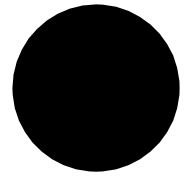


FAIRBORN CITY SCHOOL DISTRICT

GREENE COUNTY, OHIO



Annual Comprehensive Financial Report 2023

FAIRBORN, OHIO

FOR THE FISCAL YEAR
ENDED JUNE 30, 2023

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

We have reviewed the *Independent Auditor's Report* of the Fairborn City School District, Greene County, prepared by Julian & Grube, Inc., for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Keith Faber
Auditor of State
Columbus, Ohio

January 19, 2024

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ANNUAL COMPREHENSIVE
FINANCIAL REPORT

OF THE

FAIRBORN CITY
SCHOOL DISTRICT

FOR THE

FISCAL YEAR ENDED JUNE 30, 2023

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

306 E. WHITTIER AVE.

FAIRBORN, OHIO 45324

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INTRODUCTORY SECTION

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

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

II. FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT.....	15-17
MANAGEMENT’S DISCUSSION AND ANALYSIS	18-28
BASIC FINANCIAL STATEMENTS:	
Government-Wide Financial Statements:	
Statement of Net Position	29
Statement of Activities.....	30
Fund Financial Statements:	
Balance Sheet - Governmental Funds	31
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	32
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	33
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	34
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund.....	35
Notes to the Basic Financial Statements.....	36-79
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of the District’s Proportionate Share of the Net Pension Liability:	
School Employees Retirement System (SERS) of Ohio	82-83
State Teachers Retirement System (STRS) of Ohio	84-85

REQUIRED SUPPLEMENTARY INFORMATION - (Continued):

Schedule of District Pension Contributions:

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

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

School Employees Retirement System (SERS) of Ohio	90-91
State Teachers Retirement System (STRS) of Ohio	92-93

Schedule of District OPEB Contributions:

School Employees Retirement System (SERS) of Ohio	94-95
State Teachers Retirement System (STRS) of Ohio	96-97

Notes to Required Supplementary Information	98-102
---	--------

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES:

Fund Descriptions - Major Funds	104
---------------------------------------	-----

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

Debt Service Fund	105
Building Fund	105

Combining Balance Sheet - Nonmajor Governmental Funds	106
---	-----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	107
--	-----

Fund Descriptions - Nonmajor Special Revenue Funds	108-110
--	---------

Combining Balance Sheet - Nonmajor Special Revenue Funds	112-115
--	---------

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	116-120
---	---------

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

Miscellaneous Grants Fund	121
District Managed Student Activity Fund	121
Auxiliary Services Fund	121
Public School Preschool Fund	122
Data Communications Fund	122
Special Trust Fund	122
Miscellaneous State Grants Fund	123
Limited English Proficiency Fund	123
Title VI-B Fund	123
Title I Fund	124
EHA Preschool Grant Fund	124
Supporting Effective Instruction Fund	124
Miscellaneous Federal Grants Fund	125
Food Service Fund	125
Classroom Facilities Maintenance Fund	125
Student Managed Activity Fund	126
Scholarship Fund	126

COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES - (Continued):

Elementary and Secondary School Emergency Relief (ESSER) Fund	126
Title I School Improvement Stimulus A Fund	127
Student Support and Academic Enrichment Fund	127

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

Termination Benefits Fund	127
Rotary Fund	128
Public School Support Fund	128
Unclaimed Funds Fund	128

Fund Descriptions - Nonmajor Capital Projects Fund	129
--	-----

Combining Balance Sheet - Nonmajor Capital Projects Funds	130
---	-----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds	131
---	-----

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

Permanent Improvement Fund	132
Classroom Facilities Fund	132

Fund Descriptions - Nonmajor Permanent Fund	133
---	-----

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

Teacher Grant Fund	134
--------------------------	-----

III. STATISTICAL SECTION

Table of Contents	135
Net Position by Component - Last Ten Fiscal Years	136-137
Changes in Net Position - Last Ten Fiscal Years	138-143
Fund Balances, Governmental Funds - Last Ten Fiscal Years	144-145
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	146-149
Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Years.....	150-151
Direct and Overlapping Property Tax Rates - Last Ten Years	152
Principal Property Tax Payers - Current Year and Nine Years Ago.....	153
Property Tax Levies and Collections - Last Ten Fiscal Years.....	154-155
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	156
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years.....	157
Direct and Overlapping Governmental Activities Debt - As of June 30, 2023.....	158
Legal Debt Margin Information - Last Ten Fiscal Years	159
Demographic and Economic Statistics - Last Ten Fiscal Years	160
Principal Employers - Current Year and Nine Years Ago.....	161
Staffing Statistics, Full Time Equivalents (FTE) by Type and Function - Last Ten Fiscal Years.....	162-163

STATISTICAL SECTION - (Continued):

Operating Indicators by Function - Last Ten Fiscal Years	164-165
Capital Asset Statistics - Last Ten Fiscal Years	166-167
School Building Information - Last Ten Fiscal Years	168-169
Operating Statistics - Last Ten Fiscal Years.....	170-171
Teacher Statistics	172

Fairborn City Schools

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

December 22, 2023

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

As the Superintendent and Treasurer/CFO of the Fairborn City School District (the “District”), we are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) issued by the District. This report provides full disclosure of the financial operations of the District for the fiscal year ended June 30, 2023. This ACFR, which includes an opinion from Julian & Grube, Inc. (who performed the District’s audit) conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District. This report will provide the taxpayers of the District with comprehensive financial data in a format which will enable them to gain an understanding of the District’s financial affairs. This report is available to the Chamber of Commerce, major taxpayers, the public library, financial rating services, and other interested parties.

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

The District provides a full range of educational programs and services. These include diverse learning opportunities at the elementary and secondary levels. Educational opportunities range from comprehensive career and technical programs to college preparatory classes with an emphasis on honors and Advanced Placement course work. A broad range of clubs, co-curricular and extracurricular activities are available to students so that they may have a well-rounded educational experience in Fairborn Schools. Special education services are in-depth and provide the support necessary for our students with disabilities to be successful. The District also provides support for adult and community learning. In addition, the District provides state-financed assistance to non-public schools located within its boundaries. This assistance is accounted for in a non-major governmental fund. The District currently serves approximately 4,175 students in grades pre-K through 12th Grade.

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

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

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

QUALITY IN EDUCATION

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

- ❖ Fairborn City Schools has completed the construction of one new elementary building and is in the process of building another new elementary school with funding from the Fairborn community and the Ohio Facilities Construction Commission.
- ❖ In November 2020, the voters of Fairborn approved a new bond issue which will allow the construction of a new high school to be completed in August 2024 and will also qualify for revenues from the State of Ohio through the OFCC ELPP program to build a new middle school, thus allowing the District to have some of the newest educational buildings in the Miami Valley once completed.
- ❖ In September of 2020, the District received a private donation of \$2.5 million to buy 86 acres of property to construct a new high school and middle school. The same donor earlier in the year donated an additional \$750,000 for new technology purchases.
- ❖ In May 2021, the voters of Fairborn City Schools approved a 7.0 mill replacement levy with a 57% positive vote. This levy replaces a temporary emergency levy with a permanent one that also allows for some additional revenue from new construction.
- ❖ All schools in our district are designated as “Purple Star” schools from the Ohio Department of Education for our commitment to and our support of our military students and families.
- ❖ Fairborn High School Freshman Focus program helps with the transition from middle school to high school and includes curriculum and discussion topics to help freshmen adapt to high school and to help build a positive culture at Fairborn High School.
- ❖ Fairborn City Schools partners with local service organizations to give back to the Fairborn community-teaching the value of community and community service. From the Fairborn FISH Pantry to the Goodwill Drive to Victory and the “Senior to Senior” Prom, our students are developing leadership skills through community service.
- ❖ Fairborn City Schools has a Military and Family Life Counselor (MFLC) who works with students and families supporting service members and their families and addressing the day-to-day stressors of military life.
- ❖ The annual Fairborn City Schools “Hall of Honor” recognizes the achievements of outstanding Fairborn graduates and those in the community who have achieved excellence in their chosen field of work. Each year, the Selection and Induction committees work together to plan the ceremony recognizing these outstanding individuals.
- ❖ Fairborn City Schools is increasing technology in all classrooms with the student to Chromebook ratio at 2:1.
- ❖ Technology instruction at the elementary schools is increasing student technology literacy and basic technology skills-very important because of required online state testing.
- ❖ Curriculum is vertically aligned ensuring that students are learning new content at each grade level and increasing communication between grade levels and subject areas.
- ❖ Project Lead the Way STEM curriculum is offered at both Baker Middle School and Fairborn High School. With PLTW, College Credit Plus, Digital Academy and the Greene Country Career Center-Fairborn City Schools offers many options to meet the individual needs of our students.
- ❖ Fairborn City Schools offers excellent special education, gifted, and college preparatory classes.
- ❖ Fairborn works closely with Wright State University and Wright Patterson Air Force Base to enhance the educational opportunities for our students. WSU offers professional development support and College Credit Plus. Wright Patterson Air Force Base provides judges for Science Fair and the WPAFB Educational Outreach office provides teacher workshops, Lego League and the Wizards of Wright programs for our students.
- ❖ The District Leadership Team (DLT) and Building Leadership Team (BLT) examine best instructional practices and building data to enhance student achievement.
- ❖ Fairborn City Schools has a strong partnership with the City of Fairborn and shares the cost of three School Resource Officers who work in our buildings.
- ❖ Fairborn City Schools has outstanding music programs including orchestra, band and choir. Every year, Fairborn High School presents a high school musical in the spring. Fairborn Intermediate School and Fairborn Primary School also host holiday musicals to highlight the talent of our youngest Skyhawks.
- ❖ Many local community members support Fairborn City Schools by creating scholarships which are awarded each year to graduating seniors. These scholarships are housed at Greene Giving and are a shining commitment of our graduates and community to “pay it forward” for the leaders of tomorrow.

THE REPORTING ENTITY

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

ECONOMIC CONDITIONS AND OUTLOOK

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

The State of Ohio is in the second year of biennial budget. The District received slightly more funding in fiscal year 2023 than it received in 2022.

MAJOR INITIATIVES FOR THE FUTURE

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

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

LONG-TERM FINANCIAL PLANNING

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

FINANCIAL INFORMATION

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

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

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

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

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

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

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

FINANCIAL REPORTING

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

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

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

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

Management is responsible for preparing a Discussion and Analysis (MD&A) of the District. This discussion appears after the Independent Auditor's Report in the financial section of this report. The MD&A provides an assessment of the District's finances for 2023. The MD&A is intended to be read in conjunction with this letter of transmittal.

INDEPENDENT AUDIT

State statutes require the District to be subjected to an annual examination by an independent auditor. An annual audit serves to maintain and strengthen the district's accounting and budgetary controls. Independent auditor Julian & Grube, Inc, was selected to render an opinion on the District's financial statements as of and for the fiscal year ended June 30, 2023. The opinion appears at the beginning of the financial section of this report.

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

Awards

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Fairborn City School District for its ACFR for the fiscal year ended June 30, 2022. The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

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

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

ASBO Certificate of Excellence in Financial Reporting

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

The District received the Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2022. The District believes that the Annual Comprehensive Financial Report for fiscal year June 30, 2023, which will be submitted to ASBO for review, will conform to ASBO's principles and standards.

USE OF THIS REPORT

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

ACKNOWLEDGMENTS

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

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

Respectfully,



Kevin Philo
Treasurer/CFO



Gene Lolli
Superintendent

FAIRBORN CITY SCHOOL DISTRICT

PRINCIPAL OFFICERS

JUNE 30, 2023

Board of Education

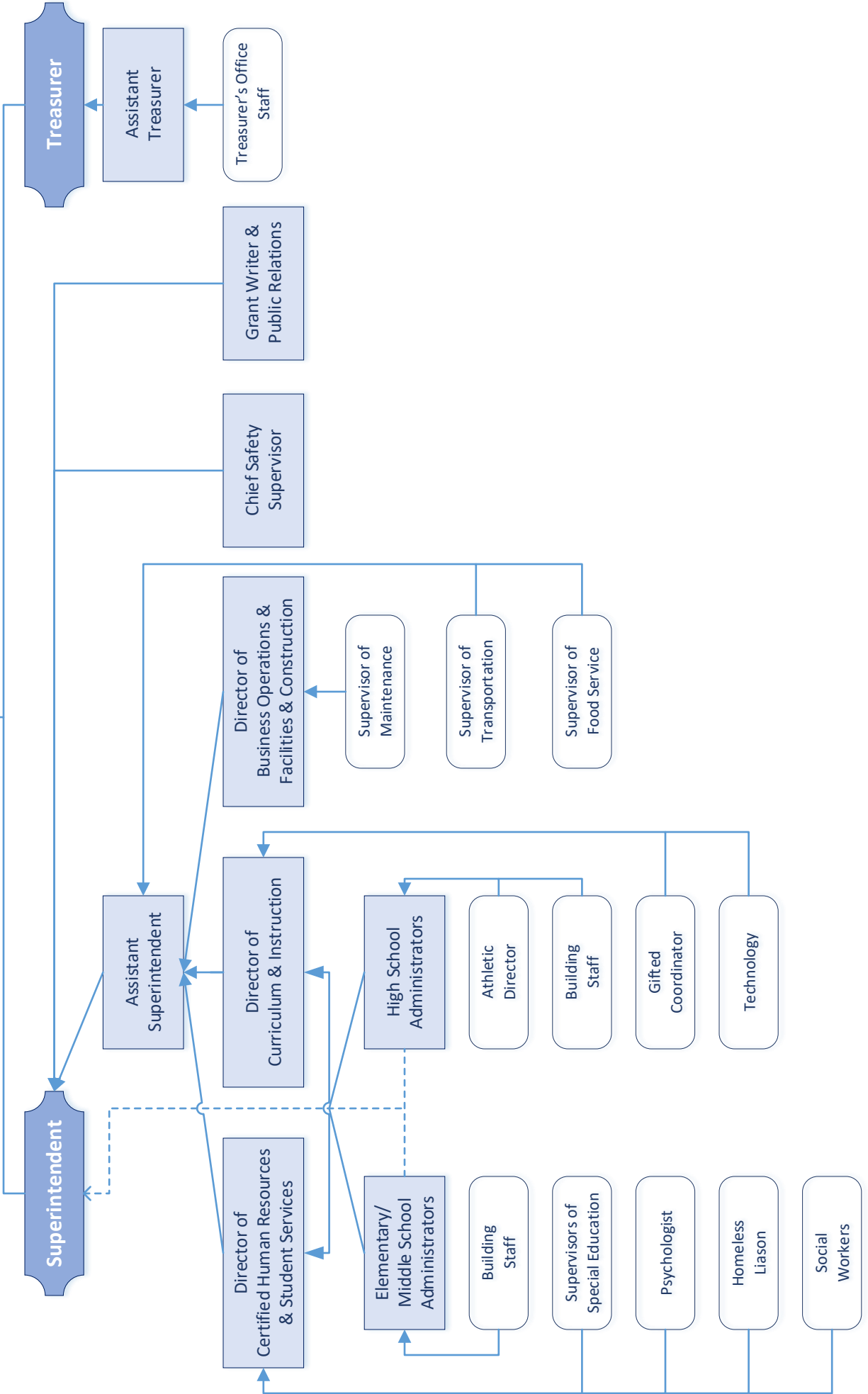
Mr. Jerry Browning	Board Member, President
Mr. Pat McCoart	Board Member, Vice President
Mr. Tim Steininger	Board Member
Mrs. Katie Mlod	Board Member
Ms. Wendy Landon	Board Member

Administration

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

Citizens

Fairborn City Schools Board of Education





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Fairborn City School District
Ohio**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Fairborn City School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

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FINANCIAL SECTION

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Independent Auditor's Report

Fairborn City School District
Greene County
306 East Whittier Avenue
Fairborn, OH 45324

To the Members of the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairborn City School District, Greene County, Ohio, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fairborn City School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of net pension and other post-employment benefit assets and liabilities and pension and other post-employment benefit contributions, listed in the table of contents, be presented to supplement the basic financial statements. Such information 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 Fairborn City School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023 on our consideration of the Fairborn City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fairborn City School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fairborn City School District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
December 22, 2023

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

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

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

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position of governmental activities increased \$5,165,339 which represents a 35.50% increase from 2022's net position.
- General revenues accounted for \$57,096,420 in revenue or 77.79% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$16,302,912 or 22.21% of total revenues of \$73,399,332.
- The District had \$68,233,993 in expenses related to governmental activities; only \$16,302,912 of these expenses was offset by program specific charges for services and sales, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$57,096,420 were adequate to provide for these programs.
- The District's major governmental funds are the general fund, the debt service fund, and the building fund. The general fund had \$52,089,195 in revenues and other financing sources and \$48,718,586 in expenditures and other financing uses. During fiscal year 2023, the general fund's fund balance increased \$3,370,609 from \$28,118,417 to \$31,489,026.
- The debt service fund had \$5,899,470 in revenues and \$6,297,028 in expenditures. During fiscal year 2023, the debt service fund's fund balance decreased \$397,558 from \$6,568,797 to \$6,171,239 due to the District paying increased principal and interest payments on certificates of participation and bonds issued in 2022.
- The building fund had \$1,422,607 in revenues and \$34,996,912 in expenditures. During fiscal year 2023, the building fund's fund balance decreased \$33,574,305 from \$53,165,231 to \$19,590,926 due to spending down debt proceeds issued to build a new high school.

