

OHIO AUDITOR OF STATE  
KEITH FABER



**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY  
JUNE 30, 2024**

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**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY  
JUNE 30, 2024**

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## INDEPENDENT AUDITOR'S REPORT

Findlay City School District  
Hancock County  
1100 Broad Avenue  
Findlay, Ohio 45840

To the Board of Education:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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

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

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

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

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

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

***Required Supplementary Information***

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

***Supplementary information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

March 24, 2025

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**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**Financial Highlights**

Key financial highlights for fiscal year 2024 are as follows:

- In total, net position of governmental activities decreased \$4,655,968 from the 2023 net position. Net position of business-type activities increased \$179,984 from the 2023's net position.
- General revenues accounted for \$63,381,423 in revenue or 76.85% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$19,091,550 or 23.15% of total revenues of \$82,472,973.
- The District had \$85,419,970 in expenses related to governmental activities; \$17,694,083 of these expenses were offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$63,069,919 were inadequate to provide for these programs.
- The District had \$1,528,987 in expenses related to business-type activities; a total of \$1,397,467 was offset by program specific operating grants and contributions. Total revenues were adequate to provide for these programs. Net position of business-type activities increased \$179,984 from a balance of \$1,537,962 to a balance of \$1,717,946.
- The District's major governmental fund is the general fund. The general fund had \$63,718,218 in revenues and \$69,046,451 in expenditures and other financing uses. During fiscal year 2024, the general fund's fund balance decreased \$5,328,233 from a balance of \$13,164,604 to a balance of \$7,836,371.

**Using these Basic Financial Statements**

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

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

**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 2024?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows, liabilities, deferred inflows, 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.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

These two statements report the District's *net position* and changes in 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 District is divided into two distinct kinds of activities:

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

**Business-type Activities** - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The Findlay Digital Academy is reported as a business-type activity of the District.

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

***Fund Financial Statements***

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 fund is the general 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.

***Proprietary Funds***

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service fund accounts for self-insurance.

***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.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

***Required Supplementary Information***

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

**The District as a Whole**

The statement of net position provides the perspective of the District as a whole. The table below provides a summary of the District's net position at June 30, 2024 and June 30, 2023.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Assets</b>						
Current and other assets	\$ 69,184,471	\$ 71,143,324	\$ 1,728,498	\$ 1,668,811	\$ 70,912,969	\$ 72,812,135
Capital assets, net	87,991,325	88,659,145	1,840	82,616	87,993,165	88,741,761
Total assets	157,175,796	159,802,469	1,730,338	1,751,427	158,906,134	161,553,896
<b>Deferred outflows</b>						
Pension	13,746,292	16,646,710	-	-	13,746,292	16,646,710
OPEB	2,510,098	1,507,144	-	-	2,510,098	1,507,144
Total deferred outflows of resources	16,256,390	18,153,854	-	-	16,256,390	18,153,854
<b>Liabilities</b>						
Current liabilities	11,809,227	8,763,495	12,392	17,322	11,821,619	8,780,817
Long-term liabilities:						
Due within one year	3,859,231	3,331,597	-	196,143	3,859,231	3,527,740
Due in more than one year:						
Net pension liability	67,313,125	68,833,198	-	-	67,313,125	68,833,198
Net OPEB liability	4,300,659	3,732,459	-	-	4,300,659	3,732,459
Other amounts	43,551,706	45,936,363	-	-	43,551,706	45,936,363
Total liabilities	130,833,948	130,597,112	12,392	213,465	130,846,340	130,810,577
<b>Deferred inflows</b>						
Property taxes and PILOT levied for next year	34,681,502	29,754,171	-	-	34,681,502	29,754,171
Pension	5,390,504	8,204,137	-	-	5,390,504	8,204,137
OPEB	8,050,547	10,269,250	-	-	8,050,547	10,269,250
Total deferred inflows of resources	48,122,553	48,227,558	-	-	48,122,553	48,227,558
<b>Net Position</b>						
Net investment in capital assets	44,919,290	44,054,799	1,840	2,149	44,921,130	44,056,948
Restricted	12,500,851	10,372,354	924	61,774	12,501,775	10,434,128
Unrestricted (deficit)	(62,944,456)	(55,295,500)	1,715,182	1,474,039	(61,229,274)	(53,821,461)
Total net position (deficit)	\$ (5,524,315)	\$ (868,347)	\$ 1,717,946	\$ 1,537,962	\$ (3,806,369)	\$ 669,615

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2024 and is reported pursuant to GASB Statement 68, “Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27.” The District adopted GASB Statement 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District’s actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

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.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows. The net pension liability decreased and deferred inflows of resources related to pension decreased. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS).

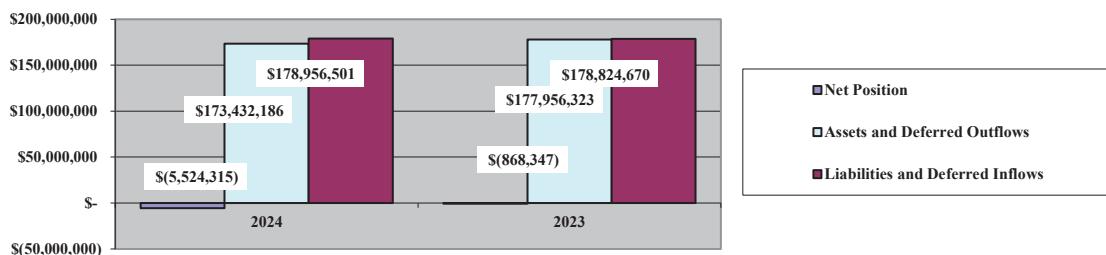
Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2024, the District's governmental liabilities and deferred inflows exceeded assets and deferred outflows by \$5,524,315. Business-type activities assets and deferred outflows exceeded liabilities and deferred inflows by \$1,717,946.

At year-end, capital assets represented 55.37% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment and furniture, vehicles, infrastructure and intangible right to use assets. The District's net investment in capital assets at June 30, 2024, was \$44,921,130. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

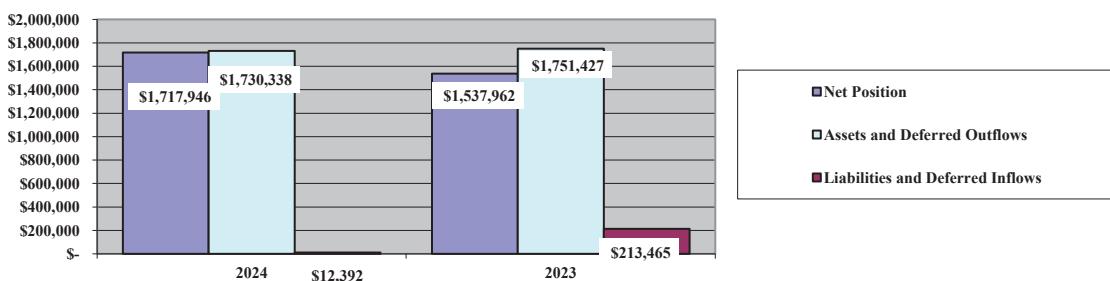
A portion of the District's net position, \$12,501,775, represents resources that are subject to external restriction on how they may be used.

The graphs below show the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2024 and June 30, 2023.

**Governmental Activities**



**Business-Type Activities**



**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The table below shows the change in net position for fiscal years 2024 and 2023.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 4,399,360	\$ 4,352,827	\$ -	\$ -	\$ 4,399,360	\$ 4,352,827
Operating grants and contributions	13,004,982	15,604,426	1,397,467	1,145,987	14,402,449	16,750,413
Capital grants and contributions	289,741	1,832,889	-	-	289,741	1,832,889
General revenues:						
Property taxes	33,082,814	38,340,954	-	-	33,082,814	38,340,954
Payment in lieu of taxes	482,640	345,717	-	-	482,640	345,717
Grants and entitlements	26,307,433	24,708,220	247,209	476,926	26,554,642	25,185,146
Investment earnings	665,419	624,345	64,295	43,822	729,714	668,167
Change in fair value of investments	649,434	699,146	-	-	649,434	699,146
Miscellaneous	1,882,179	938,902	-	-	1,882,179	938,902
Total revenues	<u>80,764,002</u>	<u>87,447,426</u>	<u>1,708,971</u>	<u>1,666,735</u>	<u>82,472,973</u>	<u>89,114,161</u>
<b>Expenses</b>						
Program expenses:						
Instruction:						
Regular	34,375,357	32,112,858	-	-	34,375,357	32,112,858
Special	12,849,419	12,892,914	-	-	12,849,419	12,892,914
Vocational	3,788,093	3,678,696	-	-	3,788,093	3,678,696
Adult/continuing	120	86	-	-	120	86
Other	1,290,346	1,171,218	-	-	1,290,346	1,171,218
Support services:						
Pupil	4,808,404	2,930,989	-	-	4,808,404	2,930,989
Instructional staff	3,175,945	3,927,933	-	-	3,175,945	3,927,933
Board of education	633,152	405,964	-	-	633,152	405,964
Administration	4,707,291	4,227,256	-	-	4,707,291	4,227,256
Fiscal	1,652,640	1,670,993	-	-	1,652,640	1,670,993
Business	15,269	137,835	-	-	15,269	137,835
Operations and maintenance	7,672,754	7,168,464	-	-	7,672,754	7,168,464
Pupil transportation	3,315,617	3,217,637	-	-	3,315,617	3,217,637
Central	161,898	155,411	-	-	161,898	155,411
Operation of non-instructional services						
Other non-instructional services	286,335	386,413	-	-	286,335	386,413
Food service operations	1,871,629	1,719,429	-	-	1,871,629	1,719,429
Extracurricular activities	2,449,200	2,177,231	-	-	2,449,200	2,177,231
Interest and fiscal charges	2,366,501	2,511,646	-	-	2,366,501	2,511,646
Findlay Digital Academy	-	-	1,528,987	1,426,898	1,528,987	1,426,898
Total expenses	<u>85,419,970</u>	<u>80,492,973</u>	<u>1,528,987</u>	<u>1,426,898</u>	<u>86,948,957</u>	<u>81,919,871</u>
Changes in net position	<u>(4,655,968)</u>	<u>6,954,453</u>	<u>179,984</u>	<u>239,837</u>	<u>(4,475,984)</u>	<u>7,194,290</u>
Net position (deficit) at beginning of year	<u>(868,347)</u>	<u>(7,822,800)</u>	<u>1,537,962</u>	<u>1,298,125</u>	<u>669,615</u>	<u>(6,524,675)</u>
Net position (deficit) at end of year	<u>\$ (5,524,315)</u>	<u>\$ (868,347)</u>	<u>\$ 1,717,946</u>	<u>\$ 1,537,962</u>	<u>\$ (3,806,369)</u>	<u>\$ 669,615</u>

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Governmental Activities**

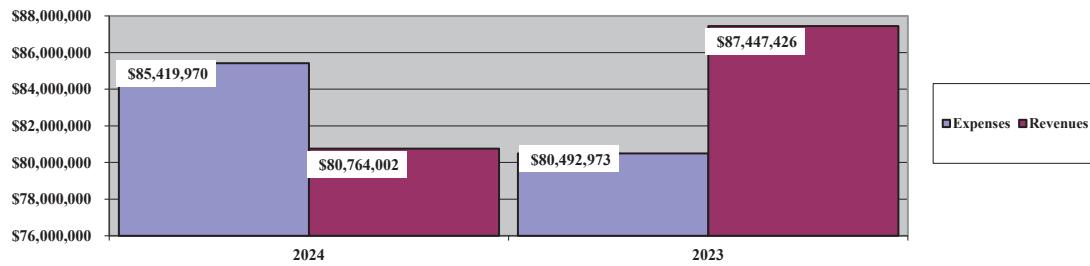
Net position of the District's governmental activities decreased \$4,655,968. Total governmental expenses of \$85,419,970 were offset by program revenues of \$17,694,083 and general revenues of \$63,069,919. Program revenues supported 20.71% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements from the State. These revenue sources account for 73.54% of total governmental revenue. The most significant decrease was in the area of property tax revenues. Property tax revenue decreased due to a decrease in property taxes available at fiscal year-end.

Overall, expenses of the governmental activities increased \$4,926,997 or 6.12%. This increase is primarily the result of an increase in salary costs.

The graph that follows presents the District's governmental activities revenue and expenses for fiscal years 2024 and 2023.

