2	35.5	35.5	40.5	43.5
55.7	52.4	35.9	51.0	49.0	51.0
38.0	29.9	21.8	28.4	25.4	30.4
115.2	86.0	111.3	88.9	76.9	91.7
<b>557.9</b>	<b>489.0</b>	<b>514.2</b>	<b>549.5</b>	<b>552.5</b>	<b>589.2</b>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Instruction:				
Regular and Special				
Enrollment (students)	4,138	4,348	4,334	4,294
Graduates	231	249	229	222
Support services:				
Board of education				
Regular meetings per year	12	12	12	12
Special meetings per year	10	2	5	7
Administration				
Student attendance rate	94.40%	92.78%	93.20%	95.00%
Fiscal				
Nonpayroll checks issued	2,806	2,879	2,842	2,690
Operations and maintenance				
Square footage maintained	649,237	649,237	649,237	649,237
Pupil transportation				
Avg. students transported daily	2,608	2,507	1,122	389
Food service operations				
Lunches served to students	376,807	459,918	443,265	471,240

(N/A) Information not available

**Source:** School District records



<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
4,316 227	4,385 246	4,462 234	4,579 248	4,695 290	4,721 318
12 19	16 11	15 9	14 13	16 2	15 5
95.00%	95.20%	94.50%	94.80%	94.80%	94.80%
3,059	3,006	2,722	2,899	3,263	3,381
649,237	649,237	649,237	649,237	649,237	649,237
N/A	N/A	N/A	N/A	N/A	N/A
459,162	408,362	395,560	N/A	N/A	N/A

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Land	\$ 299,675	\$ 299,675	\$ 299,675	\$ 299,675
Land improvements	779,694	1,071,407	1,203,168	1,507,096
Buildings and improvements	2,223,743	2,716,007	3,303,178	3,897,649
Furniture, equipment, and vehicles	3,374,436	3,701,281	3,595,207	3,744,690
Construction in progress	<u>28,711,244</u>	<u>8,238,537</u>	<u>1,545,899</u>	<u>92,478</u>
 Total Governmental Activities Capital Assets, net	 <u>\$ 35,388,792</u>	 <u>\$ 16,026,907</u>	 <u>\$ 9,947,127</u>	 <u>\$ 9,541,588</u>

**Source:** School District financial records.

**Note:** Amounts above are presented net of accumulated depreciation.

<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
\$ 299,675	\$ 299,675	\$ 299,675	\$ 299,675	\$ 299,675	\$ 299,675
1,803,777	2,163,409	2,341,670	2,684,038	3,026,406	3,376,578
4,505,577	5,120,822	6,234,180	6,934,357	7,649,354	8,370,794
3,965,476	4,180,722	897,970	1,171,981	1,088,570	989,345
-	-	-	-	-	-
<b>\$ 10,574,505</b>	<b>\$ 11,764,628</b>	<b>\$ 9,773,495</b>	<b>\$ 11,090,051</b>	<b>\$ 12,064,005</b>	<b>\$ 13,036,392</b>

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Black Lane Elementary (1966)				
Square feet	24,245	24,245	24,245	24,245
Capacity (students)	275	275	275	275
Percentage of capacity in use	0.00%	0.00%	0.00%	0.00%
Fairborn High School (1969)				
Square feet	174,577	174,577	174,577	174,577
Capacity (students)	1,100	1,100	1,100	1,100
Enrollment	997	1,122	1,031	1,040
Percentage of capacity in use	90.64%	102.00%	93.73%	94.55%
Baker Middle School (1952)				
Square feet	165,947	165,947	165,947	165,947
Capacity (students)	1,200	1,200	1,200	1,200
Enrollment	914	1,029	1,067	1,024
Percentage of capacity in use	76.17%	85.75%	88.92%	85.33%
Fairborn Intermediate (1954)				
Square feet	89,884	89,884	89,884	89,884
Capacity (students)	1,000	1,000	1,000	1,000
Enrollment	634	712	712	710
Percentage of capacity in use	63.40%	71.20%	71.20%	71.00%
Fairborn Primary School (1957)				
Square feet	142,005	142,005	142,005	142,005
Capacity (students)	1,300	1,300	1,300	1,300
Enrollment	1,593	1,485	1,524	1,520
Percentage of capacity in use	122.54%	114.23%	117.23%	116.92%
Wright Elementary (1965)				
Square feet	23,510	23,510	23,510	23,510
Capacity (students)	250	250	250	250
Percentage of capacity in use	0.00%	0.00%	0.00%	0.00%
Administration Building (1962)				
Square feet	8,973	8,973	8,973	8,973
Psychological Services (1960)				
Square feet	2,288	2,288	2,288	2,288
Psychological Services Garage (1960)				
Square feet	280	280	280	280
Transportation (1944)				
Square feet	13,668	13,668	13,668	13,668
Maintenance (1952)				
Square feet	3,860	3,860	3,860	3,860