Using the Annual Comprehensive Financial Report (ACFR)

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, debt service fund, building fund, and classroom facilities fund are by far the most significant funds and are reported as a major funds.

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

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

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 2023?" The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

Reporting the District's Most Significant Funds

Fund Financial Statements

The analysis of the District's major governmental funds begins on page 26. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the general fund, debt service fund, and building 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.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

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

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

The District as a Whole

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

	Net Position - Governmental Activities	
	2023	2022
<u>Assets</u>		
Current and other assets	\$ 103,395,169	\$ 140,195,784
Net OPEB asset	4,991,446	3,834,456
Capital assets, net	118,406,343	81,626,468
Total assets	226,792,958	225,656,708
<u>Deferred outflows of resources</u>		
Pension	17,205,633	15,813,092
OPEB	1,845,529	2,036,563
Total deferred outflows	19,051,162	17,849,655
<u>Liabilities</u>		
Current liabilities	10,019,808	13,682,780
Long-term liabilities:		
Due within one year	3,779,335	3,830,772
Due in more than one year:		
Net pension liability	55,081,083	31,255,083
Net OPEB liability	3,244,904	4,225,967
Other amounts	116,448,175	119,655,777
Total liabilities	188,573,305	172,650,379
<u>Deferred inflows of resources</u>		
Property taxes and PILOTS	25,161,506	24,717,837
Deferred gain on refunding	100,221	129,553
Pensions	4,530,975	24,514,204
OPEB	7,764,125	6,945,741
Total deferred inflows	37,556,827	56,307,335
<u>Net Position</u>		
Net investment in capital assets	10,212,238	6,068,745
Restricted	28,456,580	28,073,797
Unrestricted (deficit)	(18,954,830)	(19,593,893)
Total net position	\$ 19,713,988	\$ 14,548,649

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

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

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

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

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

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

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

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

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the District's assets plus deferred outflows of resources were greater than liabilities plus deferred inflows of resources by \$19,713,988.

At year-end, capital assets represented 52.21% of total assets. Capital assets include land, construction in progress (CIP), land improvements, buildings and improvements, furniture and equipment and vehicles. Net investment in capital assets at June 30, 2023, was \$10,212,238. 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.

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

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

Current assets of the District decreased \$36,800,615. This decrease is primarily the result of a decrease in cash and investments due to the District spending \$38,614,286 on facilities acquisition and construction for the construction projects. Total assets include a net OPEB asset reported by STRS. See Note 12 for more detail.

Deferred outflows related to pension increased primarily due to the net difference between projected and actual earnings on pension plan investments by SERS and STRS and deferred outflows related to OPEB decreased due to changes in assumptions by STRS. See Notes 11 and 12 for more detail.

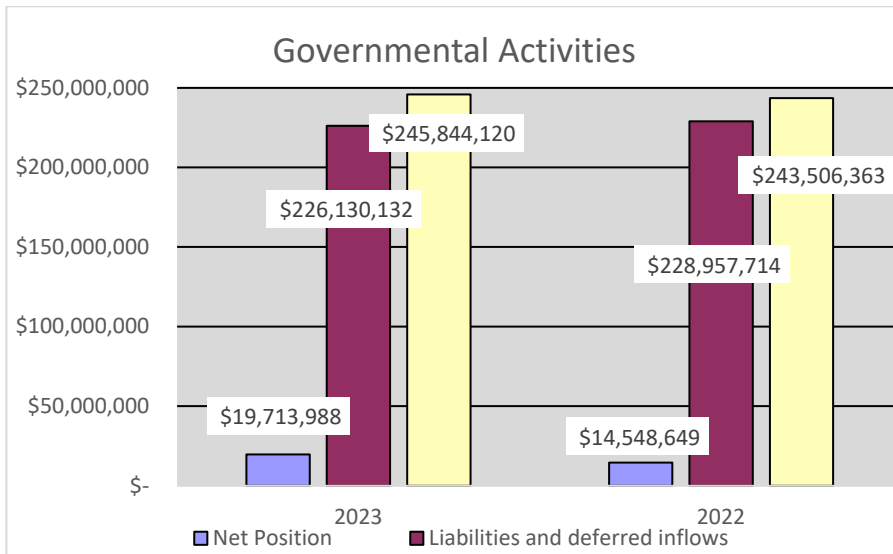
Current liabilities decreased from contracts payable and retainage payable related to the District’s construction projects for the intermediate school and high school.

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

The net pension liability increased \$23,826,000 and deferred inflows of resources related to pension decreased \$19,983,229. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year’s large positive investment returns.

A portion of the District’s net position, \$28,456,580, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position is a deficit of \$18,954,830 at June 30, 2023.

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



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

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

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

	Change in Net Position - Governmental Activities	
	2023	2022
<u>Revenues</u>		
Program revenues:		
Charges for services and sales	\$ 1,253,487	\$ 1,106,576
Operating grants and contributions	14,740,262	14,923,487
Capital grants and contributions	309,163	697,734
General revenues:		
Property taxes and PILOTS	25,983,420	26,227,574
Income taxes	5,833,440	5,817,181
Grants and entitlements	22,297,595	20,841,209
Investment earnings	2,849,072	152,983
(Decrease) in fair value of investments	(147,248)	(636,722)
Miscellaneous	280,141	96,875
Total revenues	<u>73,399,332</u>	<u>69,226,897</u>
<u>Expenses</u>		
Program expenses:		
Instruction:		
Regular	24,060,101	22,598,900
Special	13,685,222	12,423,907
Vocational	339,729	283,894
Other	5,477	3,796
Support services:		
Pupil	4,983,387	4,319,440
Instructional staff	1,528,044	1,518,682
Board of education	37,706	235,618
Administration	4,243,634	3,358,777
Fiscal	1,253,069	1,191,867
Business	668,507	568,338
Operations and maintenance	4,714,304	4,597,311
Pupil transportation	4,034,942	3,571,784
Central	898,581	878,337
Operation of non-instructional services:		
Food services	2,416,200	2,174,208
Other non-instructional services	74,660	78,067
Extracurricular activities	1,709,170	1,429,198
Interest and fiscal charges	<u>3,581,260</u>	<u>3,724,458</u>
Total expenses	<u>68,233,993</u>	<u>62,956,582</u>
Change in net position	5,165,339	6,270,315
Net position at beginning of year	<u>14,548,649</u>	<u>8,278,334</u>
Net position at end of year	<u>\$ 19,713,988</u>	<u>\$ 14,548,649</u>

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

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

Governmental Activities

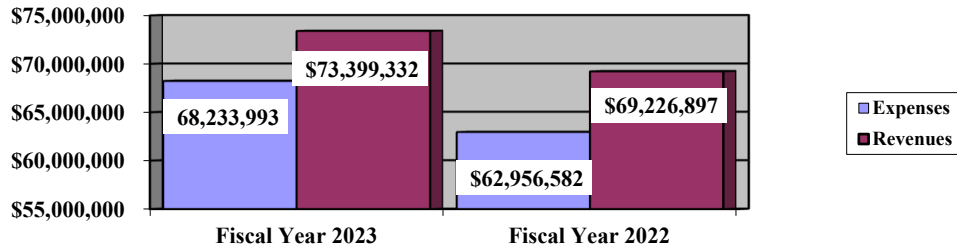
Net position of the District's governmental activities increased \$5,165,339. Total governmental expenses of \$68,233,993 were offset by program revenues of \$16,302,912 and general revenues of \$57,096,420. Program revenues supported 23.89% of total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes, income taxes and grants and entitlements. These revenue sources represent 73.72% of total governmental revenue. Grants and entitlements increased due to changes in the State foundation funding model. The decrease in fair value of investments is due to the District being required to report investments at fair value rather than cost. The fair value of investments fluctuates throughout the year. The District intends to hold all investments to maturity thus eliminating the risk of fluctuations in fair value. Capital grants and contributions decreased due to the District receiving a \$2,500,000 donation to purchase land for the new high school in 2022.

Overall, expenses of the governmental activities increased \$5,277,411 during fiscal year 2023. This increase is primarily the result of an increase in pension expense. Pension expense increased approximately \$6,949,319. This increase was the result of an increase in expenses incurred at the pension system level for STRS and SERS due to a decrease in net investment income on investments compared to previous years.

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

Governmental Activities - Revenues and Expenses



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

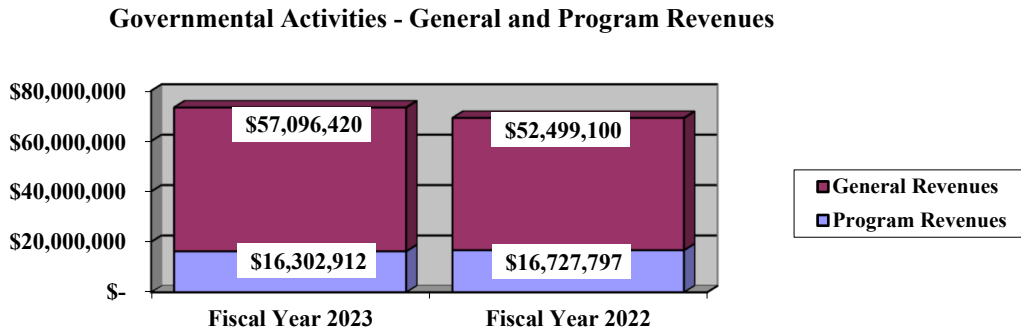
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

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

Program expenses	Governmental Activities			
	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Instruction:				
Regular	\$ 24,060,101	\$ 18,341,117	\$ 22,598,900	\$ 17,575,128
Special	13,685,222	8,181,099	12,423,907	7,017,098
Vocational	339,729	232,135	283,894	173,863
Other	5,477	5,477	3,796	3,796
Support services:				
Pupil	4,983,387	3,802,948	4,319,440	3,369,492
Instructional staff	1,528,044	1,378,574	1,518,682	1,253,863
Board of education	37,706	37,706	235,618	235,618
Administration	4,243,634	4,100,921	3,358,777	3,187,111
Fiscal	1,253,069	1,245,869	1,191,867	1,184,667
Business	668,507	668,507	568,338	568,338
Operation and maintenance	4,714,304	4,708,919	4,597,311	4,596,271
Pupil transportation	4,034,942	3,686,243	3,571,784	3,122,650
Central	898,581	675,793	878,337	878,337
Operations of non-instructional services				
Food service operations	2,416,200	210,604	2,174,208	(1,125,469)
Other non-instructional services	74,660	(19,095)	78,067	(42,878)
Extracurricular activities	1,709,170	1,093,004	1,429,198	506,442
Interest and fiscal charges	<u>3,581,260</u>	<u>3,581,260</u>	<u>3,724,458</u>	<u>3,724,458</u>
Total expenses	<u>\$ 68,233,993</u>	<u>\$ 51,931,081</u>	<u>\$ 62,956,582</u>	<u>\$ 46,228,785</u>

The dependence upon tax and other general revenues for governmental activities is apparent, 70.25% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 76.11%. The District's taxpayers and unrestricted grants and entitlements from the State of Ohio, as a whole, are the primary support for District's students.

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



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

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

The District's Funds

The District's governmental funds reported a combined fund balance of \$66,835,400, which is a lower balance than last year's total balance of \$97,798,869. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	<u>Fund Balance</u> <u>June 30, 2023</u>	<u>Fund Balance</u> <u>June 30, 2022</u>	<u>Change</u>
General	\$ 31,489,026	\$ 28,118,417	\$ 3,370,609
Debt service	6,171,239	6,568,797	(397,558)
Building	19,590,926	53,165,231	(33,574,305)
Nonmajor governmental	<u>9,584,209</u>	<u>9,946,424</u>	<u>(362,215)</u>
Total	<u>\$ 66,835,400</u>	<u>\$ 97,798,869</u>	<u>\$ (30,963,469)</u>

General Fund

The District's general fund balance increased \$3,370,609. The table that follows assists in illustrating the financial activities and fund balance of the general fund.

	<u>2023</u> <u>Amount</u>	<u>2022</u> <u>Amount</u>	<u>Change</u>	<u>Percentage</u> <u>Change</u>
<u>Revenues</u>				
Taxes	\$ 24,273,999	\$ 24,239,878	\$ 34,121	0.14 %
Payment in lieu of taxes	551,767	539,014	12,753	2.37 %
Tuition and fees	681,210	651,922	29,288	4.49 %
Investment earnings	1,276,171	166,216	1,109,955	667.78 %
Increase (decrease) in fair value of investments	(147,248)	(636,722)	489,474	76.87 %
Extracurricular activities	54,777	91,591	(36,814)	(40.19) %
Intergovernmental	25,002,369	23,239,692	1,762,677	7.58 %
Other revenues	<u>371,901</u>	<u>586,482</u>	<u>(214,581)</u>	<u>(36.59) %</u>
Total	<u>\$ 52,064,946</u>	<u>\$ 48,878,073</u>	<u>\$ 3,186,873</u>	6.52 %
<u>Expenditures</u>				
Instruction	\$ 27,479,752	\$ 29,266,778	\$ (1,787,026)	(6.11) %
Support services	19,806,458	19,240,777	565,681	2.94 %
Operation of non-instructional services	9,672	8,493	1,179	13.88 %
Extracurricular activities	<u>1,172,704</u>	<u>1,172,436</u>	<u>268</u>	0.02 %
Total	<u>\$ 48,468,586</u>	<u>\$ 49,688,484</u>	<u>\$ (1,219,898)</u>	(2.46) %

Revenues of the general fund increased \$3,186,873 or 6.52%. The increase in earnings on investment is due to increased interest rates. The increase in fair value of investments is due to the District being required to report investments at fair value rather than cost. The fair value of investments fluctuates throughout the year. The District intends to hold all investments to maturity thus eliminating the risk of fluctuations in fair value. Intergovernmental revenues increased due to increased foundation revenue received from the State of Ohio. All other revenues remained comparable to the prior fiscal year or changed an insignificant amount.