**Governmental Activities - Revenues and Expenses**



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**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

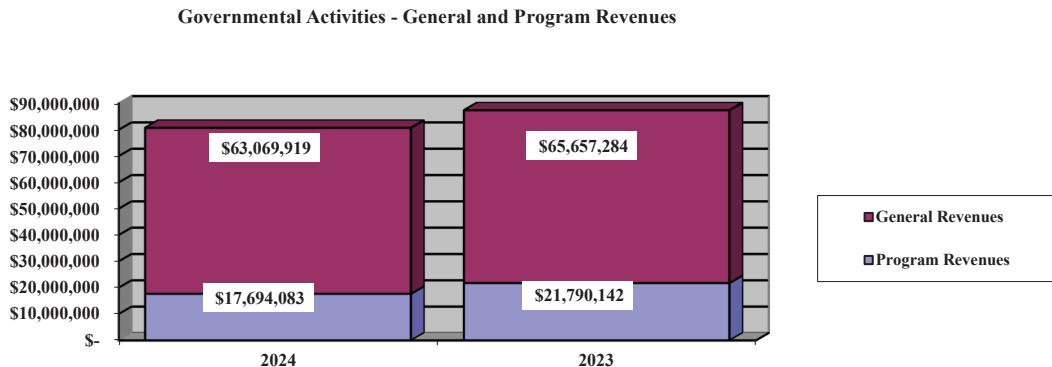
<b>Governmental Activities</b>				
	Total Cost of Services 2024	Net Cost of Services 2024	Total Cost of Services 2023	Net Cost of Services 2023
<b>Program expenses</b>				
Instruction:				
Regular	\$ 34,375,357	\$ 30,906,475	\$ 32,112,858	\$ 25,374,512
Special	12,849,419	5,744,065	12,892,914	5,761,643
Vocational	3,788,093	2,923,363	3,678,696	2,915,011
Adult/continuing	120	(7)	86	86
Other	1,290,346	1,280,249	1,171,218	1,149,930
Support services:				
Pupil	4,808,404	3,669,696	2,930,989	2,089,169
Instructional staff	3,175,945	2,280,604	3,927,933	2,419,853
Board of education	633,152	633,152	405,964	405,964
Administration	4,707,291	4,689,678	4,227,256	4,211,157
Fiscal	1,652,640	1,652,165	1,670,993	1,664,448
Business	15,269	12,717	137,835	111,890
Operations and maintenance	7,672,754	6,749,463	7,168,464	6,153,645
Pupil transportation	3,315,617	3,138,135	3,217,637	2,830,647
Central	161,898	159,128	155,411	128,421
Operation of non-instructional services:				
Other non-instructional services	286,335	139,365	386,413	98,346
Food service operations	1,871,629	(62,794)	1,719,429	(138,795)
Extracurricular activities	2,449,200	1,443,932	2,177,231	1,015,258
Interest and fiscal charges	2,366,501	2,366,501	2,511,646	2,511,646
Total expenses	<u>\$ 85,419,970</u>	<u>\$ 67,725,887</u>	<u>\$ 80,492,973</u>	<u>\$ 58,702,831</u>

The dependence upon tax and other general revenues for governmental activities is apparent as 78.11% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 79.29%. The District's taxpayers, and unrestricted grants and entitlements are the primary support for the District's students.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

The graph below presents the District's governmental activities revenue for fiscal years 2024 and 2023.



**Business-Type Activities**

Business-type activities include the Findlay Digital Academy. This program had revenues of \$1,708,971 and expenses of \$1,528,987 for fiscal year 2024. This resulted in an increase to net position for the fiscal year of \$179,984. This fund is intended to be self-supporting through user fees and charges. Management assesses its performance to ensure that it is run efficiently.

**The District's Funds**

The District's governmental funds reported a combined fund balance of \$14,898,698, which is less than last year's total of \$22,355,232. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2024 and 2023.

	<u>Fund Balance</u> <u>June 30, 2024</u>	<u>Fund Balance</u> <u>June 30, 2023</u>	<u>Decrease</u>
General	\$ 7,836,371	\$ 13,164,604	\$ (5,328,233)
Other Governmental	<u>7,062,327</u>	<u>9,190,628</u>	<u>(2,128,301)</u>
Total	<u>\$ 14,898,698</u>	<u>\$ 22,355,232</u>	<u>\$ (7,456,534)</u>

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**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

***General Fund***

The District's general fund balance decreased \$5,328,233.

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

	<u>2024</u> <u>Amount</u>	<u>2023</u> <u>Amount</u>	<u>Percentage</u> <u>Change</u>
<b><u>Revenues</u></b>			
Taxes and payments in lieu of taxes	\$ 28,379,711	\$ 32,345,036	(12.26) %
Tuition	2,285,062	2,494,893	(8.41) %
Earnings on investments	612,732	610,547	0.36 %
Intergovernmental	30,289,447	28,637,840	5.77 %
Other revenues	<u>2,151,266</u>	<u>1,967,799</u>	9.32 %
<b>Total</b>	<b><u>\$ 63,718,218</u></b>	<b><u>\$ 66,056,115</u></b>	<b>(3.54) %</b>
<b><u>Expenditures</u></b>			
Instruction	\$ 44,255,506	\$ 39,876,174	10.98 %
Support services	22,823,496	19,894,096	14.72 %
Operation of non-instructional services	16,491	184,544	(91.06) %
Extracurricular activities	1,413,176	1,290,110	9.54 %
Capital outlay	-	519,438	(100.00) %
Debt service	<u>137,782</u>	<u>275,564</u>	(50.00) %
<b>Total</b>	<b><u>\$ 68,646,451</u></b>	<b><u>\$ 62,039,926</u></b>	<b>10.65 %</b>

Tax revenues decreased from fiscal year 2023 to fiscal year 2024 due to a decrease in the amount of tax revenue collected and the amount available for advance. Expenditures related to instruction and support services increased due to fluctuations in personnel costs. Operation of non-instructional services decreased due to a decrease in before and after school programs. The District did not issue any debt in fiscal year 2024. All other revenues and expenditures remained consistent with the prior year.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2024, the District amended its general fund budget numerous times. For the general fund, final budgeted revenues and other financing sources were \$62,471,733, which were less than the original budget estimate of \$62,532,225. This decrease is due to decreased estimates in property tax revenues. Actual revenues and other financing sources for fiscal year 2024 were \$64,752,386. This represents a \$2,280,653 increase from final budgeted revenues. The increase was primarily due to property tax and intergovernmental revenues being more than estimated amounts.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$62,734,600 were \$3,815,737 less than the final budget of \$66,550,337. Actual budget basis expenditures for fiscal year 2024 totaled \$66,630,766, which was \$80,429 more than the final budget appropriations. The increase was primarily a result of an increase in support services expenditures.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Capital Assets and Debt Administration**

***Capital Assets***

At the end of fiscal year 2024, the District had \$87,993,165 invested in land, construction in progress, land improvements, buildings and improvements, equipment and furniture, vehicles, infrastructure and intangible right to use assets, net of accumulated depreciation/amortization. Of this total, \$87,991,325 was reported in governmental activities and \$1,840 was reported in business-type activities. The following table shows fiscal year 2024 balances compared to 2023:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Land	\$ 1,722,570	\$ 1,722,570	\$ -	\$ -	\$ 1,722,570	\$ 1,722,570
Construction in progress	1,452,203	1,780,350	-	-	1,452,203	1,780,350
Land improvements	4,706,284	2,012,844	-	-	4,706,284	2,012,844
Buildings and improvements	74,956,650	77,036,291	-	-	74,956,650	77,036,291
Equipment and furniture	2,428,433	3,096,027	1,840	4,306	2,430,273	3,100,333
Vehicles	1,603,690	1,838,432	-	-	1,603,690	1,838,432
Infrastructure	1,114,467	1,162,655	-	-	1,114,467	1,162,655
Intangible right to use	7,028	9,976	-	78,310	7,028	88,286
 Totals	 \$ 87,991,325	 \$ 88,659,145	 \$ 1,840	 \$ 82,616	 \$ 87,993,165	 \$ 88,741,761

See Note 9 to the basic financial statements for additional information on the District's capital assets.

***Debt Administration***

The District had the following long-term obligations outstanding at June 30, 2024 and 2023:

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
General obligation bonds	\$ 35,575,000	\$ 37,470,000
Tax anticipation notes	6,330,000	6,900,000
Note payable	132,360	259,510
Lease payable	68,783	68,783
 Total long-term obligations	 \$ 42,106,143	 \$ 44,698,293
<u>Business-type Activities</u>		
	<u>2024</u>	<u>2023</u>
ODE payable	\$ -	\$ 115,676
Lease payable	-	80,467
 Total long-term obligations	 \$ -	 \$ 196,143

See Note 10 to the basic financial statements for additional information on the District's debt administration.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**Current Financial Related Activities**

COVID had such an impact on our school and the effects continue. The traditional educational delivery model was significantly impacted by the pandemic during fiscal year 2021 through 2023. Schools had to find alternative approaches to delivering educational opportunities mainly through the use of virtual methods. During the Spring of 2022 inflation hit an all time high not seen since the 80's. This increase in costs continues to affect the district purchases.

The fiscal year 2024 beginning cash balance of the General Fund was \$14,213,439 and the ending cash balance was \$13,326,464. The district deficit spending was \$886,975. The new funding model made the revenues and expenditures look considerably different.

The Fair School Funding Plan - Rational, Understandable & Transparent

Based on Actual Costs of Ohio Education

Eliminate Artificial "Caps" on Formula Driven Increases

Reduce the Number of Districts on Artificial "Guarantees"

Respect Local Control

The District was aided by Federal and State Grant funds intended to help schools provide financial support to create and implement modifications to the educational delivery systems and provide a safe environment for students and staff. Congress created more COVID Relief Funding which has provided an additional amount of funding through fiscal year 2024. The District has spent all available transitional assistance for educational needs.

During calendar year 2020 the District placed Operating levies on each of the three election opportunities. Each time the proposed levies were presented to voters, the voters turned down the tax increase. The disruption and uncertainty caused by the COVID-19 pandemic contributed to the failed levy attempt. The District moved forward with a Five Year Strategic Plan which included fiscal stabilization. The most important of the fiscal stabilization was to consolidate the Elementary buildings. The first phase is to consolidate the Elementary buildings from eight (8) to six (6) for fiscal year 2022. The Board closed the Lincoln Elementary and re-purposed Jacobs Elementary from a K-3 building to a Preschool facility. The existing Preschool facility was re-purposed from classrooms to the Welcome Center and Administration office. This move allowed the District to move out of a leased property with some savings by sub-leasing the property to another non profit organization.