**Source:** School District records

**Note:** Year of original construction is in parentheses

2016	2015	2014	2013	2012	2011
24,245	24,245	24,245	24,245	24,245	24,245
275	275	275	275	275	275
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
174,577	174,577	174,577	174,577	174,577	174,577
1,100	1,100	1,100	1,100	1,100	1,100
1,088	1,093	1,146	1,216	1,314	1,380
98.91%	99.36%	104.18%	110.55%	119.45%	125.45%
165,947	165,947	165,947	165,947	165,947	165,947
1,200	1,200	1,200	1,200	1,200	1,200
982	946	985	1,011	979	996
81.83%	78.83%	82.08%	84.25%	81.58%	83.00%
89,884	89,884	89,884	89,884	89,884	89,884
1,000	1,000	1,000	1,000	1,000	1,000
730	727	704	685	717	741
73.00%	72.70%	70.40%	68.50%	71.70%	74.10%
142,005	142,005	142,005	142,005	142,005	142,005
1,300	1,300	1,300	1,300	1,300	1,300
1,516	1,619	1,627	1,667	1,685	1,604
116.62%	124.54%	125.15%	128.23%	129.62%	123.38%
23,510	23,510	23,510	23,510	23,510	23,510
250	250	250	250	250	250
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8,973	8,973	8,973	8,973	8,973	8,973
2,288	2,288	2,288	2,288	2,288	2,288
280	280	280	280	280	280
13,668	13,668	13,668	13,668	13,668	13,668
3,860	3,860	3,860	3,860	3,860	3,860

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Funds		Governmental Activities		Enrollment	Percent Change
	Expenditures (2)	Cost per pupil	Expenses (2)	Cost per pupil		
2020	\$ 74,350,764	\$ 17,968	\$ 57,185,056	\$ 13,819	4,138	(4.83) %
2019	58,065,217	13,354	46,330,589	10,656	4,348	0.32 %
2018	50,066,588	11,552	29,061,840	6,706	4,334	0.93 %
2017	46,285,642	10,779	48,454,422	11,284	4,294	(0.51) %
2016	45,628,960	10,572	46,216,299	10,708	4,316	(1.57) %
2015	45,630,901	10,406	44,778,317	10,212	4,385	(1.73) %
2014	43,583,098	9,768	45,049,234	10,096	4,462	(2.56) %
2013	46,206,139	10,091	46,964,541	10,257	4,579	(2.47) %
2012	46,589,691	9,923	47,767,934	10,174	4,695	(0.55) %
2011	48,425,142	10,257	49,518,411	10,489	4,721	(0.02) %

**Source:** School District financial records

(1) Information not currently available.

(2) Debt Service totals have been excluded.

<b>Teaching Staff</b>	<b>Pupil/Teacher Ratio</b>	<b>Student Attendance Percentage</b>
269	15.38	94.40%
274	15.85	92.78%
284	15.24	93.20%
280	15.32	95.00%
279	15.47	95.00%
256	17.16	95.20%
431	10.35	94.50%
425	10.77	94.80%
426	11.02	94.80%
431	10.95	94.80%

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

TEACHER STATISTICS  
JUNE 30, 2030

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>Pay Range</u>
Bachelor's Degree	126	46.84%	\$40,359 - \$81,929
Master's Degree	143	53.16%	\$43,992 - \$92,826
Educational Specialist	0	0.00%	\$44,839 - \$90,122
Ph.D.	<u>0</u>	<u>0.00%</u>	\$46,575 - \$90,970
	<u><u>269</u></u>	<u><u>100.00%</u></u>	

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	68	25.28%
6 - 10	56	20.82%
11 and over	<u>145</u>	<u>53.90%</u>
	<u><u>269</u></u>	<u><u>100.00%</u></u>

**Source:** School District Personnel Records

**Note:** The salary schedule contained in the current teachers' union collective bargaining agreement does not recognize degrees less than a bachelor's.