Expenditures of the general fund decreased \$1,219,898 or 2.46%. Instructional services decreased primarily in the area of pupil expenditures which decreased 6.11% due to certain salaries and wages being paid out of the ESSER fund during fiscal year 2023. Operation of non-instructional services increased due to increased services provided to students, staff and the community.

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

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

Debt service fund

The debt service fund had \$5,899,470 in revenues and \$6,297,028 in expenditures. During fiscal year 2023, the debt service fund’s fund balance decreased \$397,558 from \$6,568,797 to \$6,171,239 due to the District paying principal and interest payments on certificates of participation and bonds issued in 2022.

Building fund

The building fund had \$1,422,607 in revenues and \$34,996,912 in expenditures. During fiscal year 2023, the building fund’s fund balance decreased \$33,574,305 from \$53,165,231 to \$19,590,926 due to costs related to the construction of the new high school.

General Fund Budgeting Highlights

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

For the general fund, original budgeted revenues and other financing sources was \$51,550,000. Final budgeted revenues and other financing sources was \$52,308,002. Actual revenues and other financing sources for fiscal year 2023 was \$52,454,182. This represents a \$146,180 increase from final budgeted revenues. Actual income tax revenue and investment earnings came in higher than the original and final amounts.

General fund original appropriations (appropriated expenditures plus other financing uses) of \$63,012,411 were left the same in the final budgeted appropriations. The actual budget basis expenditures and other financing uses for fiscal year 2023 totaled \$52,824,862, which was \$7,187,549 less than the final budget appropriations. Special instruction expenditures reported the most significant variance with actual expenditures being \$2,507,252 less than the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the District had \$118,406,343 invested in land, CIP, land improvements, buildings and improvements, furniture, equipment and vehicles. This entire amount is reported in governmental activities. The following table shows June 30, 2023 balances compared to June 30, 2022:

	Capital Assets at June 30	
	(Net of Depreciation)	
	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
Land	\$ 2,787,251	\$ 2,787,251
CIP	90,454,095	51,937,520
Land improvements	169,086	297,638
Building and improvements	22,478,656	23,908,533
Furniture, equipment, and vehicles	<u>2,517,255</u>	<u>2,695,526</u>
Total	<u>\$ 118,406,343</u>	<u>\$ 81,626,468</u>

Total additions to capital assets for 2023 were \$38,919,148. The District recorded \$2,139,273 in depreciation expense for fiscal year 2023.

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

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

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

Debt Administration

At June 30, 2023, the District had \$91,131,391 in general obligation bonds and \$17,570,000 in certificates of participation outstanding. Of this total, \$3,195,000 is due within one year and \$105,506,391 is due within more than one year. The following table summarizes the bonds outstanding.

Outstanding Debt, at Year End

	<u>Governmental Activities</u>	
	<u>2023</u>	<u>2022</u>
General obligation bonds	\$ 91,131,391	\$ 94,101,391
Certificates of participation	<u>17,570,000</u>	<u>17,720,000</u>
Total	<u>\$ 108,701,391</u>	<u>\$ 111,821,391</u>

At June 30, 2023, the District's voted debt margin was (\$17,502,171) with an unvoted debt margin of \$6,745,798.

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

Current Financial Related Activities

Financially, the District is in sound financial position and working with the community to improve public education in Fairborn. The District opened one new building in August 2022 and started construction on the second one, with its projected completion in August 2023. In addition, the District passed a 5.83 mill bond issue in November 2021 with a 56% positive vote for a new high school and middle school. The new high school is projected to be completed in August 2024. The District has also implemented new curricular programs and has increased its State report card grade. The District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

Contacting the District's Financial Management

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

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

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and investments	\$ 70,832,226
Cash with fiscal agent	335,893
Receivables:	
Property taxes	26,345,908
Income taxes	2,349,560
Payment in lieu of taxes	885,725
Accounts	3,898
Accrued interest	20,210
Intergovernmental	2,397,803
Prepayments	181,054
Materials and supplies inventory	13,437
Inventory held for resale	29,455
Net OPEB asset (Note 12)	4,991,446
Capital assets:	
Nondepreciable capital assets	93,241,346
Depreciable capital assets, net	25,164,997
Capital assets, net	118,406,343
Total assets	226,792,958
Deferred outflows of resources:	
Pension (Note 11)	17,205,633
OPEB (Note 12)	1,845,529
Total deferred outflows of resources	19,051,162
Liabilities:	
Accounts payable	57,011
Contracts payable	2,746,290
Retainage payable	1,230,761
Accrued wages and benefits payable	4,476,781
Intergovernmental payable	131,953
Pension and postemployment benefits payable	1,214,386
Accrued interest payable	162,626
Long-term liabilities:	
Due within one year	3,779,335
Due in more than one year:	
Net pension liability (Note 11)	55,081,083
Net OPEB liability (Note 12)	3,244,904
Other amounts due in more than one year	116,448,175
Total liabilities	188,573,305
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	24,275,781
Payment in lieu of taxes levied for the next fiscal year	885,725
Unamortized deferred gain on debt refunding	100,221
Pension (Note 11)	4,530,975
OPEB (Note 12)	7,764,125
Total deferred inflows of resources	37,556,827
Net position:	
Net investment in capital assets	10,212,238
Restricted for:	
Capital projects	24,253,387
Permanent fund - nonexpendable	17,474
Classroom facilities maintenance	1,031,852
Debt service	514,766
State funded programs	133,500
Federally funded programs	135,363
Food service operations	820,997
Student activities	407,532
OPEB	1,064,831
Other purposes	76,878
Unrestricted (deficit)	(18,954,830)
Total net position	\$ 19,713,988

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

	<u>Program Revenues</u>			<u>Governmental Activities</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
Instruction:					
Regular	\$ 24,060,101	\$ 403,096	\$ 5,315,888	\$ -	\$ (18,341,117)
Special	13,685,222	278,387	5,225,736	-	(8,181,099)
Vocational	339,729	-	107,594	-	(232,135)
Other	5,477	-	-	-	(5,477)
Support services:					
Pupil	4,983,387	-	1,180,439	-	(3,802,948)
Instructional staff	1,528,044	-	149,470	-	(1,378,574)
Board of education	37,706	-	-	-	(37,706)
Administration	4,243,634	-	142,713	-	(4,100,921)
Fiscal	1,253,069	-	7,200	-	(1,245,869)
Business	668,507	-	-	-	(668,507)
Operations and maintenance	4,714,304	5,385	-	-	(4,708,919)
Pupil transportation	4,034,942	-	348,699	-	(3,686,243)
Central	898,581	-	-	222,788	(675,793)
Operation of non-instructional services:					
Food service operations	2,416,200	161,558	2,044,038	-	(210,604)
Other non-instructional services	74,660	2,526	91,229	-	19,095
Extracurricular activities	1,709,170	402,535	127,256	86,375	(1,093,004)
Interest and fiscal charges	3,581,260	-	-	-	(3,581,260)
Totals	<u>\$ 68,233,993</u>	<u>\$ 1,253,487</u>	<u>\$ 14,740,262</u>	<u>\$ 309,163</u>	<u>(51,931,081)</u>

General revenues:

Property taxes levied for:	
General purposes	18,470,332
Debt service	5,485,559
Capital outlay	1,141,241
Classroom facilities maintenance	156,943
Payments in lieu of taxes	729,345
Income taxes levied for:	
General purposes	5,833,440
Grants and entitlements not restricted to specific programs	22,297,595
Investment earnings	2,849,072
Change in fair value of investments	(147,248)
Miscellaneous	280,141
Total general revenues	<u>57,096,420</u>
Change in net position	5,165,339
Net position at beginning of year	<u>14,548,649</u>
Net position at end of year	<u>\$ 19,713,988</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Debt Service	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Equity in pooled cash and investments	\$ 32,201,623	\$ 5,878,426	\$ 23,495,238	\$ 9,256,939	\$ 70,832,226
Cash with fiscal agent	-	-	-	335,893	335,893
Receivables:					
Property taxes	19,919,385	5,160,231	-	1,266,292	26,345,908
Income taxes	2,349,560	-	-	-	2,349,560
Payment in lieu of taxes	663,581	177,718	-	44,426	885,725
Accounts	3,898	-	-	-	3,898
Accrued interest	20,210	-	-	-	20,210
Interfund loans	811,718	-	-	-	811,718
Intergovernmental	562,200	-	-	1,835,603	2,397,803
Prepayments	180,975	-	-	79	181,054
Materials and supplies inventory	-	-	-	13,437	13,437
Inventory held for resale	-	-	-	29,455	29,455
Total assets	<u>\$ 56,713,150</u>	<u>\$ 11,216,375</u>	<u>\$ 23,495,238</u>	<u>\$ 12,782,124</u>	<u>\$ 104,206,887</u>
Liabilities:					
Accounts payable	\$ 47,811	-	-	9,200	\$ 57,011
Contracts payable	-	-	2,673,551	72,739	2,746,290
Retainage payable	-	-	1,230,761	-	1,230,761
Accrued wages and benefits payable	3,920,480	-	-	556,301	4,476,781
Compensated absences payable	116,824	-	-	-	116,824
Intergovernmental payable	122,654	-	-	9,299	131,953
Pension and postemployment benefits payable	1,062,796	-	-	151,590	1,214,386
Interfund loans payable	-	-	-	811,718	811,718
Total liabilities	<u>5,270,565</u>	<u>-</u>	<u>3,904,312</u>	<u>1,610,847</u>	<u>10,785,724</u>
Deferred inflows of resources:					
Property taxes levied for the next fiscal year	18,398,437	4,716,175	-	1,161,169	24,275,781
Payment in lieu of taxes levied for the next fiscal year	663,581	177,718	-	44,426	885,725
Delinquent property tax revenue not available	485,171	151,243	-	36,381	672,795
Income tax revenue not available	401,697	-	-	-	401,697
Intergovernmental revenue not available	-	-	-	345,092	345,092
Accrued interest not available	4,673	-	-	-	4,673
Total deferred inflows of resources	<u>19,953,559</u>	<u>5,045,136</u>	<u>-</u>	<u>1,587,068</u>	<u>26,585,763</u>
Fund balances:					
Nonspendable:					
Materials and supplies inventory	-	-	-	13,437	13,437
Prepays	180,975	-	-	79	181,054
Permanent fund	-	-	-	17,474	17,474
Unclaimed funds	6,006	-	-	-	6,006
Endowments	-	-	-	22,223	22,223
Restricted:					
Debt service	-	6,171,239	-	-	6,171,239
Capital improvements	-	-	19,590,926	7,054,764	26,645,690
Classroom facilities maintenance	-	-	-	1,031,852	1,031,852
Food service operations	-	-	-	847,895	847,895
Non-public schools	-	-	-	104,469	104,469
State funded programs	-	-	-	28,952	28,952
Federally funded programs	-	-	-	135,363	135,363
Extracurricular	-	-	-	407,532	407,532
Special trusts	-	-	-	30,939	30,939
Other purposes	-	-	-	17,710	17,710
Assigned:					
Student instruction	302,067	-	-	-	302,067
Student and staff support	1,477,063	-	-	-	1,477,063
Extracurricular activities	5,040	-	-	-	5,040
Facilities acquisition and construction	1,528,273	-	-	-	1,528,273
Subsequent year's appropriations	541,000	-	-	-	541,000
Other purposes	775	-	-	-	775
Unassigned (deficit)	27,447,827	-	-	(128,480)	27,319,347
Total fund balances	<u>31,489,026</u>	<u>6,171,239</u>	<u>19,590,926</u>	<u>9,584,209</u>	<u>66,835,400</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 56,713,150</u>	<u>\$ 11,216,375</u>	<u>\$ 23,495,238</u>	<u>\$ 12,782,124</u>	<u>\$ 104,206,887</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

Total governmental fund balances		\$ 66,835,400
<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.		118,406,343
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	\$ 672,795	
Income taxes receivable	401,697	
Accrued interest receivable	4,673	
Intergovernmental receivable	345,092	
Total	1,424,257	1,424,257
Unamortized premiums on debt issued are not recognized in the funds.		(7,354,184)
Unamortized deferred gains on debt refundings are not recognized in the funds.		(100,221)
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(162,626)
The net pension/OPEB assets & liabilities are not available nor are they 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	17,205,633	
Deferred inflows - pension	(4,530,975)	
Net pension liability	(55,081,083)	
Deferred outflows - OPEB	1,845,529	
Deferred inflows - OPEB	(7,764,125)	
Net OPEB asset	4,991,446	
Net OPEB liability	(3,244,904)	
Total	(46,578,479)	(46,578,479)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(91,460,086)	
Certificates of participation	(17,570,000)	
Compensated absences	(3,726,416)	
Total	(112,756,502)	(112,756,502)
Net position of governmental activities		\$ 19,713,988

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

	<u>General</u>	<u>Debt Service</u>	<u>Building</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:					
Property taxes	\$ 18,428,655	\$ 5,480,458	\$ -	\$ 1,296,895	\$ 25,206,008
Income taxes	5,845,344	-	-	-	5,845,344
Intergovernmental	25,002,369	275,189	-	14,305,366	39,582,924
Investment earnings	1,276,171	-	1,422,607	180,477	2,879,255
Tuition and fees	681,210	-	-	4,025	685,235
Extracurricular	54,777	-	-	346,532	401,309
Rental income	5,385	-	-	-	5,385
Charges for services	-	-	-	161,558	161,558
Contributions and donations	144,084	-	-	26,468	170,552
Payment in lieu of taxes	551,767	143,823	-	33,755	729,345
Miscellaneous	222,432	-	-	112,331	334,763
Change in fair value of investments	(147,248)	-	-	-	(147,248)
Total revenues	<u>52,064,946</u>	<u>5,899,470</u>	<u>1,422,607</u>	<u>16,467,407</u>	<u>75,854,430</u>
Expenditures:					
Current:					
Instruction:					
Regular	17,390,767	-	-	5,318,354	22,709,121
Special	9,767,424	-	-	3,294,629	13,062,053
Vocational	316,284	-	-	-	316,284
Other	5,277	-	-	-	5,277
Support services:					
Pupil	4,119,031	-	-	608,814	4,727,845
Instructional staff	1,329,342	-	-	160,979	1,490,321
Board of education	34,078	-	-	-	34,078
Administration	3,847,277	-	-	140,109	3,987,386
Fiscal	1,105,256	61,283	-	21,371	1,187,910
Business	627,872	-	-	-	627,872
Operations and maintenance	4,090,120	-	-	223,152	4,313,272
Pupil transportation	3,885,667	-	-	33,279	3,918,946
Central	767,815	-	-	86,557	854,372
Operation of non-instructional services:					
Food service operations	-	-	-	2,332,990	2,332,990
Other non-instructional services	9,672	-	-	63,126	72,798
Extracurricular activities	1,172,704	-	-	448,038	1,620,742
Facilities acquisition and construction	-	-	34,996,912	3,617,374	38,614,286
Debt service:					
Principal retirement	-	2,970,000	-	150,000	3,120,000
Interest and fiscal charges	-	3,265,745	-	580,850	3,846,595
Total expenditures	<u>48,468,586</u>	<u>6,297,028</u>	<u>34,996,912</u>	<u>17,079,622</u>	<u>106,842,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,596,360</u>	<u>(397,558)</u>	<u>(33,574,305)</u>	<u>(612,215)</u>	<u>(30,987,718)</u>
Other financing sources (uses):					
Sale of assets	24,249	-	-	-	24,249
Transfers in	-	-	-	250,000	250,000
Transfers (out)	(250,000)	-	-	-	(250,000)
Total other financing sources (uses)	<u>(225,751)</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>24,249</u>
Net change in fund balances	3,370,609	(397,558)	(33,574,305)	(362,215)	(30,963,469)
Fund balances at beginning of year	28,118,417	6,568,797	53,165,231	9,946,424	97,798,869
Fund balances at end of year	<u>\$ 31,489,026</u>	<u>\$ 6,171,239</u>	<u>\$ 19,590,926</u>	<u>\$ 9,584,209</u>	<u>\$ 66,835,400</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