The District continues to have fiscal challenges moving forward beyond fiscal year 2024. The Board of Education hired the firm Rockmill Financials to assist with creating a Tax Policy. The Board of Education and the four unions negotiated. The pressure to provide salary increases lead to an overall 2% increase in fiscal year 2024. There were some insurance concessions to help moderate the increase in salaries. The District will need to continue to cut costs and generate more revenue to maintain a healthy cash position.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office at Findlay City School District, 1100 Broad Avenue, Findlay, Ohio 45840.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**STATEMENT OF NET POSITION  
JUNE 30, 2024**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 24,859,499	\$ 1,671,299	\$ 26,530,798
Cash in segregated accounts	154,000	-	154,000
Receivables:			
Property taxes	37,627,420	-	37,627,420
Payment in lieu of taxes	211,048	-	211,048
Accounts	-	3,800	3,800
Accrued interest	92,911	-	92,911
Intergovernmental	1,335,167	53,399	1,388,566
Prepayments	58,723	-	58,723
Materials and supplies inventory	6,235	-	6,235
Inventory held for resale	12,308	-	12,308
Net OPEB asset	4,812,160	-	4,812,160
Security deposit	15,000	-	15,000
Capital assets:			
Not depreciated/amortized capital assets	3,174,773	-	3,174,773
Depreciated/amortized capital assets, net	84,816,552	1,840	84,818,392
Capital assets, net	87,991,325	1,840	87,993,165
Total assets	<u>157,175,796</u>	<u>1,730,338</u>	<u>158,906,134</u>
<b>Deferred outflows of resources:</b>			
Pension	13,746,292	-	13,746,292
OPEB	2,510,098	-	2,510,098
Total deferred outflows of resources	<u>16,256,390</u>	<u>-</u>	<u>16,256,390</u>
<b>Liabilities:</b>			
Accounts payable	155,849	-	155,849
Contracts payable	649,962	-	649,962
Retainage payable	202,729	-	202,729
Accrued wages and benefits payable	7,022,100	-	7,022,100
Intergovernmental payable	176,748	12,392	189,140
Pension and postemployment benefits payable	1,073,959	-	1,073,959
Accrued interest payable	297,515	-	297,515
Unearned revenue	794,634	-	794,634
Claims payable	1,435,731	-	1,435,731
Long-term liabilities:			
Due within one year	3,859,231	-	3,859,231
Due in more than one year:			
Net pension liability	67,313,125	-	67,313,125
Net OPEB liability	4,300,659	-	4,300,659
Other amounts due in more than one year	43,551,706	-	43,551,706
Total liabilities	<u>130,833,948</u>	<u>12,392</u>	<u>130,846,340</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	34,660,521	-	34,660,521
Payment in lieu of taxes levied for the next fiscal year	20,981	-	20,981
Pension	5,390,504	-	5,390,504
OPEB	8,050,547	-	8,050,547
Total deferred inflows of resources	<u>48,122,553</u>	<u>-</u>	<u>48,122,553</u>
<b>Net position:</b>			
Net investment in capital assets	44,919,290	1,840	44,921,130
Restricted for:			
Capital projects	2,269,951	-	2,269,951
OPEB	4,812,160	-	4,812,160
Permanent fund - nonexpendable	605,209	-	605,209
Classroom facilities maintenance	608,527	-	608,527
Debt service	2,023,664	-	2,023,664
Locally funded programs	-	924	924
State funded programs	130,673	-	130,673
Food service operations	1,058,726	-	1,058,726
Student activities	573,972	-	573,972
Other purposes	417,969	-	417,969
Unrestricted (deficit)	<u>(62,944,456)</u>	<u>1,715,182</u>	<u>(61,229,274)</u>
Total net position (deficit)	<u><u>\$ (5,524,315)</u></u>	<u><u>\$ 1,717,946</u></u>	<u><u>\$ (3,806,369)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental activities:</b>				
Instruction:				
Regular	\$ 34,375,357	\$ 675,574	\$ 2,714,907	\$ 78,401
Special	12,849,419	1,274,421	5,830,933	-
Vocational	3,788,093	107,539	591,111	166,080
Adult/continuing	120	127	-	-
Other	1,290,346	-	10,097	-
Support services:				
Pupil	4,808,404	109,992	1,028,716	-
Instructional staff	3,175,945	399,676	495,665	-
Board of education	633,152	-	-	-
Administration	4,707,291	17,613	-	-
Fiscal	1,652,640	-	-	475
Business	15,269	-	-	2,552
Operations and maintenance	7,672,754	537,192	386,099	-
Pupil transportation	3,315,617	5,769	171,713	-
Central	161,898	2,770	-	-
Operation of non-instructional services:				
Food service operations	1,871,629	505,570	1,428,853	-
Other non-instructional services	286,335	-	146,970	-
Extracurricular activities	2,449,200	763,117	199,918	42,233
Interest and fiscal charges	2,366,501	-	-	-
Total governmental activities	<u>85,419,970</u>	<u>4,399,360</u>	<u>13,004,982</u>	<u>289,741</u>
<b>Business-type activities:</b>				
Findlay Digital Academy	1,528,987	-	1,397,467	-
Total business-type activities	<u>1,528,987</u>	<u>-</u>	<u>1,397,467</u>	<u>-</u>
Totals	<u>\$ 86,948,957</u>	<u>\$ 4,399,360</u>	<u>\$ 14,402,449</u>	<u>\$ 289,741</u>

**General revenues:**

Property taxes levied for:

    General purposes

    Debt service

    Capital outlay

Payments in lieu of taxes

Grants and entitlements not restricted

    to specific programs

Investment earnings

Increase in fair value of investments

Miscellaneous

Total general revenues

Change in net position

**Net position (deficit) at beginning of year**

**Net position (deficit) at end of year**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	
\$ (30,906,475)	\$ -	\$ (30,906,475)	
(5,744,065)	-	(5,744,065)	
(2,923,363)	-	(2,923,363)	
7	-	7	
(1,280,249)	-	(1,280,249)	
(3,669,696)	-	(3,669,696)	
(2,280,604)	-	(2,280,604)	
(633,152)	-	(633,152)	
(4,689,678)	-	(4,689,678)	
(1,652,165)	-	(1,652,165)	
(12,717)	-	(12,717)	
(6,749,463)	-	(6,749,463)	
(3,138,135)	-	(3,138,135)	
(159,128)	-	(159,128)	
62,794	-	62,794	
(139,365)	-	(139,365)	
(1,443,932)	-	(1,443,932)	
(2,366,501)	-	(2,366,501)	
<u>(67,725,887)</u>	<u>-</u>	<u>(67,725,887)</u>	
	<u>(131,520)</u>	<u>(131,520)</u>	
	<u>(131,520)</u>	<u>(131,520)</u>	
<u>(67,725,887)</u>	<u>(131,520)</u>	<u>(67,857,407)</u>	
27,854,059	-	27,854,059	
3,623,685	-	3,623,685	
1,605,070	-	1,605,070	
482,640	-	482,640	
26,307,433	247,209	26,554,642	
665,419	64,295	729,714	
649,434	-	649,434	
1,882,179	-	1,882,179	
63,069,919	311,504	63,381,423	
(4,655,968)	179,984	(4,475,984)	
<u>(868,347)</u>	<u>1,537,962</u>	<u>669,615</u>	
<u>\$ (5,524,315)</u>	<u>\$ 1,717,946</u>	<u>\$ (3,806,369)</u>	

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024**

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets:</b>			
Equity in pooled cash and investments	\$ 13,192,634	\$ 8,916,514	\$ 22,109,148
Receivables:			
Property taxes	31,509,220	6,118,200	37,627,420
Payment in lieu of taxes	182,978	28,070	211,048
Accrued interest	92,911	-	92,911
Intergovernmental	124,592	1,210,575	1,335,167
Prepayments	58,723	-	58,723
Materials and supplies inventory	-	6,235	6,235
Inventory held for resale	-	12,308	12,308
Due from other funds	801,316	-	801,316
Security deposit	15,000	-	15,000
Total assets	<u>\$ 45,977,374</u>	<u>\$ 16,291,902</u>	<u>\$ 62,269,276</u>
<b>Liabilities:</b>			
Accounts payable	\$ 98,135	\$ 57,714	\$ 155,849
Contracts payable	41,847	608,115	649,962
Retainage payable	-	202,729	202,729
Accrued wages and benefits payable	6,410,418	611,682	7,022,100
Compensated absences payable	472,790	-	472,790
Intergovernmental payable	167,381	9,367	176,748
Pension and postemployment benefits payable	965,044	108,915	1,073,959
Due to other funds	-	801,316	801,316
Unearned revenue	-	794,634	794,634
Total liabilities	<u>8,155,615</u>	<u>3,194,472</u>	<u>11,350,087</u>
<b>Deferred inflows of resources:</b>			
Property taxes levied for the next fiscal year	29,031,982	5,628,539	34,660,521
Payment in lieu of taxes levied for the next fiscal year	18,191	2,790	20,981
Delinquent property tax revenue not available	789,885	156,132	946,017
Intergovernmental revenue not available	89,938	247,642	337,580
Accrued interest not available	53,066	-	53,066
Miscellaneous revenue not available	2,326	-	2,326
Total deferred inflows of resources	<u>29,985,388</u>	<u>6,035,103</u>	<u>36,020,491</u>

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2024**

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Fund balances:</b>			
Nonspendable:			
Materials and supplies inventory	-	6,235	6,235
Prepays	58,723	-	58,723
Permanent fund	-	605,209	605,209
Restricted:			
Debt service	-	2,214,899	2,214,899
Capital improvements	-	2,220,099	2,220,099
Classroom facilities maintenance	-	608,527	608,527
Food service operations	-	1,085,143	1,085,143
Non-public schools	-	53,208	53,208
State funded programs	-	77,465	77,465
Federally funded programs	-	-	-
Extracurricular	-	598,692	598,692
Other purposes	-	393,249	393,249
Assigned:			
Student instruction	434,743	-	434,743
Student and staff support	438,219	-	438,219
Extracurricular activities	14,110	-	14,110
Subsequent year's appropriations	5,749,179	-	5,749,179
Public school support	183,115	-	183,115
Future claims	183,814	-	183,814
School supplies	165,084	-	165,084
Other purposes	262,322	-	262,322
Unassigned (deficit)	<u>347,062</u>	<u>(800,399)</u>	<u>(453,337)</u>
Total fund balances	<u>7,836,371</u>	<u>7,062,327</u>	<u>14,898,698</u>
Total liabilities, deferred inflows and fund balances	<u><u>\$ 45,977,374</u></u>	<u><u>\$ 16,291,902</u></u>	<u><u>\$ 62,269,276</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES**  
JUNE 30, 2024

<b>Total governmental fund balances</b>	\$ 14,898,698
<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.	87,991,325
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.	
Property taxes receivable	\$ 946,017
Accounts receivable	2,326
Accrued interest receivable	53,066
Intergovernmental receivable	<u>337,580</u>
Total	1,338,989
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.	1,468,620
Unamortized premiums on bonds issued are not recognized in the funds.	(245,561)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.	(297,515)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.	
Deferred outflows - pension	13,746,292
Deferred inflows - pension	(5,390,504)
Net pension liability	(67,313,125)
Deferred outflows - OPEB	2,510,098
Deferred inflows - OPEB	(8,050,547)
Net OPEB asset	4,812,160
Net OPEB liability	<u>(4,300,659)</u>
Total	(63,986,285)
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	(35,575,000)
Tax anticipation notes	(6,330,000)
Lease liability	(68,783)
Notes payable	(132,360)
Compensated absences	<u>(4,586,443)</u>
Total	<u>(46,692,586)</u>
<b>Net position of governmental activities</b>	<u>\$ (5,524,315)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>General</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>			
Property taxes	\$ 27,961,551	\$ 5,248,050	\$ 33,209,601
Intergovernmental	30,289,447	8,303,061	38,592,508
Investment earnings	612,732	13,457	626,189
Tuition and fees	2,285,062	375	2,285,437
Extracurricular	17,534	764,716	782,250
Rental income	92	539,292	539,384
Charges for services	99,741	505,570	605,311
Contributions and donations	25	430,590	430,615
Payment in lieu of taxes	418,160	64,480	482,640
Miscellaneous	1,396,757	1,089,172	2,485,929
Change in fair value of investments	637,117	12,317	649,434
Total revenues	<u>63,718,218</u>	<u>16,971,080</u>	<u>80,689,298</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular	29,794,708	3,423,471	33,218,179
Special	9,850,558	2,774,777	12,625,335
Vocational	3,334,076	146,452	3,480,528
Adult/continuing	120	-	120
Other	1,276,044	14,986	1,291,030
Support services:			
Pupil	4,446,970	289,198	4,736,168
Instructional staff	2,613,714	524,704	3,138,418
Board of education	633,152	-	633,152
Administration	4,661,560	27,081	4,688,641
Fiscal	1,647,035	71,908	1,718,943
Business	-	79,261	79,261
Operations and maintenance	5,971,404	2,315,493	8,286,897
Pupil transportation	2,717,810	3,856	2,721,666
Central	131,851	30,000	161,851
Operation of non-instructional services:			
Food service operations	-	1,876,825	1,876,825
Other non-instructional services	16,491	139,200	155,691
Extracurricular activities	1,413,176	2,295,307	3,708,483
Facilities acquisition and construction	-	717,962	717,962
Debt service:			
Principal retirement	127,150	2,465,000	2,592,150
Interest and fiscal charges	10,632	2,288,556	2,299,188
Total expenditures	<u>68,646,451</u>	<u>19,484,037</u>	<u>88,130,488</u>
Deficiency of revenues under expenditures	<u>(4,928,233)</u>	<u>(2,512,957)</u>	<u>(7,441,190)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	400,000	400,000
Transfers (out)	(400,000)	-	(400,000)
Total other financing sources (uses)	<u>(400,000)</u>	<u>400,000</u>	<u>-</u>
Net change in fund balances	(5,328,233)	(2,112,957)	(7,441,190)
<b>Fund balances at beginning of year</b>	<b>13,164,604</b>	<b>9,190,628</b>	<b>22,355,232</b>
<b>Change in reserve for inventory</b>	<b>-</b>	<b>(15,344)</b>	<b>(15,344)</b>
<b>Fund balances at end of year</b>	<b><u>\$ 7,836,371</u></b>	<b><u>\$ 7,062,327</u></b>	<b><u>\$ 14,898,698</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK 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, 2024**

**Net change in fund balances - total governmental funds** \$ (7,441,190)

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

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.

Capital asset additions	\$ 3,019,104
Current year depreciation /amortization	<u>(3,686,924)</u>
Total	(667,820)

Governmental funds report expenditures for inventory when purchased. However, in the statement of activities, they are reported as an expense when consumed.

(15,344)

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

Property taxes	(126,787)
Tuition	(14,727)
Earnings on investments	41,705
Other local revenues	2,326
Intergovernmental	<u>172,187</u>
Total	74,704

Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.

2,592,150

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	(85,615)
Amortization of bond premiums	<u>18,302</u>
Total	(67,313)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	6,303,301
OPEB	171,736
Total	6,475,037

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.

Pension	(4,870,013)
OPEB	914,853
Total	(3,955,160)

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.