**THIS PAGE IS INTENTIONALLY LEFT BLANK**

**FAIRBORN CITY SCHOOL DISTRICT**  
**GREENE COUNTY, OHIO**

**SINGLE AUDIT**

**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2020**

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards.....	1
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	2 - 3
Independent Auditor’s Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance and Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	4 - 5
Schedule of Findings 2 <i>CFR</i> § 200.515.....	6 - 7
Corrective Action Plan 2 <i>CFR</i> § 200.511(c).....	8

**FAIRBORN CITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FEDERAL GRANTOR/ SUB GRANTOR/ PROGRAM TITLE	CFDA NUMBER	(C) PASS-THROUGH GRANT NUMBER	(A) CASH FEDERAL DISBURSEMENTS
<b>U.S. DEPARTMENT OF AGRICULTURE PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>			
(D) <b>Child Nutrition Grant Cluster:</b>			
School Breakfast Program	10.553	2020	\$ 410,130
(D) School Breakfast Program - COVID-19	10.553	2020	103,342
<b>Total National School Breakfast Program</b>			<u>513,472</u>
(D) National School Lunch Program	10.555	2020	891,425
(D) National School Lunch Program - COVID-19	10.555	2020	178,969
(E) National School Lunch Program - Food Donation	10.555	2020	163,841
<b>Total National School Lunch Program</b>			<u>1,234,235</u>
(D) Summer Food Service Program for Children	10.559	2020	15,565
<b>Total U.S. Department of Agriculture and Child Nutrition Cluster</b>			<u>1,763,272</u>
<b>U.S. DEPARTMENT OF DEFENSE DIRECT AWARD</b>			
ROTC	12.000	N/A	50,317
<b>Total U.S. Department of Defense</b>			<u>50,317</u>
<b>U.S. DEPARTMENT OF EDUCATION PASSED THROUGH THE OHIO DEPARTMENT OF EDUCATION</b>			
Title I Grants to Local Educational Agencies	84.010	2019	284,614
Title I Grants to Local Educational Agencies	84.010	2020	1,031,775
<b>Total Title I Grants to Local Educational Agencies</b>			<u>1,316,389</u>
<b>Special Education Cluster (IDEA):</b>			
Special Education_Grants to States	84.027	2019	152,416
Special Education_Grants to States	84.027	2020	774,411
<b>Total Special Education_Grants to States</b>			<u>926,827</u>
Special Education_Preschool Grants	84.173	2019	4,096
Special Education_Preschool Grants	84.173	2020	19,307
<b>Total Special Education_Preschool Grants</b>			<u>23,403</u>
<b>Total Special Education Cluster (IDEA)</b>			<u>950,230</u>
English Language Acquisition State Grants	84.365	2019	1,943
English Language Acquisition State Grants	84.365	2020	20,698
<b>Total English Language Acquisition State Grants</b>			<u>22,641</u>
Supporting Effective Instruction State Grants	84.367	2019	26,728
Supporting Effective Instruction State Grants	84.367	2020	103,104
<b>Total Supporting Effective Instruction State Grant</b>			<u>129,832</u>
Student Support and Academic Enrichment Program	84.424	2019	5,565
Student Support and Academic Enrichment Program	84.424	2020	63,236
<b>Total Student Support and Academic Enrichment Program</b>			<u>68,801</u>
Disaster Recovery Assistance for Education	84.938	2020	879
<b>DIRECT AWARD</b>			
Impact Aid	84.041	2020	126,296
<b>Total U.S. Department of Education</b>			<u>2,615,068</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 4,428,657</u>

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS:**

- (A) This schedule includes the federal award activity of the Fairborn City School District under programs of the federal government for the fiscal year ended June 30, 2020 and is prepared in accordance with the cash basis of accounting. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Fairborn City School District, it is not intended to and does not present the financial position or changes in net position of the Fairborn City School District.
- (B) CFR Section 200.414 of the Uniform Guidance allows a non-federal entity that has never received a negotiated indirect cost rate to charge a de minimis rate of 10% of modified total direct costs to indirect costs. The District has not elected to use the 10% de minimis indirect cost rate.
- (C) OAKS did not assign pass-through numbers for fiscal year 2020.
- (D) Commingled with state and local revenue from sales of breakfasts and lunches; assumed expenditures were made on a first-in, first-out basis.
- (E) The Food Donation Program is a non-cash, in kind, federal grant. Commodities are reported at the entitlement value.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

Fairborn City School District  
Greene County  
306 East Whitter Avenue  
Fairborn, Ohio 45324

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairborn City School District, Greene County, Ohio, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Fairborn City School District's basic financial statements, and have issued our report thereon dated January 11, 2021, wherein we noted as described in Note 3 to the financial statements, the Fairborn City School District adopted GASBS No. 84, *Fiduciary Activities*. Furthermore, as described in Note 22 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Fairborn City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as item 2020-001 and 2020-002.