Net change in fund balances - total governmental funds		\$ (30,963,469)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital asset additions	\$ 38,919,148	
Current year depreciation	<u>(2,139,273)</u>	
Total		36,779,875
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	48,067	
Income taxes	(11,904)	
Earnings on investments	(188)	
Intergovernmental	<u>(2,491,073)</u>	
Total		(2,455,098)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		
Bonds	2,970,000	
Certificates of participation	<u>150,000</u>	
Total		3,120,000
In the statement of activities, interest is accrued on outstanding debt, 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:		
Decrease in accrued interest payable	1,988	
Accreted interest on capital appreciation bonds	(93,108)	
Amortization of debt premiums	327,123	
Amortization of deferred charges	<u>29,332</u>	
Total		265,335
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	5,273,645	
OPEB	<u>170,524</u>	
Total		5,444,169
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	(7,723,875)	
OPEB	<u>958,111</u>	
Total		(6,765,764)
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.		
		<u>(259,709)</u>
Change in net position of governmental activities		\$ 5,165,339

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 18,513,311	\$ 18,802,184	\$ 18,772,884	\$ (29,300)
Income taxes	5,332,941	5,681,767	5,911,843	230,076
Intergovernmental	24,695,882	24,603,136	24,346,307	(256,829)
Investment earnings	828,454	1,017,501	1,265,336	247,835
Tuition and fees	613,660	636,167	680,846	44,679
Extracurricular	83,126	82,654	54,505	(28,149)
Rental income	21,144	21,089	6,425	(14,664)
Contributions and donations	117,276	116,400	101,217	(15,183)
Payment in lieu of taxes	542,248	550,248	551,767	1,519
Miscellaneous	630,357	625,257	589,190	(36,067)
Total revenues	<u>51,378,400</u>	<u>52,136,402</u>	<u>52,280,320</u>	<u>143,918</u>
Expenditures:				
Current:				
Instruction:				
Regular	26,149,287	19,689,348	17,911,798	1,777,550
Special	11,062,967	12,316,226	9,808,974	2,507,252
Vocational	319,733	331,550	321,115	10,435
Other	5,353	307,400	5,005	302,395
Support services:				
Pupil	3,729,999	4,461,691	4,186,092	275,599
Instructional staff	1,427,592	1,443,003	1,309,008	133,995
Board of education	201,871	218,196	148,045	70,151
Administration	3,677,559	4,169,210	3,945,055	224,155
Fiscal	1,525,717	1,521,678	1,197,417	324,261
Business	745,834	709,268	668,706	40,562
Operations and maintenance	6,017,195	5,698,673	5,225,875	472,798
Pupil transportation	3,899,603	4,298,032	4,121,101	176,931
Central	995,555	1,082,060	1,026,421	55,639
Extracurricular activities	1,290,779	1,286,803	1,171,275	115,528
Facilities acquisition and construction	1,612,365	2,228,273	1,528,273	700,000
Total expenditures	<u>62,661,411</u>	<u>59,761,411</u>	<u>52,574,160</u>	<u>7,187,251</u>
Excess of expenditures over revenues	<u>(11,283,011)</u>	<u>(7,625,009)</u>	<u>(293,840)</u>	<u>7,331,169</u>
Other financing sources (uses):				
Refund of prior year's expenditures	150,000	150,000	149,613	(387)
Refund of prior year's receipts	(1,000)	(1,000)	(702)	298
Transfers (out)	(350,000)	(250,000)	(250,000)	-
Sale of capital assets	21,600	21,600	24,249	2,649
Total other financing sources (uses)	<u>(179,400)</u>	<u>(79,400)</u>	<u>(76,840)</u>	<u>2,560</u>
Net change in fund balance	(11,462,411)	(7,704,409)	(370,680)	7,333,729
Fund balance at beginning of year	27,692,000	27,692,000	27,692,000	-
Prior year encumbrances appropriated	3,012,411	3,012,411	3,012,411	-
Fund balance at end of year	<u>\$ 19,242,000</u>	<u>\$ 23,000,002</u>	<u>\$ 30,333,731</u>	<u>\$ 7,333,729</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

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

NOTE 1 - DESCRIPTION OF THE DISTRICT

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

Today the District operates under the current standards prescribed by the Ohio Department of Education as provided in division (D) of sections 3301.07 and 119.01 of the Ohio Revised Code. The District is established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District operates under a locally elected five-member Board form of government and provides educational services as authorized by the Board and further mandated by state and/or federal agencies.

The Board of Education controls the District’s four instructional/support facilities staffed by 276 non-certified and 292 certified employees to provide services to approximately 4,175 students in grades K through 12.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

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

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

JOINTLY GOVERNED ORGANIZATIONS

Southwestern Ohio Educational Purchasing Council (SOEPC)

The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing council made up of over 126 public Districts in 18 counties. The purpose of the council is to obtain reduced prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One-year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, 303 Corporate Center, Suite 208, Vandalia, Ohio 45377.

Greene County Career Center

The Greene County Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating Districts' elected Boards, which possesses its own budgeting and taxing authority. To obtain financial information, write to the Greene County Career Center, Eva Anderson, who serves as Treasurer, at 532 Innovation Drive, Xenia, Ohio 45385.

Miami Valley Educational Computer Association

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

The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of six representatives from the member districts elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The District paid MVECA \$186,969 for services provided during the fiscal year. Financial information can be obtained from Thor Sage, Executive Director, at MVECA at 888 Dayton Street, Suite 102, Yellow Springs, Ohio 45387.

PUBLIC ENTITY RISK POOL

Ohio School Boards Association Workers' Compensation Group Rating Program

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

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

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

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

B. Basis of Presentation

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

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

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

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

C. Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District's only fund type is governmental.

GOVERNMENTAL FUNDS

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

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

Debt Service fund - The debt service fund is used to account for the accumulation of restricted resources and payment of general obligation bond principal, interest and related costs.

Building fund - The building fund is used to account for monies received and expended in connection with the District's Locally Funded Initiatives (LFI).

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

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

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

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

D. Measurement Focus

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

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

E. Basis of Accounting

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

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

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

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

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

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

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

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

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. For the District, deferred inflows of resources include property taxes, payments in lieu of taxes and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes, but is not limited to, delinquent property taxes, income taxes, accrued interest and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

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

F. Budgetary Process

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

Tax Budget

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

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

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

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

Estimated Resources

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

Appropriations

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

Lapsing of Appropriations

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

G. Equity in Pooled Cash and Investments

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

During fiscal year 2023, investments were limited to negotiable certificates of deposit (negotiable CDs), U.S. government money market mutual funds, and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio). Except for STAR Ohio, investments are reported at fair value.

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

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

Under existing Ohio statutes, interest earnings are allotted to the general fund unless the Board of Education has, by resolution, specified funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2023 amounted to \$1,276,171 which includes \$285,339 assigned from other District funds.

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

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

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

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

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

H. Inventory

On government-wide and fund financial statements, inventories of supplies are reported at cost while inventories held for resale are reported at the lower of cost or market. Inventories are recorded on a first-in, first-out basis and are expended/expensed when used. Donated commodities are recorded at their entitlement value. Inventories are accounted for using the consumption method.

On the fund financial statements, reported material and supplies inventory is equally offset by a nonspendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventory held for resale is not offset by nonspendable fund balance as the proceeds from the eventual sale of the inventory is either restricted, committed or assigned.

Inventory consists of expendable supplies held for consumption and food service inventory held for resale.

I. Capital Assets

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

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

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

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

J. Compensated Absences

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

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

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

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. A liability for severance is accrued using the termination method; i.e., a liability is accrued for earned sick leave to the extent that it is probable that benefits will result in termination payments. The liability is an estimate based on the District’s past experience of making termination payments.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2023 and reduced to the maximum payment allowed by labor contract and/or statute, plus any additional salary related payments.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

K. Accrued Liabilities and Long-Term Obligations

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

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

L. Interfund Activity

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

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

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

M. Fund Balance

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

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

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

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

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

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

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

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

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

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

N. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. 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 and regulations of other governments. The amount restricted for other purposes consists of amounts for unclaimed funds, special trusts, endowments, and other grant funds.

The District applies restricted resources first then when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's \$28,456,580 in restricted net position, none was restricted by enabling legislation.

O. Estimates

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

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

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

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

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

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

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

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

Q. Non-Public Schools

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

R. Pensions/Other Postemployment Benefits (OPEB)

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

S. Prepayments

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepayments using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

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

T. Fair Value Measurement

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

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles

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

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

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

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the District.

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

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

B. Deficit Fund Balances

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

<u>Nonmajor Funds</u>	<u>Deficit</u>
<i>Special Revenue:</i>	
Elementary and Secondary School Emergency Relief (ESSER)	\$ 53,753
Title VI-B	47,685
Title I	23,705
Student Support and Academic Enrichment	3,337

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

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

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 five years from the date of deposit or by savings or deposit accounts including passbook accounts.

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool, the State Treasury Asset Reserve of Ohio (STAR Ohio); and,
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

A. Cash on Hand

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

B. Cash with Fiscal Agent

At June 30, 2023, the District had \$335,893 on deposit with a financial institution for monies set aside for debt service payments related to the Series 2021 Certificates of Participation. This amount is not included in the District’s depository balance below.

C. Deposits with Financial Institutions

At June 30, 2023, the carrying amount of all District deposits was \$6,182,113 and the bank balance of all District deposits was \$6,503,650. Of the bank balance, \$250,000 was covered by the FDIC, \$4,528,602 was covered by the Ohio Pooled Collateral System (OPCS), and \$1,725,048 was exposed to custodial credit risk discussed below because those deposits were uninsured and uncollateralized.

Custodial credit risk is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or protected by (1) eligible securities pledged to the District’s and deposited with a qualified trustee by the financial institution as security for repayment whose fair value at all times shall be at least 105 percent of the deposits being secured, or (2) participation in the 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 2023, the District’s financial institutions were approved for a reduced collateral rate of 50 percent through the OPCS but had 72.42 percent collateralized. 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.

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Investments

As of June 30, 2023, the District had the following investments and maturities:

Measurement/ Investment type	Measurement Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
<i>Fair Value:</i>						
Negotiable CDs	\$ 8,794,765	\$ 987,679	\$ 1,207,976	\$ 1,171,791	\$ 2,091,875	\$ 3,335,444
U.S Government money market mutual funds	4,343,188	4,343,188	-	-	-	-
<i>Amortized Cost:</i>						
STAR Ohio	51,510,455	51,510,455	-	-	-	-
Total	\$ 64,648,408	\$ 56,841,322	\$ 1,207,976	\$ 1,171,791	\$ 2,091,875	\$ 3,335,444

The weighted average maturity of investments is 0.25 years.

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

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

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

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2023:

<u>Measurement/ Investment type</u>	<u>Measurement Value</u>	<u>% of Total</u>
<i>Fair Value:</i>		
Negotiable CDs	\$ 8,794,765	13.60%
U.S Government money market mutual funds	4,343,188	6.72%
<i>Amortized Cost:</i>		
STAR Ohio	<u>51,510,455</u>	<u>79.68%</u>
Total	<u>\$ 64,648,408</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 above to cash and investments as reported on the statement of net position as of June 30, 2023:

<u>Cash and investments per note</u>	
Carrying amount of deposits	\$ 6,182,113
Investments	64,648,408
Cash with fiscal agent	335,893
Cash on hand	<u>1,705</u>
Total	<u>\$ 71,168,119</u>
 <u>Cash and investments per statement of net position</u>	
Governmental activities	<u>\$ 71,168,119</u>

NOTE 5 - RECEIVABLES

Receivables at June 30, 2023 consisted of property taxes, income taxes, payments in lieu of taxes, accounts (billings for user charged services and student fees), accrued interest and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of the principal items of receivables reported on the statement of net position follows:

Governmental activities:

Property taxes	\$ 26,345,908
Income taxes	2,349,560
Payment in lieu of taxes	885,725
Accounts	3,898
Accrued interest	20,210
Intergovernmental	<u>2,397,803</u>
Total	<u>\$ 32,003,104</u>

Receivables have been disaggregated on the face of the basic financial statements. The intergovernmental receivable in the amount of \$216,612 reported in the classroom facilities fund (a nonmajor governmental fund) is expected to be collected over the next several years as the OFCC construction project is completed. All other receivables are expected to be collected in the subsequent year.

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

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

NOTE 6 - INCOME TAXES

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

NOTE 7 - PROPERTY TAXES

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

Property taxes include amounts levied against all real property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Public utility property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, 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.