(506,592)

An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

(1,144,440)

**Change in net position of governmental activities** \$ (4,655,968)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2024

	Nonmajor Enterprise Fund	Governmental Activities - Internal Service Fund
<b>Assets:</b>		
Current assets:		
Equity in pooled cash and investments	\$ 1,671,299	\$ 2,750,351
Cash in segregated accounts	-	154,000
Receivables:		
Accounts	3,800	-
Intergovernmental	53,399	-
Total current assets	<u>1,728,498</u>	<u>2,904,351</u>
Noncurrent assets:		
Depreciated/amortized capital assets, net	<u>1,840</u>	<u>-</u>
Total noncurrent assets	<u>1,840</u>	<u>-</u>
Total assets	<u>1,730,338</u>	<u>2,904,351</u>
<b>Liabilities:</b>		
Current liabilities:		
Intergovernmental payable	12,392	-
Claims payable	-	1,435,731
Total current liabilities	<u>12,392</u>	<u>1,435,731</u>
Total liabilities	<u>12,392</u>	<u>1,435,731</u>
<b>Net position:</b>		
Net investment in capital assets	1,840	-
Restricted for locally funded programs	924	-
Unrestricted	<u>1,715,182</u>	<u>1,468,620</u>
Total net position	<u>\$ 1,717,946</u>	<u>\$ 1,468,620</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Nonmajor Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Operating revenues:</b>		
Charges for services	\$ -	\$ 11,166,585
Foundation revenue	1,394,922	-
Other	2,545	-
Total operating revenues	<u>1,397,467</u>	<u>11,166,585</u>
<b>Operating expenses:</b>		
Personal services	-	448,888
Purchased services	1,311,198	2,776,597
Materials and supplies	126,016	-
Other	10,080	-
Claims	-	9,085,540
Depreciation/amortization	<u>80,776</u>	-
Total operating expenses	<u>1,528,070</u>	<u>12,311,025</u>
Operating loss	<u>(130,603)</u>	<u>(1,144,440)</u>
<b>Nonoperating revenues (expenses):</b>		
Grants and subsidies	247,209	-
Interest revenue	64,295	-
Interest and fiscal charges	<u>(917)</u>	-
Total nonoperating revenues (expenses)	<u>310,587</u>	<u>-</u>
Change in net position	179,984	(1,144,440)
<b>Net position at beginning of year</b>	<u>1,537,962</u>	<u>2,613,060</u>
<b>Net position at end of year</b>	<u>\$ 1,717,946</u>	<u>\$ 1,468,620</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Nonmajor Enterprise Fund</b>	<b>Governmental Activities - Internal Service Fund</b>
<b>Cash flows from operating activities:</b>		
Cash received from state foundation	\$ 1,389,706	\$ -
Cash received from charges for services	- -	11,166,585
Cash received from other operations	(1,255)	-
Cash payments for personal services	- -	(448,888)
Cash payments for purchased services	(1,313,238)	(2,917,120)
Cash payments for materials and supplies	(123,690)	-
Cash payments for claims	- -	(8,815,499)
Cash payments for other expenses	<u>(10,080)</u>	<u>-</u>
Net cash used in operating activities	<u>(58,557)</u>	<u>(1,014,922)</u>
<b>Cash flows from noncapital financing activities:</b>		
Cash received from grants and subsidies	592,532	-
Cash used in repayment of foundation settlement	<u>(115,676)</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>476,856</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>		
Interest and fiscal charges	(917)	-
Principal retirement on lease	<u>(80,467)</u>	<u>-</u>
Net cash used in capital and related financing activities	<u>(81,384)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Interest received	64,295	-
Net cash provided by investing activities	<u>64,295</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	401,210	(1,014,922)
<b>Cash and cash equivalents at beginning of year</b>	<b>1,270,089</b>	<b>3,919,273</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$ 1,671,299</u></b>	<b><u>\$ 2,904,351</u></b>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	\$ (130,603)	\$ (1,144,440)
Adjustments:		
Depreciation/amortization	80,776	-
Changes in assets and liabilities:		
Accounts receivable	(3,800)	-
Intergovernmental payable	(4,735)	-
Accrued interest payable	(195)	-
Claims payable	<u>-</u>	<u>129,518</u>
Net cash used in operating activities	<u><u>\$ (58,557)</u></u>	<u><u>\$ (1,014,922)</u></u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Custodial</u>
<b>Additions:</b>	
Extracurricular collections for OHSAA	\$ 20,504
Total additions	<u>20,504</u>
<b>Deductions:</b>	
Extracurricular distributions to OHSAA	<u>20,504</u>
Total deductions	<u>20,504</u>
Change in net position	-
<b>Net position at beginning of year</b>	-
<b>Net position at end of year</b>	<u>\$ -</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The Findlay City School District (the “District”) is located in Hancock County in northwest Ohio. The District is located in a prosperous community, which includes most of the City of Findlay.

The District operates under a locally elected, five-member Board and provides educational services as authorized by its charter or further mandated by State and/or federal agencies. The Board controls the District’s fourteen instructional facilities and one support facility staffed by 506 certified teaching personnel, 365 classified support personnel, and 39 administrators.

The District is organized under Sections 2 and 3, Article VI of the Constitution of the State of Ohio. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

It currently operates 1 preschool, 6 elementary schools, 2 middle schools, 1 high school, and a vocational center, 1 administration building, 1 transportation building and 1 facility building to provide services to approximately 5,256 students in grades pre-K-12 and various community groups.

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

The basic 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 governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District’s significant 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 one blended component unit. The basic financial statements of the reporting entity include only those of the District (the primary government).

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The following organizations are described due to their relationship to the District:

*BLENDED COMPONENT UNIT*

Findlay Digital Academy

The Findlay Digital Academy (the “Academy”) is a Conversion Community School established pursuant to Ohio Revised Code, Chapter 3314. The Academy is sponsored by the District to serve ninth through twelfth grade students living in the District. The Academy’s mission is to enhance and facilitate student learning by combining state-of-the-art digital curriculum with access to local school resources to complement that instruction and prepare students to become lifelong learners and productive citizens. The Academy is governed by a seven-member Board of Directors, the majority of which are public officials or public sector employees who have a professional interest in furthering the establishment of the Academy, the District’s Superintendent, who serves as the non-voting Board President, and can also include one or more parents of enrolled students and community civic leaders. The Academy’s Treasurer serves as a non-voting ex-officio member of the Board. The Academy issues a publicly available, stand-alone financial report that includes basic financial statements and supplementary information. This report may be obtained by writing to Steve Earnest, Treasurer, Findlay Digital Academy at, 1219 West Main Cross, Suite 101, Findlay, Ohio 45840.

The Academy is included as a blended component unit of the District because the District is the sole corporate member as identified in the Academy’s code of regulations and appoints the Academy’s Board of Directors. The District is able to significantly influence the programs or services performed or provided by the organization. In addition, through contractual arrangements, the District is able to access a significant portion of the Academy’s resources. The Academy is reported in the District’s financial statements as a nonmajor enterprise fund. The 2024 school year is the last year Findlay City Schools will be the Findlay Digital Academy sponsor.

*JOINTLY GOVERNED ORGANIZATION*

Northwest Ohio Area Computer Services Cooperative

The District is a participant in the Northwest Ohio Area Computer Services Cooperative (NOACSC) which is a computer consortium. NOACSC is an association of public school districts within the boundaries of Allen, Hancock, Paulding, Putnam, Auglaize, Mercer, Hardin, Wyandot, Seneca, Wood and Van Wert 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 NOACSC consists of two representatives from Hancock, Paulding, Allen, Mercer, Putnam, and Van Wert counties and two at large members. Financial information can be obtained from Ben Thaxton, who serves as Director, at 4277 East Rd, Elida, Ohio 45807.

*PUBLIC ENTITY RISK POOL*

Workers’ Compensation Retrospective Ratings Plan

The District participates in the Bureau of Workers’ Compensation Retrospective Rating Plan. See Note 11.B. for further details on this alternative rating plan.

**B. Fund Accounting**

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

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*GOVERNMENTAL FUNDS*

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

*General fund* - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Ohio.

Other governmental funds of the District are used to account for:

*Nonmajor special revenue funds* - 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.

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

*Nonmajor debt service funds* - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

*Nonmajor permanent funds* - Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizenry.

*PROPRIETARY FUNDS*

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector. The following is a description of the District's proprietary funds:

*Enterprise fund* - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises in which the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The enterprise fund is used to account for the Findlay Digital Academy.

*Internal service fund* - The internal service fund is used to account for the financing of services provided by one fund or department to other funds or departments of the District, or to other governments, on a cost-reimbursement basis. The only internal service fund of the District accounts for a self-insurance program which provides insurance benefits to employees.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*FIDUCIARY FUNDS*

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

**C. Measurement Focus**

*Government-Wide Financial Statements* - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. Internal service fund operating activity is eliminated to avoid overstatement of revenues and expenses.

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

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

*Fund Financial Statements* - Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column and all nonmajor funds are aggregated into one column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

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

Like the government-wide statements, proprietary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows and all liabilities and deferred inflows associated with the operation of this fund are included on the statement of fund net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the proprietary funds' principal ongoing operation. For the District, these revenues are foundation revenue and expenses incurred in operating the Findlay Digital Academy and charges for services revenue and claims administrative expenses for the internal service fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. 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. Proprietary and fiduciary funds also use the accrual basis of accounting.

*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 a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6).

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

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

*Deferred Outflows of Resources and Deferred Inflows of Resources* - In addition to assets, the government-wide statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. See Notes 12 and 13 for deferred outflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively.

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

See Notes 12 and 13 for deferred inflows of resources related to net pension liability/asset and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

*Expenses/Expenditures* - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The entitlement value of donated commodities received during the fiscal year is reported in the financial statements as an expense 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.

**E. Budgets**

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 custodial funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund and function level for the general fund and at the fund level for all other funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education.

Tax Budget:

A budget of estimated cash receipts is submitted to the County Auditor, as Secretary of the County Budget Commission, by January 20 of each year, for the period July 1 to June 30 of the following year.

Estimated Resources:

By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to July 1, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the original and final amended certificate of estimated resources issued during the fiscal year.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is enacted by the Board of Education. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures may not exceed the appropriation totals at the legal level of control. Any revisions that alter the function level in the general fund or the fund level for all other funds must be approved by the Board of Education.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The Board may pass supplemental fund appropriations as long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, all supplemental appropriations were legally enacted.

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

Unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Cash disbursements may not legally exceed budgeted appropriations at the legal level of control.

**F. Cash and Investments**

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. 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 basic financial statements.

During fiscal year 2024, investments were limited to nonnegotiable certificates of deposits, negotiable certificates of deposit, federal agency securities, U.S. government money market mutual funds, U.S. treasury bills, U.S. treasury notes, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as nonnegotiable certificates of deposit, are reported at cost.

During fiscal year 2024, the District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2024, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours notice in advance of all deposits and withdrawals exceeding \$100 million is encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund or the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2024 amounted to \$612,732, which includes \$264,942 assigned from other District funds.

For presentation on the basic financial statements, 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.

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**G. Inventory**

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

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

**H. Capital Assets**

General capital assets are those assets specifically related to governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets used by the enterprise fund are reported in both the business-type activities column of the government-wide financial statement of net position and in the respective fund.

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	20 years	-
Buildings and improvements	25 - 50 years	-
Equipment and furniture	5 - 20 years	5 years
Vehicles	5 - 10 years	-
Infrastructure	30 years	-
Intangible right to use	3 - 5 years	3 years

The District is reporting intangible right to use assets related to leased buildings and software. The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/subscription term or the useful life of the underlying asset.

**I. Compensated Absences**

Compensated absences of the District consist of vacation leave and sick leave 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.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination (severance) payments. A liability for sick leave is accrued using the vesting method; i.e., the liability is based on the sick leave accumulated at June 30, 2024, by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. For purposes of establishing a liability for sick leave on employees expected to become eligible to retire in the future, employees age 50 with at least 10 years of service and any employees with at least 15 years of service regardless of their age were considered expected to become eligible to retire in accordance with GASB Statement No. 16.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at June 30, 2024 and reduced to the maximum payment allowed by labor contract and/or statute, plus any applicable additional salary related payments.

The entire compensated absence liability is reported in the government-wide financial statements. In proprietary funds, the entire amount of compensated absences is reported as a fund liability. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent payments come due each period upon the occurrence of employee resignations or retirements. The balance of the liability is not recorded.

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

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from the proprietary funds are reported on the proprietary fund 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 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, loans and lease obligations are recognized as a liability on the fund financial statements when due. Net pension / OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension / OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

**K. Permanent Fund**

The District’s special revenue scholarship fund activity includes donor restricted endowments. Endowments, in the amount of \$605,209 represent the principal portion. State law permits the District to appropriate, for purposes consistent with the endowment’s intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that the interest should be used to provide scholarships each fiscal year.