***Fairborn City School District's Response to Findings***

The Fairborn City School District's response to the finding identified in our audit is described in the accompanying corrective action plan. The Fairborn City School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***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 Fairborn City School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fairborn City School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.  
January 11, 2021

**Independent Auditor's Report on Compliance for the Major Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

Fairborn City School District  
Greene County  
306 East Whitter Avenue  
Fairborn, Ohio 45324

To the Board of Education:

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

We have audited the Fairborn City School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Fairborn City School District's major federal program for the fiscal year ended June 30, 2020. The Fairborn City School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Fairborn City School District's major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Fairborn City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Fairborn City School District's compliance.

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

In our opinion, the Fairborn City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended June 30, 2020.

***Report on Internal Control over Compliance***

Management of the Fairborn City School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Fairborn City School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Fairborn City School District's 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 a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairborn City School District, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Fairborn City School District's basic financial statements. We issued our report thereon dated January 11, 2021, which contained unmodified opinions on those financial statements. Our opinion also explained that the Fairborn City School District adopted GASBS No. 84 during the fiscal year. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. 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 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.



Julian & Grube, Inc.  
January 11, 2021



**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2020**

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

**FAIRBORN CITY SCHOOL DISTRICT  
GREENE COUNTY, OHIO**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2020**

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

Finding Number	2020-001
----------------	----------

**Noncompliance**

Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section requires that any amendments to an appropriation measure must be made by Board resolution and comply with the same provisions of the law as used in developing the original appropriations.

The District did not properly amend its appropriations for the Classroom Facilities Fund throughout the fiscal year.

By not timely and properly modifying the appropriations, the potential to overspend in certain funds exists.

We recommend the District comply with the Ohio Revised Code and monitor appropriations and certified resources to ensure proper budgeting and to prevent excess spending. In addition, the District should monitor its budgetary process on a regular basis and make amendments as necessary. We recommend that the Treasurer regularly review all variances of the budgeting process and submit amendments as necessary.

Finding Number	2020-002
----------------	----------

**Noncompliance**

Ohio Revised Code Section 5705.41(B) requires in part that no subdivision is to expend monies unless it has been appropriated.

The Classroom Facilities Fund had expenditures plus outstanding encumbrances in excess of appropriations at the legal level of control in the amount of \$13,102,256.

With expenditures exceeding appropriations, the District is spending monies that have not lawfully been appropriated by the Board of Education. This may result in unnecessary spending.

We recommend the District comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring their expenditures, so they do not exceed lawful appropriations and amending the budget as needed throughout the fiscal year. This may be achieved by monitoring the budget more closely on a continual basis.

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

None

# Fairborn City Schools

306 E. Whittier Avenue  
Fairborn, Ohio 45324  
937.878.3961  
Fax: 937.879.8180  
www.fairborn.k12.oh.us



Superintendent: **Gene Lolli**  
Treasurer: **Kevin Philo**  
Student Services/H.R.: **Gary Walker**  
Public Relations/Grant Writer: **Pam Gayheart**  
Curriculum: **Sue Brackenhoff**  
Business Affairs: **Jeff Patrick**  
Educational Services/H.R.: **Amy Gayheart**

## CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) JUNE 30, 2020

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2020-001	The Fairborn School District will strive to comply with this for the future and follow guidelines per the State of Ohio.	Fiscal Year 2021	Kevin Philo, Treasurer
2020-002	The Fairborn School District will strive to comply with this for the future and follow guidelines per the State of Ohio.	Fiscal Year 2021	Kevin Philo, Treasurer

**Kevin Philo, Treasurer**

# OHIO AUDITOR OF STATE KEITH FABER



**FAIRBORN CITY SCHOOL DISTRICT**

**GREENE 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 1/28/2021**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)