The District receives property taxes from Greene, Montgomery and Clark Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023 are available to finance fiscal year 2023 operations. The amount available as an advance at June 30, 2023 was \$1,035,777 in the general fund, \$292,813 in the debt service fund, and \$68,742 in the permanent improvement capital projects fund (a nonmajor governmental fund). This amount is recorded as revenue. The amount available for advance at June 30, 2022 was \$1,380,006 in the general fund, \$396,319 in the debt service fund, and \$89,736 in the permanent improvement capital projects fund (a nonmajor governmental fund). The amount of second-half real property taxes available for advance at fiscal year-end can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and delinquent tangible personal property taxes which are measurable as of June 30, 2023 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 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/residential and other real estate	\$ 708,436,620	96.05	\$ 718,398,020	95.85
Public utility personal	<u>29,142,760</u>	<u>3.95</u>	<u>31,135,100</u>	<u>4.15</u>
Total	<u>\$ 737,579,380</u>	<u>100.00</u>	<u>\$ 749,533,120</u>	<u>100.00</u>
Tax rate per \$1,000 of assessed valuation	\$58.84		\$58.40	

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

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

NOTE 8 - CAPITAL ASSETS

The following capital asset activity occurred during fiscal year 2023:

	Balance 06/30/22	Additions	Deductions	Balance 06/30/23
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,787,251	\$ -	\$ -	\$ 2,787,251
Construction in progress	51,937,520	38,516,575	-	90,454,095
Total capital assets, not being depreciated	<u>54,724,771</u>	<u>38,516,575</u>	<u>-</u>	<u>93,241,346</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	7,878,481	-	-	7,878,481
Buildings and improvements	51,706,779	-	-	51,706,779
Furniture, equipment and vehicles	12,659,447	402,573	(141,745)	12,920,275
Total capital assets, being depreciated	<u>72,244,707</u>	<u>402,573</u>	<u>(141,745)</u>	<u>72,505,535</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(7,580,843)	(128,552)	-	(7,709,395)
Buildings and improvements	(27,798,246)	(1,429,877)	-	(29,228,123)
Furniture, equipment and vehicles	(9,963,921)	(580,844)	141,745	(10,403,020)
Total accumulated depreciation	<u>(45,343,010)</u>	<u>(2,139,273)</u>	<u>141,745</u>	<u>(47,340,538)</u>
Capital assets, being depreciated, net of accumulated depreciation	<u>26,901,697</u>	<u>(1,736,700)</u>	<u>-</u>	<u>25,164,997</u>
Governmental activities capital assets, net	<u>\$ 81,626,468</u>	<u>\$ 36,779,875</u>	<u>\$ -</u>	<u>\$ 118,406,343</u>

Depreciation expense was charged to governmental functions as follows:

<u>Instruction:</u>	
Regular	\$ 654,220
Special	325,340
Vocational	7,937
Other	112
<u>Support services:</u>	
Pupil	120,484
Instructional staff	48,321
Board of education	3,394
Administration	102,593
Fiscal	29,862
Business	15,799
Operations and maintenance	225,475
Pupil transportation	455,307
Central	26,746
<u>Other non-instructional services:</u>	
Food service operations	69,930
Other non-instructional services	1,862
Extracurricular activities	<u>51,891</u>
Total depreciation expense	<u>\$ 2,139,273</u>

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

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

NOTE 9 - LONG-TERM OBLIGATIONS

The District's long-term obligations activity for fiscal year 2023 follows:

Governmental Activities:	<u>Balance</u> <u>06/30/22</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>06/30/23</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
General obligation bonds					
Series 2015 refunding bonds					
Current interest bonds, 0.75 - 3.5%	\$ 6,260,000	\$ -	\$ (1,175,000)	\$ 5,085,000	\$ 1,215,000
Unamortized premium	288,363	-	(65,289)	223,074	-
Total Series 2015	<u>6,548,363</u>	<u>-</u>	<u>(1,240,289)</u>	<u>5,308,074</u>	<u>1,215,000</u>
Series 2017A construction bonds					
Current interest bonds 2.0 - 4.0%	22,710,000	-	(305,000)	22,405,000	10,000
Capital appreciation bonds	81,391	-	-	81,391	-
Accreted interest	235,587	93,108	-	328,695	-
Unamortized premium	348,884	-	(11,076)	337,808	-
Total Series 2017A	<u>23,375,862</u>	<u>93,108</u>	<u>(316,076)</u>	<u>23,152,894</u>	<u>10,000</u>
Series 2017B construction bonds					
Current interest bonds 2.0 - 4.0%	8,990,000	-	(90,000)	8,900,000	395,000
Unamortized premium	329,583	-	(26,367)	303,216	-
Total Series 2017B	<u>9,319,583</u>	<u>-</u>	<u>(116,367)</u>	<u>9,203,216</u>	<u>395,000</u>
Series 2021A construction bonds					
Current interest bonds 4.0%	47,125,000	-	(1,400,000)	45,725,000	1,400,000
Unamortized premium	4,042,252	-	(120,965)	3,921,287	-
Total Series 2021A	<u>51,167,252</u>	<u>-</u>	<u>(1,520,965)</u>	<u>49,646,287</u>	<u>1,400,000</u>
Series 2021B construction bonds					
Current interest bonds 3.0%	8,935,000	-	-	8,935,000	-
Unamortized premium	816,307	-	(38,115)	778,192	-
Total Series 2021B	<u>9,751,307</u>	<u>-</u>	<u>(38,115)</u>	<u>9,713,192</u>	<u>-</u>
Total bonds	<u>100,162,367</u>	<u>93,108</u>	<u>(3,231,812)</u>	<u>97,023,663</u>	<u>3,020,000</u>
Series 2021 certificates of participation (COPS), 3.0 - 4.0%					
Unamortized premium	17,720,000	-	(150,000)	17,570,000	175,000
Total Series 2021 COPS	<u>19,575,918</u>	<u>-</u>	<u>(215,311)</u>	<u>19,360,607</u>	<u>175,000</u>
Net pension liability	<u>31,255,083</u>	<u>23,826,000</u>	<u>-</u>	<u>55,081,083</u>	<u>-</u>
Net OPEB liability:	<u>4,225,967</u>	<u>-</u>	<u>(981,063)</u>	<u>3,244,904</u>	<u>-</u>
Compensated absences	<u>3,748,264</u>	<u>641,465</u>	<u>(546,489)</u>	<u>3,843,240</u>	<u>584,335</u>
Total long-term obligations	<u>\$ 158,967,599</u>	<u>\$ 24,560,573</u>	<u>\$ (4,974,675)</u>	<u>\$ 178,553,497</u>	<u>\$ 3,779,335</u>

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

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

General Obligation Bonds

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

Series 2015 Refunding General Obligation Bonds

On June 17, 2015, the District issued \$12,169,940 of general obligation bonds (Series 2015 refunding bonds) to advance refund the callable of the Series 2006 refunding general obligation bonds. The refunded debt is considered defeased (in-substance) and accordingly, has been removed from the statement of net position. The balance of the Series 2015 refunding general obligation bonds at June 30, 2023, is \$5,085,000.

At issuance, the refunding bonds were comprised of both current interest bonds, par value \$12,000,000, and capital appreciation bonds par value \$169,940. The interest rates on the current interest bonds range from 0.75% - 3.5%. The capital appreciation bonds matured on December 1, 2021 (effective interest rate 30.33%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date.

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

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

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

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2024	\$ 1,215,000	\$ 145,470	\$ 1,360,470
2025	1,250,000	108,182	1,358,182
2026	1,290,000	67,835	1,357,835
2027	1,330,000	23,275	1,353,275
Total	<u>\$ 5,085,000</u>	<u>\$ 344,762</u>	<u>\$ 5,429,762</u>

Series 2017A Construction General Obligation Bonds

On February 22, 2017, the District issued \$24,550,000 of current interest bonds and \$81,391 of capital appreciation bonds to perform school improvement projects. The interest rates on the current interest bonds range from 2.00% - 4.00%. The capital appreciation bonds mature on December 1, 2024 (effective interest rate 29.37%) and December 1, 2025 (effective interest rate 29.38%) at a redemption price equal to 100% of the principal, plus accrued interest to the redemption date. The accreted value at maturity for the capital appreciation bond maturing December 1, 2024 is \$445,000. The accreted value at maturity for the capital appreciation bond maturing December 1, 2025 is \$205,000. Total accreted interest of \$328,695 has been included in the statement of net position at June 30, 2023.

The general obligation bonds were issued for the purpose of constructing two new elementary schools and to abate and demolish four existing school buildings.

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

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

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

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

Fiscal Year Ending June 30,	Current Interest Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 10,000	\$ 881,138	\$ 891,138	\$ -	\$ -	\$ -
2025	-	880,988	880,988	60,022	384,978	445,000
2026	-	880,988	880,988	21,369	183,631	205,000
2027	10,000	880,812	890,812	-	-	-
2028	10,000	880,462	890,462	-	-	-
2029 - 2033	50,000	4,397,060	4,447,060	-	-	-
2034 - 2038	50,000	4,388,314	4,438,314	-	-	-
2039 - 2043	4,380,000	4,044,762	8,424,762	-	-	-
2044 - 2048	6,910,000	2,872,242	9,782,242	-	-	-
2049 - 2053	8,940,000	1,338,400	10,278,400	-	-	-
2054	2,045,000	40,900	2,085,900	-	-	-
Total	\$ 22,405,000	\$ 21,486,066	\$ 43,891,066	\$ 81,391	\$ 568,609	\$ 650,000

Series 2017B Construction General Obligation Bonds

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

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2037. The bonds will be retired from the debt service fund.

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

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2024	\$ 395,000	\$ 344,988	\$ 739,988
2025	10,000	339,925	349,925
2026	240,000	335,000	575,000
2027	445,000	321,300	766,300
2028	515,000	302,100	817,100
2029 - 2033	3,055,000	1,169,100	4,224,100
2034 - 2038	4,240,000	443,800	4,683,800
Total	\$ 8,900,000	\$ 3,256,213	\$ 12,156,213

Series 2021A Construction General Obligation Bonds

On March 18, 2021, the District issued \$48,475,000 of current interest bonds to perform school improvement projects. This issue is comprised of general obligation bonds with an interest rate of 4.00%. The general obligation bonds were issued for the purpose of constructing a new high school, and to abate and demolish the existing high school building. As of June 30, 2023, there were \$4,432,061 in unspent proceeds.

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

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2055. The bonds will be retired from the debt service fund.

The future debt service requirements for retirement of the Series 2021A construction bonds follows:

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2024	\$ 1,400,000	\$ 1,525,800	\$ 2,925,800
2025	1,060,000	1,476,600	2,536,600
2026	1,130,000	1,432,800	2,562,800
2027	1,195,000	1,386,300	2,581,300
2028	860,000	1,345,200	2,205,200
2029 - 2033	5,205,000	6,146,100	11,351,100
2034 - 2038	4,955,000	4,992,400	9,947,400
2039 - 2043	1,440,000	4,561,400	6,001,400
2044 - 2048	9,620,000	3,683,050	13,303,050
2049 - 2053	11,250,000	2,028,750	13,278,750
2054 - 2056	7,610,000	346,800	7,956,800
Total	<u>\$ 45,725,000</u>	<u>\$ 28,925,200</u>	<u>\$ 74,650,200</u>

Series 2021B Construction General Obligation Bonds

On April 6, 2021, the District issued \$8,935,000 of current interest bonds to perform school improvement projects. This issue is comprised of general obligation bonds with an interest rate of 3.00%. The general obligation bonds were issued for the purpose of constructing a new high school, and to abate and demolish the existing high school building. As of June 30, 2023, there were \$816,926 in unspent proceeds.

Interest payments on the current interest bonds are due on June 1 and December 1 each year. The final maturity stated in the issue is December 1, 2042. The bonds will be retired from the debt service fund.

The future debt service requirements for retirement of the Series 2021B construction bonds follows:

Fiscal Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2024	\$ -	\$ 268,050	\$ 268,050
2025	-	268,050	268,050
2026	-	268,050	268,050
2027	-	268,050	268,050
2028	-	268,050	268,050
2029 - 2033	-	1,340,250	1,340,250
2034 - 2038	2,035,000	1,291,425	3,326,425
2039 - 2043	<u>6,900,000</u>	<u>475,650</u>	<u>7,375,650</u>
Total	<u>\$ 8,935,000</u>	<u>\$ 4,447,575</u>	<u>\$ 13,382,575</u>

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

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Series 2021 Certificates of Participation

In February 2021, the District issued \$17,820,000 in certificates of participation (“COPs”) to finance the acquisition, construction and overall improvement of District facilities. As part of the official agreement, the District’s land and buildings are being ground leased to Buckeye Leasing Services, who will then sublease the land and buildings back to the District for a series of rental payments. These rental payments will pay for the debt service requirements on the COPs. The COPs bear interest rates ranging from 3.00% to 4.00%. Principal on the COPs is due each December 1, beginning December 1, 2021, through and including December 1, 2050. Buckeye Leasing Services has assigned all of its rights in the transaction to U.S. Bank National Association (the “Trustee”), which is serving as the trustee for the COPs. Interest payments in fiscal year 2023 totaled \$580,850. This amount is reported as debt service expenditures in the permanent improvement fund (a nonmajor governmental fund). The District deposited \$1,633,216 in prepaid interest payments (through fiscal year 2024’s interest payments) with the Trustee and the Trustee makes scheduled interest payments on the bonds. As of June 30, 2023, there were \$1,349,252 in unspent proceeds.

The obligation of the District under the lease and any subsequent lease renewal is subject to the annual appropriation of the rental payments. Legal title to the facilities remains with the Trustee until all payments required under the lease have been made. In the event that sufficient monies are not appropriated or certified, the lease will terminate at the end of the current lease term and the District will have no further obligation to make rental payments. The Trustee, as assignee under the lease assignment, will have certain remedies under the ground lease and the lease, including the right to take possession of the project for the remainder of the term of the ground lease (through December 1, 2050).

The future debt service requirements for retirement of the Series 2021 certificates of participation follows:

Fiscal Year Ending June 30.	Certificates of Participation		
	Principal	Interest	Total
2024	\$ 175,000	\$ 575,975	\$ 750,975
2025	345,000	568,175	913,175
2026	360,000	557,600	917,600
2027	375,000	546,575	921,575
2028	390,000	535,100	925,100
2029 - 2033	2,265,000	2,428,750	4,693,750
2034 - 2038	2,885,000	1,915,350	4,800,350
2039 - 2043	3,560,000	1,357,200	4,917,200
2044 - 2048	4,275,000	770,625	5,045,625
2049 - 2051	<u>2,940,000</u>	<u>134,400</u>	<u>3,074,400</u>
Total	<u>\$ 17,570,000</u>	<u>\$ 9,389,750</u>	<u>\$ 26,959,750</u>

Net Pension Liability

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

Net OPEB Liability/Asset

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

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

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

NOTE 9 - LONG-TERM OBLIGATIONS - (Continued)

Compensated Absences

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

Legal Debt Margin

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The assessed valuation used in determining the District's legal debt margin has been modified by House Bill 530 which became effective March 30, 2006. In accordance with House Bill 530, the assessed valuation used in the District's legal debt margin calculation excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations. The effects of these debt limitations at June 30, 2023, are a voted debt margin of (\$17,502,171) (including available funds of \$6,171,239), and an unvoted debt margin of \$749,533.

The Ohio Revised Code further provides that when a Board of Education declares a resolution that the student population is not adequately served by existing facilities, and that insufficient capacity exists within the 9% limit to finance additional facilities, the State Department of Education may declare that district a "special needs" district. This permits the incurrence of additional debt based upon projected 5-year growth of the school district's assessed valuation. The Fairborn City School District was determined to be a "special needs" district by the State Superintendent.

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks related to torts, theft of, damage to, and destruction of assets, error and omissions, injuries to employees and natural disasters. During fiscal year 2023, the District carried property and general liability insurance and boiler and machinery insurance.

Professional liability is protected by Arthur J. Gallagher, with \$1,000,000 each occurrence, and \$3,000,000 in annual aggregate limit. An additional "umbrella" policy through Ambridge Partners has \$4,000,000 per occurrence and \$5,000,000 aggregate limit.

The District contracted with Arthur J. Gallagher for building and property insurance. Commercial property is insured at a limit of \$189,418,349 with a \$5,000 deductible on everything except boiler and machinery that have a \$3,500 deductible. Boiler and machinery insurance is covered by Federal Insurance Company.

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

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

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

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

NOTE 10 - RISK MANAGEMENT - (Continued)

B. Workers' Compensation

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

C. Employee Medical/Dental Benefits

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS

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.

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; 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 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

The District's contractually required contribution to SERS was \$1,426,805 for fiscal year 2023. Of this amount, \$401,901 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.

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

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

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

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

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.

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$3,846,840 for fiscal year 2023. Of this amount, \$641,960 is reported as pension and postemployment benefits payable.