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**L. 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. It also includes the long-term amount of loans receivable.

*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 government for specific purposes but do not meet the criteria to be classified as committed. The Board of Education has by resolution authorized the treasurer to assign fund balance, the Board of Education may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

*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.

**M. Net Position**

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

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

**N. Prepayments**

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are reported as assets on the balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of the purchase and the expenditure/expense is reported in the year in which services are consumed.

**O. Estimates**

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

**P. Interfund Activity**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. During fiscal year 2024, there were no transfers between governmental and business-type activities.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Interfund services provided and used are not eliminated in the government-wide statement of activities. 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 and after nonoperating revenues/expenses in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

**Q. Parochial Schools**

St. Michael's Elementary and Heritage Christian School are operated within the District boundaries. Current state legislation provides funding to state chartered parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial school. The receipt and expenditure of these state monies by the District are reflected in a nonmajor governmental fund for financial reporting purposes.

**R. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During the current fiscal year, the District reported neither transaction.

**S. Bond Premium**

Bond premiums are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds.

On the government-wide and fund financial statements, bond issuance costs are expensed during the fiscal year in which they are incurred.

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**T. Security Deposit**

At June 30, 2024, the District had a deposit of \$15,000 with Great Scot, Inc. as security for the faithful performance of all lease covenants and conditions of the property leased. The deposit is recorded on the accompanying statement of net position as a non-current asset.

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

**V. Fair Value**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Change in Accounting Principles**

For fiscal year 2024, the District has implemented certain paragraphs from GASB Implementation Guide No. 2021-1, certain paragraphs of GASB Statement No. 99, "Omnibus 2022", GASB Statement No. 100, "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62" and Implementation Guide No. 2023-1.

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

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

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

GASB Implementation Guide 2023-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2023-1 did not have an effect on the financial statements of the District.

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

**B. Deficit Fund Balances**

Fund balances at June 30, 2024 included the following individual fund deficits:

<u>Nonmajor governmental funds</u>	<u>Deficit</u>
Donnell Stadium	\$ 259,572
Elementary and Secondary School	
Emergency (ESSER)	146,047
IDEA, Part B	277,708
Title I, Disadvantaged Children	96,375
IDEA Preschool Grant for the Handicapped	5,220
Student Support and Academic Enrichment	15,477

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

**NOTE 4 - 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.

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

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;

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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 items (1) and (2) above 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 banker's acceptance and commercial paper notes for a period not to exceed one-hundred-eighty days and two-hundred-seventy days, respectively, from the purchase date in an amount not to exceed forty percent of the interim monies available for investment at any one time.

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**A. Cash on Hand**

At fiscal year end, the District had \$1,427 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 Segregate Accounts**

At fiscal year end, the District had \$154,000 in cash in segregated accounts held by their third-party administrator related to the District's self-funding of health care.

**C. Deposits with Financial Institutions**

At June 30, 2024, the carrying amount of all District deposits was \$4,220,434 and the bank balance of all District deposits was \$5,331,958. Of the bank balance, \$1,750,539 was covered by the FDIC, \$2,805,880 was covered by the Ohio Pooled Collateral System and \$775,539 was exposed to custodial credit risk because this amount was uninsured and uncollateralized.

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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 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 2024, 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, 2024, the District had the following investments and maturities:

Measurement/ <u>Investment type</u>	Measurement <u>Value</u>	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	More than 24 months
<b>Fair Value:</b>						
FHLB	\$ 1,686,317	\$ -	\$ -	\$ 299,910	\$ -	\$ 1,386,407
FFCB	1,308,424	-	-	-	-	1,308,424
FHLMC	1,894,648	-	499,085	900,553	-	495,010
U.S. Government money markets	1,130,729	1,130,729	-	-	-	-
U.S. Treasury bills	982,505	982,505	-	-	-	-
U.S. Treasury notes	3,007,150	-	-	-	-	3,007,150
Negotiable CD's	3,240,186	494,281	815,038	479,134	953,205	498,528
<b>Amortized Cost:</b>						
STAR Ohio	<u>9,058,978</u>	<u>9,058,978</u>	-	-	-	-
<b>Total</b>	<b><u>\$ 22,308,937</u></b>	<b><u>\$ 11,666,493</u></b>	<b><u>\$ 1,314,123</u></b>	<b><u>\$ 1,679,597</u></b>	<b><u>\$ 953,205</u></b>	<b><u>\$ 6,695,519</u></b>

The weighted average maturity of investments is 1.56 years.

The District's investments in U.S. Government money market mutual funds and U.S. Treasury bills are valued using quoted market prices in active markets (Level 1 inputs). The District's investments in federal agency securities (FFCB, FHLB, 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:* Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. The District's investment policy addresses interest rate risk by requiring the consideration of cash flow requirements and market conditions in determining the term of an investment and limiting investment portfolio maturities to five years or less.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*Credit Risk:* The District's investments, except for STAR Ohio, were rated AA+ and AAA by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAR Ohio an AAA money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable CDs are fully covered by the FDIC. The District's investment policy does not specifically address credit risk beyond the adherence to Chapter 135 of the Ohio Revised Code, of which all relevant provisions are described previously in this note disclosure (Note 4).

*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 and U.S. Treasury notes 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. State statute prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee. The District's investment policy does not specifically address custodial credit risk beyond the adherence to this requirement.

*Concentration of Credit Risk:* The District's investment policy addresses concentration of credit risk by requiring investments to be diversified in order to reduce the risk of loss resulting from the over concentration of assets in a specific type of security, the erosion of fair value, or by default. However, the District's investment policy does not place any 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, 2024:

Measurement Investment type	Measurement Value	Percent of Total
Fair Value:		
FHLB	\$ 1,686,317	7.56
FNMA	1,308,424	5.87
FHLMC	1,894,648	8.49
U.S. Government money markets	1,130,729	5.07
U.S. Treasury bills	982,505	4.40
U.S. Treasury notes	3,007,150	13.48
Negotiable CD's	3,240,186	14.52
Amortized Cost:		
STAR Ohio	<u>9,058,978</u>	40.61
Total	<u>\$ 22,308,937</u>	<u>100.00</u>

**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 disclosure above to cash and investments as reported on the statement of net position as of June 30, 2024:

<u>Cash and investments per note disclosure</u>	
Carrying amount of deposits	\$ 4,220,434
Investments	22,308,937
Cash in segregated accounts	154,000
Cash on hand	<u>1,427</u>
Total	<u>\$ 26,684,798</u>

<u>Cash and investments per statement of net position</u>	
Governmental activities	\$ 25,013,499
Business-type activities	<u>1,671,299</u>
Total	<u>\$ 26,684,798</u>

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 5 - INTERFUND TRANSACTIONS**

A. Interfund balances at June 30, 2024, as reported on the fund statements, consist of the following amounts due to/from other funds:

<u>Payable fund</u>	<u>Receivable fund</u>	<u>Amount</u>
Nonmajor governmental funds	General fund	\$ <u>801,316</u>

The primary purpose of the interfund balances is to cover negative cash balances in specific funds where revenues were requested but 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.

B. Interfund transfers for the year ended June 30, 2024, consisted of the following, as reported on the fund financial statement:

<u>Transfers from nonmajor governmental fund to:</u>	<u>Amount</u>
Nonmajor governmental fund	\$ <u>400,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. This transfer was in accordance with Ohio Revised Code § 3318.051(B).

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

**NOTE 6 - PROPERTY TAXES**

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

Property taxes include amounts levied against all real property and public utility property located within the District. Real property tax revenues received in calendar year 2024 represent the collection of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed values as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised fair value. 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 2024 represent the collection of calendar year 2023 taxes. Public utility real and personal property taxes received in calendar year 2024 became a lien on December 31, 2022, were levied after April 1, 2022, 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.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

The District receives property taxes from Hancock County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available as an advance at June 30, 2024 and 2023 were:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Major governmental funds:		
General fund	\$ 1,687,353	\$ 4,795,498
Nonmajor governmental funds:		
Bond retirement fund	227,035	631,909
Permanent improvement fund	106,494	305,554

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, 2024 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 2024 taxes were collected are:

	2023 Second Half Collections		2024 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 1,067,389,750	93.38	\$ 1,065,970,810	92.01
Public utility personal	<u>75,645,090</u>	<u>6.62</u>	<u>92,508,880</u>	<u>7.99</u>
<b>Total</b>	<b><u>\$ 1,143,034,840</u></b>	<b><u>100.00</u></b>	<b><u>\$ 1,158,479,690</u></b>	<b><u>100.00</u></b>
Tax rate per \$1,000 of assessed valuation for:				
General operations	\$58.25		\$58.25	
Permanent improvements	2.50		2.50	
Bond retirement	3.76		3.90	

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 7 - PAYMENTS IN LIEU OF TAXES**

According to State law, Hancock County has entered into agreements with property owners under which Hancock County has granted property tax abatements to those property owners and agreed to construct certain infrastructure improvements. The property owners have agreed to make payments to Hancock County to help pay the costs of the infrastructure improvements. The amount of those payments generally reflects all or a portion of the property taxes which the property owners would have paid if their taxes had not been abated. The property owners' contractual promise to make these payments in lieu of taxes generally continues until the costs of the improvement have been paid or the agreement expires, whichever occurs first. Future development by those owners or others may result in subsequent agreements to make payments in lieu of taxes and may therefore spread the costs of the improvements to a larger number of property owners. The District received \$482,640 in payments in lieu of taxes during fiscal year 2024, and a receivable of \$211,048 has been reported on the statement of net position.

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2024 consisted of property taxes, payments in lieu of taxes (PILOT), accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants and entitlements. 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 receivables reported on the statement of net position follows:

**Governmental activities:**

Property taxes	\$ 37,627,420
PILOT	211,048
Intergovernmental	1,335,167
Accrued interest	<u>92,911</u>
Total	<u>\$ 39,266,546</u>

**Business-type activities:**

Accounts	\$ 3,800
Intergovernmental	<u>53,399</u>
Total	<u>\$ 57,199</u>

Receivables have been disaggregated on the face of the basic financial statements. All receivables are expected to be collected in the subsequent year.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 9 - CAPITAL ASSETS**

**A.** Governmental activities capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance	Additions	Deductions	Balance
	<u>06/30/23</u>	<u>06/30/24</u>		
<b><u>Governmental activities:</u></b>				
<i>Capital assets, not being depreciated/amortized:</i>				
Land	\$ 1,722,570	\$ -	\$ -	\$ 1,722,570
Construction in progress	<u>1,780,350</u>	<u>2,722,310</u>	<u>(3,050,457)</u>	<u>1,452,203</u>
<i>Total capital assets, not being depreciated/amortized</i>	<u>3,502,920</u>	<u>2,722,310</u>	<u>(3,050,457)</u>	<u>3,174,773</u>
<i>Capital assets, being depreciated/amortized:</i>				
Land improvements	4,805,848	3,050,457	-	7,856,305
Buildings and improvements	113,844,013	135,290	-	113,979,303
Equipment and furniture	15,253,733	161,504	-	15,415,237
Vehicles	5,033,381	-	-	5,033,381
Infrastructure	1,450,306	-	-	1,450,306
Intangible right to use: leased building	136,283	-	-	136,283
Intangible right to use: software	<u>12,222</u>	<u>-</u>	<u>-</u>	<u>12,222</u>
<i>Total capital assets, being depreciated/amortized</i>	<u>140,535,786</u>	<u>3,347,251</u>	<u>-</u>	<u>143,883,037</u>
<i>Less: accumulated depreciation/amortization:</i>				
Land improvements	(2,793,004)	(357,017)	-	(3,150,021)
Buildings and improvements	(36,807,722)	(2,214,931)	-	(39,022,653)
Equipment and furniture	(12,157,706)	(829,098)	-	(12,986,804)
Vehicles	(3,194,949)	(234,742)	-	(3,429,691)
Infrastructure	(287,651)	(48,188)	-	(335,839)
Intangible right to use: leased building	(136,283)	-	-	(136,283)
Intangible right to use: software	<u>(2,246)</u>	<u>(2,948)</u>	<u>-</u>	<u>(5,194)</u>
<i>Total accumulated depreciation/amortization</i>	<u>(55,379,561)</u>	<u>(3,686,924)</u>	<u>-</u>	<u>(59,066,485)</u>
<b>Total capital assets, net</b>	<b><u>\$ 88,659,145</u></b>	<b><u>\$ 2,382,637</u></b>	<b><u>\$ (3,050,457)</u></b>	<b><u>\$ 87,991,325</u></b>
Depreciation/amortization expense was charged to governmental functions as follows:				
<b><u>Instruction:</u></b>				
Regular	\$ 1,661,774			
Special	306,586			
Vocational	364,573			
<b><u>Support services:</u></b>				
Pupil	77,188			
Instructional staff	92,119			
Administration	149,396			
Fiscal	67,165			
Business	706			
Operations and maintenance	269,240			
Pupil transportation	272,421			
Other non-instructional services	150,485			
Extracurricular activities	250,562			
Food service operations	<u>24,709</u>			
<b>Total depreciation/amortization expense</b>	<b><u>\$ 3,686,924</u></b>			

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

B. Business-type activities capital asset activity for the fiscal year ended June 30, 2024, was as follows:

<b><u>Business-type activities:</u></b>	Balance			Balance 06/30/24
	06/30/23	Additions	Deductions	
<i>Capital assets, being depreciated/amortized:</i>				
Equipment and furniture	\$ 175,868	\$ -	\$ -	\$ 175,868
Intangible right to use: leased building	234,930	-	(234,930)	-
<i>Total capital assets, being depreciated/amortized</i>	<i>410,798</i>	<i>-</i>	<i>(234,930)</i>	<i>175,868</i>
<i>Less: accumulated depreciation/amortization:</i>				
Equipment and furniture	(171,562)	(2,466)	-	(174,028)
Intangible right to use: leased building	(156,620)	(78,310)	234,930	-
<i>Total accumulated depreciation/amortization</i>	<i>(328,182)</i>	<i>(80,776)</i>	<i>234,930</i>	<i>(174,028)</i>
Total capital assets, net	\$ 82,616	\$ (80,776)	\$ -	\$ 1,840
<b><u>Business-type activities:</u></b>				
Findlay Digital Academy				\$ 80,776
Total depreciation/amortization expense - business-type activities				\$ 80,776

**NOTE 10 - LONG-TERM OBLIGATIONS**

A. During fiscal year 2024, the following changes occurred in the governmental activities long-term obligations.

<b><u>Governmental activities:</u></b>	Balance			Amount Due in One Year
	06/30/23	Increases	Decreases	
G.O. current interest bonds payable, Series 2010	\$ 37,470,000	\$ -	\$ (1,895,000)	\$ 35,575,000
Tax Anticipation Notes, Series 2021 - direct borrowing	4,850,000	-	(570,000)	4,280,000
Tax Anticipation Notes, Series 2023 - direct borrowing	2,050,000	-	-	2,050,000
Note payable - financed purchase	259,510	-	(127,150)	132,360
Lease payable	68,783	-	-	68,783
Net pension liability	68,833,198	-	(1,520,073)	67,313,125
Net OPEB liability	3,732,459	568,200	-	4,300,659
Compensated absences	4,305,804	1,424,093	(670,664)	5,059,233
Total governmental activities	\$ 121,569,754	\$ 1,992,293	\$ (4,782,887)	\$ 118,779,160
			Unamortized premium on bonds	\$ 245,561
			Total on statement of net position	\$ 119,024,721

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

Net pension liabilities will be paid out of the fund from which the employee is paid, which is primarily the general fund for the District. See Note 12 for details of the Net Pension Liability.

Net OPEB liabilities will be paid out of the fund from which the employee is paid, which is primarily the general fund for the District. See Note 13 for details of the Net OPEB Liability/Asset.

Compensated absences will be paid out of the fund from which the employee is paid, which is primarily the general fund for the District.

**General obligation bonds**

On January 21, 2010, the District issued general obligation bonds (Series 2010, School Facilities Improvement Bonds) for construction and renovation of District buildings as part of the Ohio School Facilities Commission project. These bonds are general obligations of the District, for which its full faith and credit is pledged for repayment. On the fund financial statements, payments of principal and interest relating to these bonds will be recorded as expenditures in the bond retirement fund (a nonmajor governmental fund). On the government-wide financial statements, principal payments reduce the liability reported on the statement of net position.

This issue was comprised of current interest bonds, present value \$53,975,000, and capital appreciation bonds, par value \$217,135. The final capital appreciation bonds matured December 1, 2017 (stated interest 20%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date.

Interest payments on the current interest bonds are due on June 1 and December 1 of each year. The final maturity stated on this issue is December 1, 2037.

Principal and interest requirements to retire the long-term bonds are as follows:

<u>Ending June 30,</u>	<u>Current Interest Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,960,000	\$ 2,118,828	\$ 4,078,828
2026	2,030,000	2,008,578	4,038,578
2027	2,105,000	1,888,588	3,993,588
2028	2,190,000	1,759,738	3,949,738
2029	2,275,000	1,625,786	3,900,786
2030-2034	12,790,000	5,878,925	18,668,925
2035 - 2038	<u>12,225,000</u>	<u>1,566,093</u>	<u>13,791,093</u>
<b>Total</b>	<b>\$ 35,575,000</b>	<b>\$ 16,846,536</b>	<b>\$ 52,421,536</b>

**Tax Anticipation Notes, Series 2021**

On April 12, 2021, the District issued \$6,000,000 in general obligation tax anticipation notes to provide on-going permanent improvements through the District including the acquisition and installation of modular classrooms. The tax anticipation notes are capital related and long-term in nature and therefore are reported as a long-term obligation of the governmental activities. The notes bear an interest rate of 1.448% and mature on December 1, 2030. Interest payments are due June 1 and December 1 of each year. Principal and interest payments are paid from the permanent improvement fund. As of June 30, 2024, the remaining balance of the Series 2021 Tax anticipation notes is \$4,280,000.

The tax anticipation note is considered a direct borrowing. Direct borrowings have terms negotiated directly between the District and the lender (Key Government Finance, Inc.) and are not offered for public sale. The note is collateralized by future tax collections.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

Principal and interest requirements to retire Series 2021 Tax anticipation notes outstanding at June 30, 2024, are as follows:

Fiscal Year <u>Ending June 30</u>	Tax anticipation notes			<u>Total</u>
	<u>Principal</u>	<u>Interest</u>		
2025	\$ 580,000	\$ 57,775	\$ 637,775	
2026	590,000	49,304	639,304	
2027	600,000	40,689	640,689	
2028	610,000	31,928	641,928	
2029	620,000	23,023	643,023	
2030 - 2031	<u>1,280,000</u>	<u>18,607</u>	<u>1,298,607</u>	
Total	<u>\$ 4,280,000</u>	<u>\$ 221,326</u>	<u>\$ 4,501,326</u>	

Tax Anticipation Notes, Series 2023

On April 27, 2023, the District issued \$2,050,000 in general obligation tax anticipation notes to provide on-going permanent improvements through the District. The tax anticipation notes are capital related and long-term in nature and therefore are reported as a long-term obligation of the governmental activities. The notes bear an interest rate of 4.8405% and mature on November 1, 2030. Interest payments are due November 1 of each year. Principal and interest payments are paid from the permanent improvement fund. As of June 30, 2024, the remaining balance of the Series 2023 Tax anticipation notes is \$2,050,000.

The tax anticipation note is considered a direct borrowing. Direct borrowings have terms negotiated directly between the District and the lender (Huntington Public Capital Corporation) and are not offered for public sale. The note is collateralized by future tax collections.

Principal and interest requirements to retire Series 2023 Tax anticipation notes outstanding at June 30, 2024, are as follows:

Fiscal Year <u>Ending June 30</u>	Tax anticipation notes			<u>Total</u>
	<u>Principal</u>	<u>Interest</u>		
2025	\$ 210,000	\$ 152,411	\$ 362,411	
2026	275,000	90,528	365,528	
2027	285,000	76,998	361,998	
2028	295,000	62,976	357,976	
2029	310,000	48,462	358,462	
2030 - 2031	<u>675,000</u>	<u>50,430</u>	<u>725,430</u>	
Total	<u>\$ 2,050,000</u>	<u>\$ 481,805</u>	<u>\$ 2,531,805</u>	

Note Payable - Financed Purchase

On October 1, 2021, the District entered into a note payable - financed purchase agreement with Dell Financial Services LLC. for the purpose of acquiring computer equipment. The \$519,438 in proceeds are to be repaid over four years, maturing on October 1, 2024. This is a direct borrowing collateralized by the equipment. Principal and interest payments related to this agreement are made from the general fund.

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 10 - LONG-TERM OBLIGATIONS - (Continued)**

Principal and interest requirements to retire the note payable - financed purchase obligation at June 30, 2024 follows:

Fiscal Year <u>Ending June 30,</u>	Note Payable - Financed Purchase		
	Principal	Interest	Total
2025	\$ 132,360	\$ 5,422	\$ 137,782
Total	<u>\$ 132,360</u>	<u>\$ 5,422</u>	<u>\$ 137,782</u>

Leases Payable

The District has entered into lease agreements for the use of right to use building space. Due to the implementation of GASB Statement No. 87, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the leases. The lease payments will be paid from the general fund.

The District has entered into a lease agreement for building space terms as follows:

<u>Description</u>	<u>Lease Commencement Date (fiscal year)</u>	<u>Years</u>	<u>Lease End Date (fiscal year)</u>	<u>Payment Method</u>
	2017	9	2025	Monthly
Building Space				

The following is a schedule of future lease payments under the lease agreements:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 68,783	\$ 2,092	\$ 70,875
Total	<u>\$ 68,783</u>	<u>\$ 2,092</u>	<u>\$ 70,875</u>

**B. Legal Debt Margins**

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, 2024 are a voted debt margin of \$64,573,071 (including available funds of \$2,214,899), and an unvoted debt margin of \$1,158,480.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 11 - RISK MANAGEMENT**

**A. Comprehensive**

The District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the District contracted with Liberty Mutual Insurance for property and general liability insurance.

Professional liability is provided by Liberty Mutual Insurance with a \$7,000,000 annual aggregate (includes \$4,000,000 umbrella coverage) / \$1,000,000 single occurrence limit and a \$5,000 deductible. Vehicles are covered by Liberty Mutual Insurance and carry a \$1,000 deductible for comprehensive and a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit liability.

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

**B. Workers' Compensation**

The District has participated in the Ohio Bureau of Workers' Compensation (Bureau) Retrospective Rating Plan since 2006. The alternative rating program requires the District to pay only administrative charges to the Bureau, and in turn the District assumes the responsibility of paying all claims incurred during the policy period for up to ten years. After the tenth year, the Bureau will assume any existing claim for its duration. The District's stop-loss coverage through the plan is limited to \$175,000 per claim stop-loss coverage with an annual aggregate.

**C. Employee Health Insurance**

The District's health insurance is funded through a self-insurance program. The District maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. The District offered two comprehensive medical/surgical plans: Option B Plan and Option C (HSA) Plan. The District purchases stop-loss coverage of \$175,000 per employee. The District and employees pay into the self-insurance internal service fund. The monthly premium for the Option B Plan is \$2,673 for family coverage and \$1,078 for single coverage. The monthly premium of the Option C Plan (HSA) is \$2,045 for family coverage, and \$825 for single coverage. The annual high deductible for the HSA Plan for Union employees is \$2,375 individual/\$4,750 family deductible for in-network providers. The premiums are paid by the fund that pays the salary for the employees and is based on historical cost information.

Dental and vision coverage is also provided on a self-insured basis through Employee Benefit Consultants (EBC). Premiums for its coverage are \$113 monthly for family coverage and \$46 for single coverage. The District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the plan document.

The claims payable liability of \$1,435,731 reported in the Employee Benefits Self Insurance fund at June 30, 2024 is based on the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", and as amended by GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability be reported for unpaid claims costs, including estimates of costs relating to incurred but not reported claims. The claims liability is based on an estimate supplied by the District's third party administrator.

Changes in the claims payable liability for the current and prior fiscal years are as follows:

<u>Fiscal Year</u>	<u>Balance at Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2024	\$ 1,306,213	\$ 9,085,540	\$ (8,956,022)	\$ 1,435,731
2023	1,138,210	7,666,977	(7,498,974)	1,306,213

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION PLANS**

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

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

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

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

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

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

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

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

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

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2023, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2024.

**Funding Policy** - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10.00% for plan members and 14.00% for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$1,486,762 for fiscal year 2024. Of this amount, \$112,131 is reported as pension and postemployment benefits payable.

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

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

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

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. 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 and after termination of employment.