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

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

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net pension liability prior measurement date	0.21687670%	0.18186412%	
Proportion of the net pension liability current measurement date	<u>0.22607990%</u>	<u>0.19276960%</u>	
Change in proportionate share	<u>0.00920320%</u>	<u>0.01090548%</u>	
Proportionate share of the net pension liability	\$ 12,228,159	\$ 42,852,924	\$ 55,081,083
Pension expense	\$ 1,283,338	\$ 6,440,537	\$ 7,723,875

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 495,250	\$ 548,574	\$ 1,043,824
Net difference between projected and actual earnings on pension plan investments	-	1,491,189	1,491,189
Changes of assumptions	120,656	5,128,207	5,248,863
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	586,298	3,561,814	4,148,112
Contributions subsequent to the measurement date	<u>1,426,805</u>	<u>3,846,840</u>	<u>5,273,645</u>
Total deferred outflows of resources	<u>\$ 2,629,009</u>	<u>\$ 14,576,624</u>	<u>\$ 17,205,633</u>

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 80,275	\$ 163,927	\$ 244,202
Net difference between projected and actual earnings on pension plan investments	426,707	-	426,707
Changes of assumptions	-	3,860,066	3,860,066
Total deferred inflows of resources	<u>\$ 506,982</u>	<u>\$ 4,023,993</u>	<u>\$ 4,530,975</u>

\$5,273,645 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	\$ 313,824	\$ 159,412	\$ 473,236
2025	253,891	(176,389)	77,502
2026	(41,197)	(1,483,279)	(1,524,476)
2027	168,704	8,206,047	8,374,751
Total	<u>\$ 695,222</u>	<u>\$ 6,705,791</u>	<u>\$ 7,401,013</u>

Actuarial Assumptions - SERS

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

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

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

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

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

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

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

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

NOTE 11 - 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 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 17,999,267	\$ 12,228,159	\$ 7,366,080

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - STRS

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

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

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

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

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

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

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>	

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	\$ 64,735,169	\$ 42,852,924	\$ 24,347,321

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

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

Plan Description - School Employees Retirement System (SERS)

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

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was \$170,524.

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 \$170,524 for fiscal year 2023. Of this amount, \$170,524 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 or by calling (888) 227-7877.

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the net OPEB liability/asset prior measurement date	0.22329110%	0.18186412%	
Proportion of the net OPEB liability/asset current measurement date	<u>0.23111680%</u>	<u>0.19276960%</u>	
Change in proportionate share	<u>0.00782570%</u>	<u>0.01090548%</u>	
Proportionate share of the net OPEB liability	\$ 3,244,904	\$ -	\$ 3,244,904
Proportionate share of the net OPEB asset	\$ -	\$ (4,991,446)	\$ (4,991,446)
OPEB expense	\$ (21,242)	\$ (936,869)	\$ (958,111)

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 27,279	\$ 72,363	\$ 99,642
Net difference between projected and actual earnings on OPEB plan investments	16,865	86,887	103,752
Changes of assumptions	516,144	212,619	728,763
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	684,945	57,903	742,848
Contributions subsequent to the measurement date	<u>170,524</u>	<u>-</u>	<u>170,524</u>
Total deferred outflows of resources	<u>\$ 1,415,757</u>	<u>\$ 429,772</u>	<u>\$ 1,845,529</u>

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 2,075,679	\$ 749,628	\$ 2,825,307
Changes of assumptions	1,332,059	3,539,424	4,871,483
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	<u>-</u>	<u>67,335</u>	<u>67,335</u>
Total deferred inflows of resources	<u>\$ 3,407,738</u>	<u>\$ 4,356,387</u>	<u>\$ 7,764,125</u>

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

\$170,524 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

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

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2024	\$ (452,200)	\$ (1,182,209)	\$ (1,634,409)
2025	(472,548)	(1,106,007)	(1,578,555)
2026	(428,437)	(531,587)	(960,024)
2027	(271,584)	(221,566)	(493,150)
2028	(200,434)	(291,991)	(492,425)
Thereafter	<u>(337,302)</u>	<u>(593,255)</u>	<u>(930,557)</u>
Total	<u>\$ (2,162,505)</u>	<u>\$ (3,926,615)</u>	<u>\$ (6,089,120)</u>

Actuarial Assumptions - SERS

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Wage inflation:

Current measurement date	2.40%
Prior measurement date	2.40%

Future salary increases, including inflation:

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

Investment rate of return:

Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation

Municipal bond index rate:

Current measurement date	3.69%
Prior measurement date	1.92%

Single equivalent interest rate, net of plan investment expense,
including price inflation:

Current measurement date	4.08%
Prior measurement date	2.27%

Medical trend assumption:

Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

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

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50% of projected covered payroll each year, which includes a 1.50% payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

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

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 4,030,220	\$ 3,244,904	\$ 2,610,941

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 2,502,403	\$ 3,244,904	\$ 4,214,730

Actuarial Assumptions - STRS

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

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 4,622,172	\$ 4,991,446	\$ 5,314,367
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	\$ 5,177,344	\$ 4,991,446	\$ 4,756,796

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

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

B. Life Insurance

The District provides life insurance and accidental death insurance to most employees through Unum Life Insurance Company at EPC.

NOTE 14 - CONTINGENCIES

A. Grants

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

B. Litigation

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

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

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

NOTE 15 - BUDGETARY BASIS OF ACCOUNTING

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

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to assigned or committed fund balance for that portion of outstanding encumbrances not already recognized as an account payable (GAAP basis); and,
- (d) Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis).

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

Net Change in Fund Balance

	<u>General Fund</u>
Budget basis	\$ (370,680)
Net adjustment for revenue accruals	(274,438)
Net adjustment for expenditure accruals	1,265,810
Net adjustment for other sources/uses	(148,911)
Funds budgeted elsewhere	(223,957)
Adjustment for encumbrances	3,122,785
GAAP basis	\$ 3,370,609

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

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

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

NOTE 16 - INTERFUND TRANSACTIONS

A. Interfund loans receivable/payable consisted of the following at June 30, 2023, as reported on the fund statements:

Receivable Fund	Payable Funds	Amount
General Fund	<i>Nonmajor Special Revenue Funds:</i>	
	ESSER	\$ 758,604
	Title I	45,203
	Supporting Effective Instruction	3,899
	Student Support and Academic Enrichment	4,012
	Total interfund loans receivable/payable	\$ 811,718

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. Interfund balances between governmental funds are eliminated on the government-wide financial statements, therefore, no internal balances at June 30, 2023 are reported on the Statement of Net Position.

B. The general fund transferred \$250,000 to the permanent improvement nonmajor capital projects fund during fiscal year 2023.

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

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

The transfer was made in compliance with Ohio Revised Code Sections 5705.14, 5705.15, and 5705.16.

NOTE 17 - SET-ASIDES

The District is required by State law to annually set-aside certain general fund revenue amounts, as defined by statutory formula, for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end. This amount must be carried forward to be used for the same purpose in future years. Expenditures exceeding the set-aside requirement may not be carried forward to the next fiscal year.

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

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

NOTE 17 - SET-ASIDES - (Continued)

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, 2022	\$ -
Current year set-aside requirement	905,508
Current year offsets	<u>(1,221,538)</u>
Total	<u>\$ (316,030)</u>
Balance carried forward to fiscal year 2024	<u>\$ -</u>
Set-aside balance June 30, 2023	<u>\$ -</u>

The District issued school improvement general obligation bonds. These proceeds may be used to reduce the capital improvements set-aside amount to zero for future years. The District is responsible for tracking the amount of bond proceeds that may be used as an offset in future periods, which was \$130,424,763 at June 30, 2023.

NOTE 18 - OTHER COMMITMENTS

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

<u>Fund</u>	<u>Fiscal Year-End Encumbrances</u>
General	\$ 3,199,077
Building	19,212,328
Other Governmental	<u>2,819,331</u>
Total	<u>\$ 25,230,736</u>

NOTE 19 - PERMANENT FUND BALANCE

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

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

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

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

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

NOTE 20 - CONTRACTUAL COMMITMENTS

As of June 30, 2023, the District has commitments with the following companies for the construction projects.

<u>Contractor</u>	<u>Contract Amount</u>	<u>Amount Paid as of June 30, 2023</u>	<u>Amount Remaining On Contract</u>
SHP Leading Design	\$ 4,632,525	\$ 3,983,919	\$ 648,606
Hill International	350,562	278,988	71,574
Peterson Construction	67,535,116	44,479,407	23,055,709
Steven Rauch Inc.	<u>722,233</u>	<u>662,976</u>	<u>59,257</u>
Total	<u>\$ 73,240,436</u>	<u>\$ 49,405,290</u>	<u>\$ 23,835,146</u>

These contractual commitments relate to the OFCC project and the construction of the new High School undertaken by the District. In addition to the amounts paid above, the District has recorded contracts and retainage payable in the amounts of \$2,746,290 and \$1,230,761, respectively for costs incurred prior to fiscal year end on the projects. Costs incurred by fiscal year end (including contracts payable and retainage payable) have been recorded as construction-in-progress in the District's capital assets (see Note 8).

NOTE 21 - TAX ABATEMENTS

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

The District has incurred a reduction in property tax receipts due to EZAs entered into by Greene County and City of Fairborn CRA programs. During fiscal year 2023 the District's property tax receipts were reduced by \$156,014 and \$63,261 under EZAs and CRAs, respectively.

NOTE 22 - COVID-19

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

NOTE 23 - SIGNIFICANT SUBSEQUENT EVENT

In July 2023, the District issued \$24,600,000 in School Facilities Bonds for the purpose of constructing school facilities and renovating and expanding existing school facilities. The bonds mature on December 1, 2057, and the interest rates range from 3.59% to 5.50%.

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REQUIRED SUPPLEMENTARY INFORMATION

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.22607990%	0.21687670%	0.20480400%	0.19411440%
District's proportionate share of the net pension liability	\$ 12,228,159	\$ 8,002,121	\$ 13,546,168	\$ 11,614,205
District's covered payroll	\$ 9,228,193	\$ 7,600,457	\$ 7,476,900	\$ 6,841,333
District's proportionate share of the net pension liability as a percentage of its covered payroll	132.51%	105.28%	181.17%	169.77%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.18993440%	0.17786290%	0.18242430%	0.18358850%	0.18390200%	0.18390200%
\$ 10,877,895	\$ 10,626,915	\$ 13,351,776	\$ 10,475,738	\$ 9,307,176	\$ 10,936,062
\$ 6,407,785	\$ 5,954,764	\$ 5,785,543	\$ 5,526,973	\$ 5,343,838	\$ 6,656,228
169.76%	178.46%	230.78%	189.54%	174.17%	164.30%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net pension liability	0.19276960%	0.18186412%	0.17058775%	0.16371949%
District's proportionate share of the net pension liability	\$ 42,852,924	\$ 23,252,962	\$ 41,276,166	\$ 36,205,581
District's covered payroll	\$ 25,278,100	\$ 22,912,671	\$ 21,100,679	\$ 19,184,071
District's proportionate share of the net pension liability as a percentage of its covered payroll	169.53%	101.49%	195.62%	188.73%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.16100902%	0.15772794%	0.16542193%	0.16766317%	0.17550355%	0.17550355%
\$ 35,402,268	\$ 37,468,610	\$ 55,371,706	\$ 46,337,196	\$ 42,688,537	\$ 50,850,306
\$ 18,557,550	\$ 17,562,914	\$ 16,907,907	\$ 17,492,843	\$ 17,931,615	\$ 19,845,169
190.77%	213.34%	327.49%	264.89%	238.06%	256.24%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 1,426,805	\$ 1,291,947	\$ 1,064,064	\$ 1,046,766
Contributions in relation to the contractually required contribution	<u>(1,426,805)</u>	<u>(1,291,947)</u>	<u>(1,064,064)</u>	<u>(1,046,766)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,191,464	\$ 9,228,193	\$ 7,600,457	\$ 7,476,900
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 923,580	\$ 865,051	\$ 833,667	\$ 809,976	\$ 728,455	\$ 740,656
<u>(923,580)</u>	<u>(865,051)</u>	<u>(833,667)</u>	<u>(809,976)</u>	<u>(728,455)</u>	<u>(740,656)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,841,333	\$ 6,407,785	\$ 5,954,764	\$ 5,785,543	\$ 5,526,973	\$ 5,343,838
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	\$ 3,846,840	\$ 3,538,934	\$ 3,207,774	\$ 2,954,095
Contributions in relation to the contractually required contribution	(3,846,840)	(3,538,934)	(3,207,774)	(2,954,095)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 27,477,429	\$ 25,278,100	\$ 22,912,671	\$ 21,100,679
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,685,770	\$ 2,598,057	\$ 2,458,808	\$ 2,367,107	\$ 2,448,998	\$ 2,331,110
<u>(2,685,770)</u>	<u>(2,598,057)</u>	<u>(2,458,808)</u>	<u>(2,367,107)</u>	<u>(2,448,998)</u>	<u>(2,331,110)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,184,071	\$ 18,557,550	\$ 17,562,914	\$ 16,907,907	\$ 17,492,843	\$ 17,931,615
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability	0.23111680%	0.22329110%	0.21275690%	0.19869360%
District's proportionate share of the net OPEB liability	\$ 3,244,904	\$ 4,225,967	\$ 4,623,904	\$ 4,996,726
District's covered payroll	\$ 9,228,193	\$ 7,600,457	\$ 7,476,900	\$ 6,841,333
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	35.16%	55.60%	61.84%	73.04%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017
0.19211300%	0.18060070%	0.18418380%
\$ 5,329,734	\$ 4,846,848	\$ 5,249,920
\$ 6,407,785	\$ 5,954,764	\$ 5,785,543
83.18%	81.39%	90.74%
13.57%	12.46%	11.49%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST SEVEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
District's proportion of the net OPEB liability/asset	0.19276960%	0.18186412%	0.17058775%	0.16371949%
District's proportionate share of the net OPEB liability/(asset)	\$ (4,991,446)	\$ (3,834,456)	\$ (2,998,079)	\$ (2,711,587)
District's covered payroll	\$ 25,278,100	\$ 22,912,671	\$ 21,100,679	\$ 19,184,071
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	19.75%	16.74%	14.21%	14.13%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

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

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>
0.16100902%	0.15772794%	0.16542193%
\$ (2,587,250)	\$ 6,153,962	\$ 8,846,808
\$ 18,557,550	\$ 17,562,914	\$ 16,907,907
13.94%	35.04%	52.32%
176.00%	47.10%	37.30%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 170,524	\$ 150,667	\$ 141,888	\$ 137,778
Contributions in relation to the contractually required contribution	<u>(170,524)</u>	<u>(150,667)</u>	<u>(141,888)</u>	<u>(137,778)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,191,464	\$ 9,228,193	\$ 7,600,457	\$ 7,476,900
Contributions as a percentage of covered payroll	1.67%	1.63%	1.87%	1.84%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 154,380	\$ 133,271	\$ 122,672	\$ 90,266	\$ 135,718	\$ 9,033
<u>(154,380)</u>	<u>(133,271)</u>	<u>(122,672)</u>	<u>(90,266)</u>	<u>(135,718)</u>	<u>(9,033)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,841,333	\$ 6,407,785	\$ 5,954,764	\$ 5,785,543	\$ 5,526,973	\$ 5,343,838
2.26%	2.08%	2.06%	1.56%	2.46%	0.17%

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

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

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

LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 27,477,429	\$ 25,278,100	\$ 22,912,671	\$ 21,100,679
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,775
-	-	-	-	-	(181,775)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,184,071	\$ 18,557,550	\$ 17,562,914	\$ 16,907,907	\$ 17,492,843	\$ 17,931,615
0.00%	0.00%	0.00%	0.00%	0.00%	1.01%

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

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

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

(Continued)

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

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

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

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

(Continued)

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Changes in assumptions :

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

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

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

Changes in assumptions :

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

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

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

Changes in assumptions (continued) :

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

COMBINING STATEMENTS
AND INDIVIDUAL FUND SCHEDULES

SUPPLEMENTAL INFORMATION

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

MAJOR FUNDS

General Fund

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

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

OTHER MAJOR FUNDS

Debt Service Fund

A fund used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain long-term obligations from governmental resources when the government is obligated in some manner for payment. It is also used to account for the accumulation of resources and payment of general obligation bonds and library bonds payable, as required by Ohio Law.

Building Fund

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

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Debt Service				
Total revenues and other sources	\$ 6,011,229	\$ 6,011,229	\$ 6,002,976	\$ (8,253)
Total expenditures and other uses	<u>7,000,000</u>	<u>7,000,000</u>	<u>6,297,028</u>	<u>702,972</u>
Net change in fund balance	(988,771)	(988,771)	(294,052)	694,719
Fund balance at beginning of year	<u>6,172,478</u>	<u>6,172,478</u>	<u>6,172,478</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,183,707</u>	<u>\$ 5,183,707</u>	<u>\$ 5,878,426</u>	<u>\$ 694,719</u>
Building				
Total revenues and other sources	\$ 1,330,000	\$ 2,337,925	\$ 1,422,614	\$ (915,311)
Total expenditures and other uses	<u>107,433,427</u>	<u>57,533,427</u>	<u>57,529,769</u>	<u>3,658</u>
Net change in fund balance	(106,103,427)	(55,195,502)	(56,107,155)	(911,653)
Fund balance at beginning of year	124,358	124,358	124,358	-
Prior year encumbrances appropriated	<u>57,433,427</u>	<u>57,433,427</u>	<u>57,433,427</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ (48,545,642)</u>	<u>\$ 2,362,283</u>	<u>\$ 1,450,630</u>	<u>\$ (911,653)</u>

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

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and investments	\$ 2,516,473	\$ 6,722,992	\$ 17,474	\$ 9,256,939
Cash with fiscal agent	-	335,893	-	335,893
Receivables:				
Property taxes	146,503	1,119,789	-	1,266,292
Payment in lieu of taxes	6,007	38,419	-	44,426
Intergovernmental	1,618,991	216,612	-	1,835,603
Prepayments	79	-	-	79
Materials and supplies inventory	13,437	-	-	13,437
Inventory held for resale	29,455	-	-	29,455
Total assets	<u>\$ 4,330,945</u>	<u>\$ 8,433,705</u>	<u>\$ 17,474</u>	<u>\$ 12,782,124</u>
Liabilities:				
Accounts payable	\$ 9,076	\$ 124	\$ -	\$ 9,200
Contracts payable	-	72,739	-	72,739
Accrued wages and benefits payable	556,301	-	-	556,301
Intergovernmental payable	9,299	-	-	9,299
Pension and postemployment benefits payable	151,590	-	-	151,590
Interfund loan payable	811,718	-	-	811,718
Total liabilities	<u>1,537,984</u>	<u>72,863</u>	<u>-</u>	<u>1,610,847</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	146,503	1,014,666	-	1,161,169
Payment in lieu of taxes levied for next fiscal year	6,007	38,419	-	44,426
Delinquent property tax revenue not available	-	36,381	-	36,381
Intergovernmental revenue not available	128,480	216,612	-	345,092
Total deferred inflows of resources	<u>280,990</u>	<u>1,306,078</u>	<u>-</u>	<u>1,587,068</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	13,437	-	-	13,437
Prepays	79	-	-	79
Permanent fund	-	-	17,474	17,474
Endowments	22,223	-	-	22,223
Restricted:				
Capital improvements	-	7,054,764	-	7,054,764
Classroom facilities maintenance	1,031,852	-	-	1,031,852
Food service operations	847,895	-	-	847,895
Non-public schools	104,469	-	-	104,469
State funded programs	28,952	-	-	28,952
Federally funded programs	135,363	-	-	135,363
Extracurricular	407,532	-	-	407,532
Special trusts	30,939	-	-	30,939
Other purposes	17,710	-	-	17,710
Unassigned (deficit)	(128,480)	-	-	(128,480)
Total fund balances	<u>2,511,971</u>	<u>7,054,764</u>	<u>17,474</u>	<u>9,584,209</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 4,330,945</u>	<u>\$ 8,433,705</u>	<u>\$ 17,474</u>	<u>\$ 12,782,124</u>

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

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Fund	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 156,943	\$ 1,139,952	\$ -	\$ 1,296,895
Intergovernmental	12,135,583	2,169,783	-	14,305,366
Investment earnings	33,995	145,998	484	180,477
Tuition and fees	4,025	-	-	4,025
Extracurricular	346,532	-	-	346,532
Charges for services	161,558	-	-	161,558
Contributions and donations	22,468	-	4,000	26,468
Payment in lieu of taxes	4,303	29,452	-	33,755
Miscellaneous	112,331	-	-	112,331
Total revenues	12,977,738	3,485,185	4,484	16,467,407
Expenditures:				
Current:				
Instruction:				
Regular	5,318,354	-	-	5,318,354
Special	3,294,629	-	-	3,294,629
Support services:				
Pupil	608,814	-	-	608,814
Instructional staff	160,979	-	-	160,979
Administration	140,109	-	-	140,109
Fiscal	8,890	12,481	-	21,371
Operations and maintenance	-	223,152	-	223,152
Pupil transportation	33,279	-	-	33,279
Central	86,557	-	-	86,557
Operation of non-instructional services:				
Food service operations	2,332,990	-	-	2,332,990
Other non-instructional services	63,126	-	-	63,126
Extracurricular activities	448,038	-	-	448,038
Facilities acquisition and construction	36,784	3,580,590	-	3,617,374
Debt service:				
Principal retirement	-	150,000	-	150,000
Interest and fiscal charges	-	580,850	-	580,850
Total expenditures	12,532,549	4,547,073	-	17,079,622
Excess (deficiency) of revenues over (under) expenditures	445,189	(1,061,888)	4,484	(612,215)
Other financing sources:				
Transfers in	-	250,000	-	250,000
Net change in fund balances	445,189	(811,888)	4,484	(362,215)
Fund balances at beginning of year	2,066,782	7,866,652	12,990	9,946,424
Fund balances at end of year	\$ 2,511,971	\$ 7,054,764	\$ 17,474	\$ 9,584,209

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

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds

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

Miscellaneous Grants

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

District Managed Student Activity

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

Auxiliary Services

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

Public School Preschool

To account for State funds provided to the District for paying the cost of preschool programs for three and four year olds. This fund is not presented on the combining balance sheet because there are no assets, liabilities or deferred inflows of resources at fiscal year-end.

Data Communications

To account for revenues received from the State to be used to install and provide support costs for data communication links to connect any school to the local A-site. This fund is not presented on the combining balance sheet of nonmajor special revenue funds because there are no assets, liabilities or deferred inflows of resources at fiscal year-end.

Special Trust

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

Miscellaneous State Grants

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

Limited English Proficiency

To account for federal monies to develop and carry out elementary and secondary school programs to meet the educational needs of children of limited English proficiency. This fund is not presented on the combining balance sheet because there are no assets, liabilities or deferred inflows of resources at fiscal year-end.

Title VI-B

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

Title I

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

EHA Preschool Grant

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

- Continued

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

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

Supporting Effective Instruction

To account for a Federal grant aimed at creating effective instruction for students.

Miscellaneous Federal Grants

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

Food Service

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

Classroom Facilities Maintenance

To account for revenues earmarked for the maintenance of facilities.

Student Managed Activity

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

Scholarship

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

Elementary and Secondary School Emergency Relief (ESSER)

To account for emergency relief grants related to the COVID-19 pandemic. Restrictions include, but are not limited to, providing for coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

Title I School Improvement Stimulus A

A fund provided to help schools improve the teaching and learning of children failing, or most at risk of failing to meet challenging State academic achievement standards. This fund is not presented on the combining balance sheet because there are no assets, liabilities or deferred inflows of resources at fiscal year-end.

Student Support and Academic Enrichment

A fund provided to account for a program intended to improve students' academic achievement by increasing the capacity of states, local education agencies, schools and local communities to (1) provide all students with access to well-rounded education and (2) improve school conditions for student learning, and (3) improve the use of technology in order to improve the academic achievement and digital literacy of all students.

- Continued

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

FUND DESCRIPTIONS

Nonmajor Special Revenue Funds (Continued)

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

Termination Benefits

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

Rotary

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

Public School Support

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

Unclaimed Funds

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

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

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	<u>Miscellaneous Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Special Trust</u>
Assets:				
Equity in pooled cash and investments	\$ 17,710	\$ 251,200	\$ 104,471	\$ 30,939
Receivables:				
Property taxes	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Intergovernmental	-	-	-	-
Prepayments	-	-	79	-
Materials and supplies inventory	-	-	-	-
Inventory held for resale	-	-	-	-
Total assets	<u>\$ 17,710</u>	<u>\$ 251,200</u>	<u>\$ 104,550</u>	<u>\$ 30,939</u>
Liabilities:				
Accounts payable	\$ -	\$ 102	\$ 2	\$ -
Accrued wages and benefits payable	-	-	-	-
Intergovernmental payable	-	-	-	-
Pension and postemployment benefits payable	-	-	-	-
Interfund loan payable	-	-	-	-
Total liabilities	<u>-</u>	<u>102</u>	<u>2</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	-	-	-
Payment in lieu of taxes levied for the next fiscal year	-	-	-	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	-	-	-	-
Prepays	-	-	79	-
Endowments	-	-	-	-
Restricted:				
Classroom facilities maintenance	-	-	-	-
Food service operations	-	-	-	-
Non-public schools	-	-	104,469	-
State funded programs	-	-	-	-
Federally funded programs	-	-	-	-
Extracurricular	-	251,098	-	-
Special trusts	-	-	-	30,939
Other purposes	17,710	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>17,710</u>	<u>251,098</u>	<u>104,548</u>	<u>30,939</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 17,710</u>	<u>\$ 251,200</u>	<u>\$ 104,550</u>	<u>\$ 30,939</u>

<u>Miscellaneous State Grants</u>	<u>Title VI-B</u>	<u>Title I</u>	<u>EHA Preschool Grant</u>	<u>Supporting Effective Instruction</u>	<u>Miscellaneous Federal Grants</u>
\$ 28,952	\$ 2,440	\$ -	\$ -	\$ -	\$ 135,363
-	-	-	-	-	-
-	-	-	-	-	-
-	133,880	164,956	6	20,253	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 28,952</u>	<u>\$ 136,320</u>	<u>\$ 164,956</u>	<u>\$ 6</u>	<u>\$ 20,253</u>	<u>\$ 135,363</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	115,953	90,107	6	10,673	-
-	1,444	1,128	-	155	-
-	18,923	28,518	-	5,526	-
-	-	45,203	-	3,899	-
-	<u>136,320</u>	<u>164,956</u>	<u>6</u>	<u>20,253</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	47,685	23,705	-	-	-
-	<u>47,685</u>	<u>23,705</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,952	-	-	-	-	-
-	-	-	-	-	135,363
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(47,685)	(23,705)	-	-	-
<u>28,952</u>	<u>(47,685)</u>	<u>(23,705)</u>	<u>-</u>	<u>-</u>	<u>135,363</u>
<u>\$ 28,952</u>	<u>\$ 136,320</u>	<u>\$ 164,956</u>	<u>\$ 6</u>	<u>\$ 20,253</u>	<u>\$ 135,363</u>

- Continued

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

COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	<u>Food Service</u>	<u>Classroom Facilities Maintenance</u>	<u>Student Managed Activity</u>	<u>Scholarship</u>
Assets:				
Equity in pooled cash and investments	\$ 733,126	\$ 1,031,852	\$ 158,197	\$ 22,223
Receivables:			-	
Property taxes	-	146,503	-	-
Payment in lieu of taxes	-	6,007	-	-
Intergovernmental	231,702	-	-	-
Prepayments	-	-	-	-
Materials and supplies inventory	13,437	-	-	-
Inventory held for resale	29,455	-	-	-
Total assets	<u>\$ 1,007,720</u>	<u>\$ 1,184,362</u>	<u>\$ 158,197</u>	<u>\$ 22,223</u>
Liabilities:				
Accounts payable	\$ 5,368	\$ -	\$ 1,763	\$ -
Accrued wages and benefits payable	88,495	-	-	-
Intergovernmental payable	1,092	-	-	-
Pension and postemployment benefits payable	51,433	-	-	-
Interfund loan payable	-	-	-	-
Total liabilities	<u>146,388</u>	<u>-</u>	<u>1,763</u>	<u>-</u>
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	-	146,503	-	-
Payment in lieu of taxes levied for the next fiscal year	-	6,007	-	-
Intergovernmental revenue not available	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>152,510</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Materials and supplies inventory	13,437	-	-	-
Prepays	-	-	-	-
Endowments	-	-	-	22,223
Restricted:				
Classroom facilities maintenance	-	1,031,852	-	-
Food service operations	847,895	-	-	-
Non-public schools	-	-	-	-
State funded programs	-	-	-	-
Federally funded programs	-	-	-	-
Extracurricular	-	-	156,434	-
Special trusts	-	-	-	-
Other purposes	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total fund balances (deficit)	<u>861,332</u>	<u>1,031,852</u>	<u>156,434</u>	<u>22,223</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,007,720</u>	<u>\$ 1,184,362</u>	<u>\$ 158,197</u>	<u>\$ 22,223</u>

<u>ESSER</u>	<u>Student Support and Academic Enrichment</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$ -	\$ -	\$ 2,516,473
-	-	146,503
-	-	6,007
1,053,086	15,108	1,618,991
-	-	79
-	-	13,437
-	-	29,455
<u>\$ 1,053,086</u>	<u>\$ 15,108</u>	<u>\$ 4,330,945</u>
\$ -	\$ 1,841	\$ 9,076
242,887	8,180	556,301
5,361	119	9,299
46,234	956	151,590
758,604	4,012	811,718
<u>1,053,086</u>	<u>15,108</u>	<u>1,537,984</u>
-	-	146,503
-	-	6,007
53,753	3,337	128,480
<u>53,753</u>	<u>3,337</u>	<u>280,990</u>
-	-	13,437
-	-	79
-	-	22,223
-	-	1,031,852
-	-	847,895
-	-	104,469
-	-	28,952
-	-	135,363
-	-	407,532
-	-	30,939
-	-	17,710
(53,753)	(3,337)	(128,480)
(53,753)	(3,337)	2,511,971
<u>\$ 1,053,086</u>	<u>\$ 15,108</u>	<u>\$ 4,330,945</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Miscellaneous Grants</u>	<u>District Managed Student Activity</u>	<u>Auxiliary Services</u>	<u>Public School Preschool</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	126,034	172,418
Investment earnings	-	-	3,700	-
Tuition and fees	-	4,025	-	-
Extracurricular	-	175,966	-	-
Charges for services	-	-	-	-
Contributions and donations	2,000	8,300	-	-
Payment in lieu of taxes	-	-	-	-
Miscellaneous	-	104,663	-	-
Total revenues	<u>2,000</u>	<u>292,954</u>	<u>129,734</u>	<u>172,418</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	-	-	21,605	165,156
Support services:				
Pupil	-	-	-	-
Instructional staff	-	-	-	-
Administration	-	-	11,482	-
Fiscal	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	-	-
Operation of non-instructional services:				
Food service operations	-	-	-	-
Other non-instructional services	909	-	45,346	-
Extracurricular activities	-	260,898	-	-
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>909</u>	<u>260,898</u>	<u>78,433</u>	<u>165,156</u>
Net change in fund balances	1,091	32,056	51,301	7,262
Fund balances (deficits) at beginning of year	<u>16,619</u>	<u>219,042</u>	<u>53,247</u>	<u>(7,262)</u>
Fund balances (deficits) at end of year	<u>\$ 17,710</u>	<u>\$ 251,098</u>	<u>\$ 104,548</u>	<u>\$ -</u>