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

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

Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

The District's contractually required contribution to STRS was \$4,816,539 for fiscal year 2024. Of this amount, \$790,092 is reported as pension and postemployment benefits payable.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

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

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.260086400%	0.246358040%	
Proportion of the net pension liability current measurement date	<u>0.253901400%</u>	<u>0.247429380%</u>	
Change in proportionate share	<u>-0.006185000%</u>	<u>0.001071340%</u>	
Proportionate share of the net pension liability	\$ 14,029,362	\$ 53,283,763	\$ 67,313,125
Pension expense	\$ 1,150,356	\$ 3,719,657	\$ 4,870,013

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

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 603,014	\$ 1,942,613	\$ 2,545,627
Changes of assumptions	99,378	4,388,207	4,487,585
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	125,649	284,130	409,779
Contributions subsequent to the measurement date	<u>1,486,762</u>	<u>4,816,539</u>	<u>6,303,301</u>
Total deferred outflows of resources	<u>\$ 2,314,803</u>	<u>\$ 11,431,489</u>	<u>\$ 13,746,292</u>

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - 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	\$ -	\$ 118,237	\$ 118,237
Net difference between projected and actual earnings on pension plan investments	197,195	159,693	356,888
Changes of assumptions	- -	3,303,058	3,303,058
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	231,272	1,381,049	1,612,321
Total deferred inflows of resources	<u>\$ 428,467</u>	<u>\$ 4,962,037</u>	<u>\$ 5,390,504</u>

\$6,303,301 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Fiscal Year Ending June 30:</b>			
2025	\$ 151,532	\$ (1,085,299)	\$ (933,767)
2026	(612,426)	(2,264,373)	(2,876,799)
2027	850,017	5,290,435	6,140,452
2028	<u>10,451</u>	<u>(287,850)</u>	<u>(277,399)</u>
<b>Total</b>	<u><u>\$ 399,574</u></u>	<u><u>\$ 1,652,913</u></u>	<u><u>\$ 2,052,487</u></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 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. Future benefits for all current plan members were projected through 2137.

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

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - 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, 2023 and June 30, 2022, are presented below:

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%

COLA or ad hoc COLA:

Current measurement date	2.00%
Prior measurement date	2.00%

Investment rate of return:

Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses

Discount rate:

Current measurement date	7.00%
Prior measurement date	7.00%

Actuarial cost method

Entry age normal (level percent of payroll)

In 2023, mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. Ohio Revised Code Section 3309.15 and the Board-adopted Investment Policy govern investment activity at SERS. 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.

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

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

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

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

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

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 20,706,619	\$ 14,029,362	\$ 8,405,042

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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

*Actuarial Assumptions - STRS*

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 and June 30, 2022, actuarial valuation are presented below:

	June 30, 2023	June 30, 2022
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2023 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 12 - DEFINED BENEFIT PENSION 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	26.00 %	6.60 %
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	<u>1.00</u>	1.00
Total	<u><u>100.00 %</u></u>	

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following table represents the net pension liability as of June 30, 2023, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	Current		
	1% Decrease	Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 81,938,634	\$ 53,283,763	\$ 29,049,583

**Assumption and Benefit Changes Since the Prior Measurement Date** - The discount rate remained at 7.00% for June 30, 2023 valuation. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

**FINDLAY CITY SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS**

***Net OPEB Liability/Asset***

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

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

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

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, 2024, 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 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was \$171,736.

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 \$171,736 for fiscal year 2024. Of this amount, \$171,736 is reported as pension and postemployment benefits payable.

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

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

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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, 2024, STRS did not allocate any employer contributions to post-employment health care.

***Net 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, 2023, 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.

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

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.265842700%	0.246358040%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.261050200%</u>	<u>0.247429380%</u>	
Change in proportionate share	<u>-0.004792500%</u>	<u>0.001071340%</u>	
Proportionate share of the net OPEB liability	\$ 4,300,659	\$ -	\$ 4,300,659
Proportionate share of the net OPEB asset	\$ -	\$ (4,812,160)	\$ (4,812,160)
OPEB expense	\$ (712,896)	\$ (201,957)	\$ (914,853)

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

	SERS	STRS	Total
<b>Deferred outflows of resources</b>			
Differences between expected and actual experience	\$ 8,959	\$ 7,504	\$ 16,463
Net difference between projected and actual earnings on OPEB plan investments	33,332	8,586	41,918
Changes of assumptions	1,454,178	708,898	2,163,076
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	81,201	35,704	116,905
Contributions subsequent to the measurement date	<u>171,736</u>	<u>-</u>	<u>171,736</u>
Total deferred outflows of resources	<u>\$ 1,749,406</u>	<u>\$ 760,692</u>	<u>\$ 2,510,098</u>

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
<b>Deferred inflows of resources</b>			
Differences between expected and actual experience	\$ 2,218,010	\$ 733,979	\$ 2,951,989
Changes of assumptions	1,221,424	3,174,995	4,396,419
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>684,914</u>	<u>17,225</u>	<u>702,139</u>
Total deferred inflows of resources	<u><u>\$ 4,124,348</u></u>	<u><u>\$ 3,926,199</u></u>	<u><u>\$ 8,050,547</u></u>

\$171,736 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2025.

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

	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
<b>Fiscal Year Ending June 30:</b>			
2025	\$ (895,348)	\$ (1,380,042)	\$ (2,275,390)
2026	(768,009)	(653,429)	(1,421,438)
2027	(465,570)	(249,790)	(715,360)
2028	(255,481)	(337,478)	(592,959)
2029	(142,804)	(308,129)	(450,933)
Thereafter	<u>(19,466)</u>	<u>(236,639)</u>	<u>(256,105)</u>
<b>Total</b>	<b><u><u>\$ (2,546,678)</u></u></b>	<b><u><u>\$ (3,165,507)</u></u></b>	<b><u><u>\$ (5,712,185)</u></u></b>

***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.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.86%
Prior measurement date	3.69%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.27%
Prior measurement date	4.08%
Medical trend assumption:	
Current measurement date	6.75 to 4.40%
Prior measurement date	7.00 to 4.40%

In 2023, the following mortality assumptions were used:

**Healthy Retirees** - PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females

**Disabled Retirees** - PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.

**Contingent Survivors** - PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.

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

**Mortality Projection** - Mortality rates are projected using a fully generational projection with Scale MP-2020.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

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

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

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

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

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

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

**Discount Rate** - The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27%. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position is projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022 and the June 30, 2023 total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86% at June 30, 2023 and 3.69% at June 30, 2022.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate (6.75% decreasing to 4.40%).

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 5,497,472	\$ 4,300,659	\$ 3,356,923
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 3,159,545	\$ 4,300,659	\$ 5,812,789

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2023 actuarial valuation, compared with June 30, 2022 actuarial valuation, are presented below:

	June 30, 2023		June 30, 2022	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		Varies by service from 2.50% to 8.50%	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	4.14%	7.50%	3.94%
Medicare	-10.94%	4.14%	-68.78%	3.94%
Prescription Drug				
Pre-Medicare	-11.95%	4.14%	9.00%	3.94%
Medicare	1.33%	4.14%	-5.47%	3.94%

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

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

For the June 30, 2023 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

**Assumption Changes Since the Prior Measurement Date** - The discount rate remained unchanged at 7.00% for the June 30, 2023 valuation.

**Benefit Term Changes Since the Prior Measurement Date** - Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

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

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

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

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

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

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 13 - DEFINED BENEFIT OPEB PLANS - (Continued)**

***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, 2023, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 4,072,863	\$ 4,812,160	\$ 5,456,008
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 5,485,885	\$ 4,812,160	\$ 4,000,668

**NOTE 14 - CONTINGENCIES**

**A. Grants**

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial position of the District.

**B. Litigation**

The District is not involved in pending litigation that would have a material effect on the financial condition of the District.

**C. Foundation Funding**

Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, instead of a minimum number of school days each year. The funding formula the Ohio Department of Education and Workforce (DEW) is legislatively required to follow will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. As of the date of this report, DEW adjustments for fiscal year 2024 have been finalized and resulted in a liability from the District for \$9,717. This amount was not reported on the financial statements.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 15 - 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, 2023	\$ -
Current year set-aside requirement	1,083,680
Current year qualifying expenditures	(947,781)
Current year offsets	<u>(1,718,954)</u>
Total	<u>\$ (1,583,055)</u>
Balance carried forward to fiscal year 2025	<u>\$ -</u>
Set-aside balance June 30, 2024	<u>\$ -</u>

**NOTE 16 - OTHER COMMITMENTS**

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

	<u>Year-End Encumbrances</u>
General fund	\$ 895,472
Nonmajor governmental funds	<u>793,906</u>
Total	<u>\$ 1,689,378</u>

**NOTE 17 - TAX ABATEMENTS ENTERED INTO BY OTHER GOVERNMENTS**

The City of Findlay entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area ("CRA") program with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the City of Findlay has entered into such agreements. Under these agreements, the District's property taxes were reduced by \$1,771,878.

**NOTE 18 – SUBSEQUENT EVENTS**

The District put an Income Tax Levy of 1% on the November 5, 2024 ballot for the purpose of paying for current expenses. The levy was unsuccessful. On January 31, 2025, the District sold Lincoln Elementary School for \$720,000 and deposited the funds into the Permanent Improvement Fund.

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## REQUIRED SUPPLEMENTARY INFORMATION

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance with Final Budget - over (under) Actual Amounts</b>
	<b>Original</b>	<b>Final</b>		
<b>Budgetary revenues:</b>				
Property taxes	\$ 29,992,219	\$ 29,963,205	\$ 31,069,696	\$ 1,106,491
Intergovernmental	29,100,124	29,071,973	30,288,167	1,216,194
Investment earnings	581,962	581,399	623,302	41,903
Tuition and fees	1,295,812	1,294,558	1,190,168	(104,390)
Extracurricular	455	455	-	(455)
Rental income	3,336	3,333	92	(3,241)
Payment in lieu of taxes	321,538	321,538	321,538	-
Miscellaneous	1,118,368	1,116,975	1,192,963	75,988
Classroom materials and fees	2,494	2,492	4,259	1,767
Total budgetary revenues	<u>62,416,308</u>	<u>62,355,928</u>	<u>64,690,185</u>	<u>2,334,257</u>
<b>Budgetary expenditures:</b>				
Current:				
Instruction:				
Regular	26,726,671	28,955,711	28,371,260	(584,451)
Special	9,035,050	10,123,546	9,600,012	(523,534)
Vocational	3,128,502	3,349,808	3,324,127	(25,681)
Other	1,206,107	1,273,153	1,281,525	8,372
Support services:				
Pupil	3,880,730	4,022,235	4,123,392	101,157
Instructional staff	2,119,112	2,499,554	2,251,620	(247,934)
Board of education	617,480	452,590	656,091	203,501
Administration	4,550,113	4,342,332	4,834,632	492,300
Fiscal	1,552,862	1,579,163	1,649,963	70,800
Operations and maintenance	5,827,043	5,630,847	6,191,408	560,561
Pupil transportation	2,649,711	2,815,563	2,815,398	(165)
Central	116,077	132,697	123,335	(9,362)
Extracurricular activities	<u>1,325,142</u>	<u>1,373,138</u>	<u>1,408,003</u>	<u>34,865</u>
Total budgetary expenditures	<u>62,734,600</u>	<u>66,550,337</u>	<u>66,630,766</u>	<u>80,429</u>
Budgetary deficiency of revenues under expenditures	(318,292)	(4,194,409)	(1,940,581)	2,253,828
<b>Budgetary other financing sources:</b>				
Refund of prior year's expenditures	38,935	38,897	62,201	23,304
Sale of capital assets	76,982	76,908	-	(76,908)
Total budgetary other financing sources	<u>115,917</u>	<u>115,805</u>	<u>62,201</u>	<u>(53,604)</u>
Net change in fund balance	(202,375)	(4,078,604)	(1,878,380)	2,200,224
<b>Budgetary fund balance at beginning of year</b>	12,935,940	12,935,940	12,935,940	-
<b>Prior year encumbrances appropriated</b>	1,277,499	1,277,499	1,277,499	-
<b>Budgetary fund balance at end of year</b>	<u>\$ 14,011,064</u>	<u>\$ 10,134,835</u>	<u>\$ 12,335,059</u>	<u>\$ 2,200,224</u>

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.253901400%	\$ 14,029,362	\$ 10,199,971	137.54%	76.06%
2023	0.260086400%	14,067,495	9,708,636	144.90%	75.82%
2022	0.253144300%	9,340,291	8,711,129	107.22%	82.86%
2021	0.268712500%	17,773,211	9,425,129	188.57%	68.55%
2020	0.285801900%	17,100,029	8,482,178	201.60%	70.85%
2019	0.306973900%	17,580,964	10,360,104	169.70%	71.36%
2018	0.299984700%	17,923,423	10,258,343	174.72%	69.50%
2017	0.296636300%	21,711,040	9,906,671	219.16%	62.98%
2016	0.291758100%	16,648,000	8,783,445	189.54%	69.16%
2015	0.283448000%	14,345,142	8,236,450	174.17%	71.70%

<b>Fiscal Year</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>			<b>Contribution Deficiency (Excess)</b>	<b>Contributions as a Percentage of Covered Payroll</b>
<b>Fiscal Year</b>	<b>Contractually Required Contributions</b>	<b>Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 1,486,762	\$ (1,486,762)	\$ -	\$ 10,619,729	14.00%
2023	1,427,996	(1,427,996)	-	10,199,971	14.00%
2022	1,359,209	(1,359,209)	-	9,708,636	14.00%
2021	1,219,558	(1,219,558)	-	8,711,129	14.00%
2020	1,319,518	(1,319,518)	-	9,425,129	14.00%
2019	1,145,094	(1,145,094)	-	8,482,178	13.50%
2018	1,398,614	(1,398,614)	-	10,360,104	13.50%
2017	1,436,168	(1,436,168)	-	10,258,343	14.00%
2016	1,386,934	(1,386,934)	-	9,906,671	14.00%
2015	1,157,658	(1,157,658)	-	8,783,445	13.18%

(1) 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

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

<b>Fiscal Year (1)</b>	<b>District's Proportion of the Net Pension Liability</b>	<b>District's Proportionate Share of the Net Pension Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2024	0.247429380%	\$ 53,283,763	\$ 33,344,164	159.80%	80.02%
2023	0.246358040%	54,765,703	32,444,479	168.80%	78.88%
2022	0.242413870%	30,994,792	29,978,871	103.39%	87.78%
2021	0.255702540%	61,870,916	30,878,243	200.37%	75.48%
2020	0.258496200%	57,164,881	30,246,307	189.00%	77.40%
2019	0.260969540%	57,381,342	30,184,950	190.10%	77.31%
2018	0.254958060%	60,565,834	28,109,257	215.47%	75.30%
2017	0.252501130%	84,519,739	27,235,021	310.33%	66.80%
2016	0.247427440%	68,381,707	25,814,907	264.89%	72.10%
2015	0.246523380%	59,963,018	25,187,877	238.06%	74.70%

<b>Fiscal Year</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>		<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2024	\$ 4,816,539	\$ (4,816,539)	\$ -	\$ 34,403,850	14.00%
2023	4,668,183	(4,668,183)	-	33,344,164	14.00%
2022	4,542,227	(4,542,227)	-	32,444,479	14.00%
2021	4,197,042	(4,197,042)	-	29,978,871	14.00%
2020	4,322,954	(4,322,954)	-	30,878,243	14.00%
2019	4,234,483	(4,234,483)	-	30,246,307	14.00%
2018	4,225,893	(4,225,893)	-	30,184,950	14.00%
2017	3,935,296	(3,935,296)	-	28,109,257	14.00%
2016	3,812,903	(3,812,903)	-	27,235,021	14.00%
2015	3,614,087	(3,614,087)	-	25,814,907	14.00%

(1) 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

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

<b>Fiscal Year (1) (2)</b>	<b>District's Proportion of the Net OPEB Liability</b>	<b>District's Proportionate Share of the Net OPEB Liability</b>	<b>District's Covered Payroll</b>	<b>District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
2024	0.261050200%	\$ 4,300,659	\$ 10,199,971	42.16%	30.02%
2023	0.265842700%	3,732,459	9,708,636	38.44%	30.34%
2022	0.260100500%	4,922,615	8,711,129	56.51%	24.08%
2021	0.278687100%	6,056,783	9,425,129	64.26%	18.17%
2020	0.291782300%	7,337,711	8,482,178	86.51%	15.57%
2019	0.310202500%	8,605,855	10,360,104	83.07%	13.57%
2018	0.303886600%	8,155,518	10,258,343	79.50%	12.46%
2017	0.299662420%	8,541,488	9,906,671	86.22%	11.49%

<b>Fiscal Year</b>	<b>Contributions in Relation to the Contractually Required Contributions</b>				<b>Contributions as a Percentage of Covered Payroll</b>
	<b>Contractually Required Contributions</b>	<b>Contractually Required Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>District's Covered Payroll</b>	
2024	\$ 171,736	\$ (171,736)	\$ -	\$ 10,619,729	2.00%
2023	189,671	(189,671)	-	10,199,971	1.86%
2022	173,109	(173,109)	-	9,708,636	1.78%
2021	162,824	(162,824)	-	8,711,129	1.87%
2020	178,300	(178,300)	-	9,425,129	1.89%
2019	215,311	(215,311)	-	8,482,178	2.54%
2018	213,956	(213,956)	-	10,360,104	2.07%
2017	163,181	(163,181)	-	10,258,343	1.59%
2016	147,572	(147,572)	-	9,906,671	1.49%
2015	211,212	(211,212)	-	8,783,445	2.40%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY, OHIO**

SCHEDULES OF THE REQUIRED SUPPLEMENTARY INFORMATION

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

LAST EIGHT AND TEN FISCAL YEARS

Fiscal Year (1) (2)	District's Proportion of the Net OPEB Liability/(Asset)	District's Proportionate Share of the Net OPEB Liability/(Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)
2024	0.247429300%	\$ (4,812,160)	\$ 33,344,164	14.43%	168.52%
2023	0.246358040%	(6,379,028)	32,444,479	19.66%	230.73%
2022	0.242413870%	(5,111,098)	29,978,871	17.05%	174.73%
2021	0.255702540%	(4,493,970)	30,878,243	14.55%	182.10%
2020	0.258496200%	(4,281,317)	30,246,307	14.15%	174.74%
2019	0.260969540%	(4,193,514)	30,184,950	13.89%	176.00%
2018	0.254958060%	9,947,523	28,109,257	35.39%	47.10%
2017	0.252501130%	13,503,826	27,235,021	49.58%	37.30%

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ -	\$ -	\$ -	\$ 34,403,850	0.00%
2023	-	-	-	33,344,164	0.00%
2022	-	-	-	32,444,479	0.00%
2021	-	-	-	29,978,871	0.00%
2020	-	-	-	30,878,243	0.00%
2019	-	-	-	30,246,307	0.00%
2018	-	-	-	30,184,950	0.00%
2017	-	-	-	28,109,257	0.00%
2016	-	-	-	27,235,021	0.00%
2015	-	-	-	25,814,907	0.00%

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

(2) Information prior to 2017 is not available. Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 1 - BUDGETARY PROCESS**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts 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);
- (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 is as follows:

**Net Change in Fund Balance**

	<u>General fund</u>
Budget basis	\$ (1,878,380)
Net adjustment for revenue accruals	(2,386,017)
Net adjustment for expenditure accruals	(1,555,019)
Net adjustment for other sources/uses	(62,201)
Funds budgeted elsewhere	(438,021)
Adjustments for encumbrances	<u>991,405</u>
GAAP Basis	<u>\$ (5,328,233)</u>

As part of Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting", certain funds that are legally budgeted in separate special revenue funds are considered part of the general fund. This includes the special trust fund, uniform school supplies fund, rotary - special services fund, rotary - internal services fund, public school fund, and special enterprises fund.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**PENSION**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.

*Change in assumptions:*

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

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

*STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO*

*Change in benefit terms:*

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

*Changes in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2024.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

*SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO*

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts reported for fiscal year 2024.

*Change 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%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate went from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.
- For fiscal year 2024, the following changes of assumptions affect the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 3.69% to 3.86%, (b) single equivalent interest rate went from 4.08% to 4.27% and (c) medical trend assumptions went from 7.00% to 4.40% to 6.75% to 4.40%.

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

*Change in benefit terms:*

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2024.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

**NOTE 2 - PENSIONS & OTHER POSTEMPLOYMENT BENEFITS (OPEB) - (Continued)**

*Change in assumptions:*

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) the percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased and (e) the assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.
- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.
- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.
- For fiscal year 2024, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) health care cost trend rates were changed to the following: Pre-Medicare from 7.50% initial - 3.94% ultimate to 7.50% initial - 4.14% ultimate; medical Medicare from -68.78% initial - 3.94% ultimate to -10.94% initial - 4.14% ultimate; prescription drug Pre-Medicare from 9.00% initial - 3.94% ultimate to -11.95% initial - 4.14% ultimate; Medicare from -5.47% initial - 3.94% ultimate to 1.33% initial - 4.14% ultimate.

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program / Cluster Title</b>	<b>Federal AL Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b> <i>Passed Through Ohio Department of Education and Workforce</i>		
<b>Child Nutrition Cluster:</b>		
School Breakfast Program		
Cash Assistance	10.553	<u>\$275,555</u>
National School Lunch Program		
Non-Cash Assistance (Commodities)	10.555	116,614
Cash Assistance	10.555	<u>1,329,643</u>
Total National School Lunch Program		1,446,257
Total Child Nutrition Cluster		<u>1,721,812</u>
<b>Total U.S. Department of Agriculture</b>		<b><u>1,721,812</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b> <i>Passed Through Ohio Department of Education and Workforce</i>		
Title I Grants to Local Educational Agencies	84.010A	1,235,774
Title I Grants to Local Educational Agencies - School Quality Improvement	84.010A	11,475
Title I Grants to Local Education Agencies - Expanding Opportunities for Each Child Competitive Grant	84.010A	18,939
Title I Grants to Local Education Agencies - Expanding Opportunities for Each Child Non-Competitive Grant	84.010A	<u>43,106</u>
Total Title I Grants to Local Education Agencies		<u>1,309,294</u>
<b>Special Education Cluster:</b>		
Special Education Grants to States	84.027A	1,339,307
ARP Special Education Grants to States	84.027X	<u>20,585</u>
Total Special Education Grants to States		<u>1,359,892</u>
Special Education Preschool Grants	84.173A	29,362
Total Special Education Cluster		<u>1,389,254</u>
Career and Technical Education - Basic Grants to States	84.048A	<u>243,235</u>
English Language Acquisition State Grants	84.365A	<u>26,218</u>
Supporting Effective Instruction State Grants	84.367A	<u>273,147</u>
Student Support and Academic Enrichment Program	84.424A	124,585
Student Support and Academic Enrichment Program - Stronger Connections Grant	84.424F	<u>55,688</u>
Total Student Support and Academic Enrichment Program		<u>180,273</u>
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	2,681,484
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP Homeless)	84.425W	<u>38,631</u>
Total COVID-19 Education Stabilization Fund		<u>2,720,115</u>
<b>Total U.S. Department of Education</b>		<b><u>6,141,536</u></b>
<b>Total Expenditures of Federal Awards</b>		<b><u>\$7,863,348</u></b>

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

**FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY**

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

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Findlay City School District, Hancock County, Ohio (the District) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

The District has elected not to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D – CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F – TRANSFERS BETWEEN PROGRAM YEARS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with Ohio Department of Education and Workforce's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2024 to 2025 programs:

<b>Program Title</b>	<b>AL Number</b>	<b>Amt. Transferred</b>
Title I Grants to Local Educational Agencies	84.010	\$ 166,724
Special Education Grants to States	84.027	\$ 4,608
Special Education Preschool Grants	84.173	\$ 5,483
English Language Acquisition State Grants	84.365	\$ 175
Supporting Effective Instruction State Grants	84.367	\$ 18,309
Student Support and Academic Enrichment Program	84.424	\$ 20,465



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

Findlay City School District  
Hancock County  
1100 Broad Avenue  
Findlay, Ohio 45840

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the major fund, and the aggregate remaining fund information of Findlay City School District, Hancock County, Ohio (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 24, 2025.

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

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

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

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

Findlay City School District  
Hancock County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

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

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

***Purpose of This Report***

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 24, 2025



65 East State Street  
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800-282-0370

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

Findlay City School District  
Hancock County  
1100 Broad Avenue  
Findlay, Ohio 45840

To the Board of Education:

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

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

We have audited Findlay City School District, Hancock County, Ohio's (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Findlay City School District's major federal program for the year ended June 30, 2024. Findlay City School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

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

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

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

***Other Matter – Federal Expenditures Not Included in the Compliance Audit***

The District's basic financial statements include the operations of Findlay Digital Academy, which expended \$130,602 in federal awards which is not included in the District's Schedule of Expenditures of Federal Awards during the year ended June 30, 2024. Our compliance audit, described in the "Opinion on the Major Federal Program," does not include the operations of Findlay Digital Academy because the Findlay Digital Academy is legally separate from the primary government which this report addresses, and because it expended less than \$750,000 of Federal awards for the fiscal year ended June 30, 2024, it was not subject to an audit of compliance.

***Responsibilities of Management for Compliance***

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

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

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

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

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

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

Findlay City School District  
Hancock County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control Over  
Compliance Required by the Uniform Guidance  
Page 3

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

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

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

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

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



Keith Faber  
Auditor of State  
Columbus, Ohio

March 24, 2025

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FINDLAY CITY SCHOOL DISTRICT  
HANCOCK COUNTY

SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS

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

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

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# OHIO AUDITOR OF STATE KEITH FABER



FINDLAY CITY SCHOOL DISTRICT

HANCOCK COUNTY

## AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/27/2025

65 East State Street, Columbus, Ohio 43215  
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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)