<u>Data Communications</u>	<u>Special Trust</u>	<u>Miscellaneous State Grants</u>	<u>Limited English Proficiency</u>	<u>Title VI-B</u>	<u>Title I</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,200	-	25,152	15,276	1,116,590	1,387,980
-	1,039	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,328	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,200</u>	<u>6,367</u>	<u>25,152</u>	<u>15,276</u>	<u>1,116,590</u>	<u>1,387,980</u>
-	6,000	-	13,847	-	46,468
-	-	-	-	1,048,380	1,222,547
-	-	-	-	-	-
-	-	-	1,062	-	4,792
-	-	-	-	63,108	65,519
7,200	-	-	-	-	-
-	-	21,920	-	-	-
-	-	-	-	-	-
-	-	-	367	-	8,096
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,200</u>	<u>6,000</u>	<u>21,920</u>	<u>15,276</u>	<u>1,111,488</u>	<u>1,347,422</u>
-	367	3,232	-	5,102	40,558
-	<u>30,572</u>	<u>25,720</u>	-	<u>(52,787)</u>	<u>(64,263)</u>
<u>\$ -</u>	<u>\$ 30,939</u>	<u>\$ 28,952</u>	<u>\$ -</u>	<u>\$ (47,685)</u>	<u>\$ (23,705)</u>

- Continued

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>EHA Preschool Grant</u>	<u>Supporting Effective Instruction</u>	<u>Miscellaneous Federal Grants</u>	<u>Food Service</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	79,573	166,493	200,000	2,015,580
Investment earnings	-	-	-	28,458
Tuition and fees	-	-	-	-
Extracurricular	-	-	-	-
Charges for services	-	-	-	161,558
Contributions and donations	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>79,573</u>	<u>166,493</u>	<u>200,000</u>	<u>2,205,596</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	-
Special	79,573	-	-	-
Support services:				
Pupil	-	-	-	-
Instructional staff	-	142,826	-	-
Administration	-	-	-	-
Fiscal	-	-	-	-
Pupil transportation	-	-	-	-
Central	-	-	64,637	-
Operation of non-instructional services:				
Food service operations	-	-	-	2,332,990
Other non-instructional services	-	4,750	-	-
Extracurricular activities	-	-	-	-
Facilities acquisition and construction	-	-	-	36,784
Total expenditures	<u>79,573</u>	<u>147,576</u>	<u>64,637</u>	<u>2,369,774</u>
Net change in fund balances	-	18,917	135,363	(164,178)
Fund balances (deficits) at beginning of year	<u>-</u>	<u>(18,917)</u>	<u>-</u>	<u>1,025,510</u>
Fund balances (deficits) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,363</u>	<u>\$ 861,332</u>

<u>Classroom Facilities Maintenance</u>	<u>Student Managed Activity</u>	<u>Scholarship</u>	<u>ESSER</u>	<u>Title I School Improvement Stimulus A</u>	<u>Student Support and Academic Enrichment</u>
\$ 156,943	\$ -	\$ -	\$ -	\$ -	\$ -
4,194	-	-	6,694,192	31,643	93,258
-	-	798	-	-	-
-	-	-	-	-	-
-	170,566	-	-	-	-
-	-	-	-	-	-
-	6,840	-	-	-	-
4,303	-	-	-	-	-
-	7,668	-	-	-	-
<u>165,440</u>	<u>185,074</u>	<u>798</u>	<u>6,694,192</u>	<u>31,643</u>	<u>93,258</u>
-	-	-	5,232,365	-	19,674
-	-	-	757,368	-	-
-	-	-	536,945	-	71,869
-	-	-	-	12,299	-
-	-	-	-	-	-
1,690	-	-	-	-	-
-	-	-	33,279	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,813	-	-	-	845
-	187,140	-	-	-	-
-	-	-	-	-	-
<u>1,690</u>	<u>189,953</u>	<u>-</u>	<u>6,559,957</u>	<u>12,299</u>	<u>92,388</u>
163,750	(4,879)	798	134,235	19,344	870
<u>868,102</u>	<u>161,313</u>	<u>21,425</u>	<u>(187,988)</u>	<u>(19,344)</u>	<u>(4,207)</u>
<u>\$ 1,031,852</u>	<u>\$ 156,434</u>	<u>\$ 22,223</u>	<u>\$ (53,753)</u>	<u>\$ -</u>	<u>\$ (3,337)</u>

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Total Nonmajor Special Revenue Funds
Revenues:	
Property taxes	\$ 156,943
Intergovernmental	12,135,583
Investment earnings	33,995
Tuition and fees	4,025
Extracurricular	346,532
Charges for services	161,558
Contributions and donations	22,468
Payment in lieu of taxes	4,303
Miscellaneous	112,331
Total revenues	12,977,738
Expenditures:	
Current:	
Instruction:	
Regular	5,318,354
Special	3,294,629
Support services:	
Pupil	608,814
Instructional staff	160,979
Administration	140,109
Fiscal	8,890
Pupil transportation	33,279
Central	86,557
Operation of non-instructional services:	
Food service operations	2,332,990
Other non-instructional services	63,126
Extracurricular activities	448,038
Facilities acquisition and construction	36,784
Total expenditures	12,532,549
Net change in fund balances	445,189
Fund balances (deficits) at beginning of year	2,066,782
Fund balances (deficits) at end of year	\$ 2,511,971

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous Grants				
Total revenues and other sources	\$ 2,250	\$ 2,250	\$ 2,000	\$ (250)
Total expenditures and other uses	<u>10,000</u>	<u>10,000</u>	<u>909</u>	<u>9,091</u>
Net change in fund balance	(7,750)	(7,750)	1,091	8,841
Fund balance at beginning of year	<u>16,619</u>	<u>16,619</u>	<u>16,619</u>	<u>-</u>
Fund balance at end of year	<u>\$ 8,869</u>	<u>\$ 8,869</u>	<u>\$ 17,710</u>	<u>\$ 8,841</u>
District Managed Student Activity				
Total revenues and other sources	\$ 220,900	\$ 257,917	\$ 292,954	\$ 35,037
Total expenditures and other uses	<u>379,672</u>	<u>379,673</u>	<u>277,860</u>	<u>101,813</u>
Net change in fund balance	(158,772)	(121,756)	15,094	136,850
Fund balance at beginning of year	192,084	192,084	192,084	-
Prior year encumbrances appropriated	<u>29,672</u>	<u>29,672</u>	<u>29,672</u>	<u>-</u>
Fund balance at end of year	<u>\$ 62,984</u>	<u>\$ 100,000</u>	<u>\$ 236,850</u>	<u>\$ 136,850</u>
Auxiliary Services				
Total revenues and other sources	\$ 80,000	\$ 80,000	\$ 129,734	\$ 49,734
Total expenditures and other uses	<u>87,747</u>	<u>102,747</u>	<u>81,301</u>	<u>21,446</u>
Net change in fund balance	(7,747)	(22,747)	48,433	71,180
Fund balance at beginning of year	53,067	53,067	53,067	-
Prior year encumbrances appropriated	<u>2,747</u>	<u>2,747</u>	<u>2,747</u>	<u>-</u>
Fund balance at end of year	<u>\$ 48,067</u>	<u>\$ 33,067</u>	<u>\$ 104,247</u>	<u>\$ 71,180</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public School Preschool				
Total revenues and other sources	\$ 192,000	\$ 213,153	\$ 172,418	\$ (40,735)
Total expenditures and other uses	<u>190,000</u>	<u>213,153</u>	<u>172,418</u>	<u>40,735</u>
Net change in fund balance	2,000	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Data Communications				
Total revenues and other sources	\$ 7,200	\$ 7,200	\$ 7,200	\$ -
Total expenditures and other uses	<u>7,200</u>	<u>7,200</u>	<u>7,200</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Special Trust				
Total revenues and other sources	\$ 50	\$ 3,421	\$ 6,367	\$ 2,946
Total expenditures and other uses	<u>25,000</u>	<u>20,000</u>	<u>6,000</u>	<u>14,000</u>
Net change in fund balance	(24,950)	(16,579)	367	16,946
Fund balance at beginning of year	<u>30,572</u>	<u>30,572</u>	<u>30,572</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,622</u>	<u>\$ 13,993</u>	<u>\$ 30,939</u>	<u>\$ 16,946</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous State Grants				
Total revenues and other sources	\$ 35,000	\$ 35,000	\$ 28,696	\$ (6,304)
Total expenditures and other uses	<u>57,070</u>	<u>52,070</u>	<u>27,976</u>	<u>24,094</u>
Net change in fund balance	(22,070)	(17,070)	720	17,790
Fund balance at beginning of year	6,162	6,162	6,162	-
Prior year encumbrances appropriated	<u>22,070</u>	<u>22,070</u>	<u>22,070</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,162</u>	<u>\$ 11,162</u>	<u>\$ 28,952</u>	<u>\$ 17,790</u>
Limited English Proficiency				
Total revenues and other sources	\$ 14,000	\$ 16,622	\$ 15,476	\$ (1,146)
Total expenditures and other uses	<u>13,668</u>	<u>16,515</u>	<u>15,718</u>	<u>797</u>
Net change in fund balance	332	107	(242)	(349)
Fund balance (deficit) at beginning of year	(774)	(774)	(774)	-
Prior year encumbrances appropriated	<u>667</u>	<u>667</u>	<u>667</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 225</u>	<u>\$ -</u>	<u>\$ (349)</u>	<u>\$ (349)</u>
Title VI-B				
Total revenues and other sources	\$ 1,175,000	\$ 1,284,591	\$ 1,134,586	\$ (150,005)
Total expenditures and other uses	<u>1,100,000</u>	<u>1,143,770</u>	<u>1,131,569</u>	<u>12,201</u>
Net change in fund balance	75,000	140,821	3,017	(137,804)
Fund balance (deficit) at beginning of year	<u>(577)</u>	<u>(577)</u>	<u>(577)</u>	<u>-</u>
Fund balance at end of year	<u>\$ 74,423</u>	<u>\$ 140,244</u>	<u>\$ 2,440</u>	<u>\$ (137,804)</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Title I				
Total revenues and other sources	\$ 1,541,238	\$ 1,715,022	\$ 1,377,811	\$ (337,211)
Total expenditures and other uses	<u>1,437,312</u>	<u>1,548,992</u>	<u>1,432,008</u>	<u>116,984</u>
Net change in fund balance	103,926	166,030	(54,197)	(220,227)
Fund balance (deficit) at beginning of year	(29,455)	(29,455)	(29,455)	-
Prior year encumbrances appropriated	<u>37,312</u>	<u>37,312</u>	<u>37,312</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 111,783</u>	<u>\$ 173,887</u>	<u>\$ (46,340)</u>	<u>\$ (220,227)</u>
EHA Preschool Grant				
Total revenues and other sources	\$ 109,492	\$ 151,905	\$ 144,957	\$ (6,948)
Total expenditures and other uses	<u>40,000</u>	<u>86,515</u>	<u>79,567</u>	<u>6,948</u>
Net change in fund balance	69,492	65,390	65,390	-
Fund balance (deficit) at beginning of year	<u>(65,390)</u>	<u>(65,390)</u>	<u>(65,390)</u>	<u>-</u>
Fund balance at end of year	<u>\$ 4,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Supporting Effective Instruction				
Total revenues and other sources	\$ 227,013	\$ 274,574	\$ 181,569	\$ (93,005)
Total expenditures and other uses	<u>199,178</u>	<u>250,667</u>	<u>197,321</u>	<u>53,346</u>
Net change in fund balance	27,835	23,907	(15,752)	(39,659)
Fund balance (deficit) at beginning of year	(43,085)	(43,085)	(43,085)	-
Prior year encumbrances appropriated	<u>19,178</u>	<u>19,178</u>	<u>19,178</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 3,928</u>	<u>\$ -</u>	<u>\$ (39,659)</u>	<u>\$ (39,659)</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Miscellaneous Federal Grants				
Total revenues and other sources	\$ 200,000	\$ 200,000	\$ 200,000	\$ -
Total expenditures and other uses	<u>200,000</u>	<u>200,000</u>	<u>161,592</u>	<u>38,408</u>
Net change in fund balance	-	-	38,408	38,408
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,408</u>	<u>\$ 38,408</u>
Food Service				
Total revenues and other sources	\$ 2,800,000	\$ 1,934,744	\$ 1,788,331	\$ (146,413)
Total expenditures and other uses	<u>2,737,747</u>	<u>2,737,747</u>	<u>2,288,750</u>	<u>448,997</u>
Net change in fund balance	62,253	(803,003)	(500,419)	302,584
Fund balance at beginning of year	1,065,258	1,065,258	1,065,258	-
Prior year encumbrances appropriated	<u>137,747</u>	<u>137,747</u>	<u>137,747</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,265,258</u>	<u>\$ 400,002</u>	<u>\$ 702,586</u>	<u>\$ 302,584</u>
Classroom Facilities Maintenance				
Total revenues and other sources	\$ 161,000	\$ 161,000	\$ 165,440	\$ 4,440
Total expenditures and other uses	<u>400,000</u>	<u>400,000</u>	<u>1,690</u>	<u>398,310</u>
Net change in fund balance	(239,000)	(239,000)	163,750	402,750
Fund balance at beginning of year	<u>868,102</u>	<u>868,102</u>	<u>868,102</u>	<u>-</u>
Fund balance at end of year	<u>\$ 629,102</u>	<u>\$ 629,102</u>	<u>\$ 1,031,852</u>	<u>\$ 402,750</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Student Managed Activity				
Total revenues and other sources	\$ 185,580	\$ 185,580	\$ 209,309	\$ 23,729
Total expenditures and other uses	<u>257,132</u>	<u>257,132</u>	<u>214,573</u>	<u>42,559</u>
Net change in fund balance	(71,552)	(71,552)	(5,264)	66,288
Fund balance at beginning of year	154,566	154,566	154,566	-
Prior year encumbrances appropriated	<u>7,132</u>	<u>7,132</u>	<u>7,132</u>	<u>-</u>
Fund balance at end of year	<u>\$ 90,146</u>	<u>\$ 90,146</u>	<u>\$ 156,434</u>	<u>\$ 66,288</u>
Scholarship				
Total revenues and other sources	\$ 24	\$ 215	\$ 798	\$ 583
Total expenditures and other uses	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Net change in fund balance	(14,976)	(14,785)	798	15,583
Fund balance at beginning of year	<u>21,425</u>	<u>21,425</u>	<u>21,425</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,449</u>	<u>\$ 6,640</u>	<u>\$ 22,223</u>	<u>\$ 15,583</u>
ESSER				
Total revenues and other sources	\$ 12,160,000	\$ 8,848,724	\$ 6,144,269	\$ (2,704,455)
Total expenditures and other uses	<u>10,000,000</u>	<u>7,000,000</u>	<u>6,750,888</u>	<u>249,112</u>
Net change in fund balance	2,160,000	1,848,724	(606,619)	(2,455,343)
Fund balance (deficit) at beginning of year	<u>(151,985)</u>	<u>(151,985)</u>	<u>(151,985)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 2,008,015</u>	<u>\$ 1,696,739</u>	<u>\$ (758,604)</u>	<u>\$ (2,455,343)</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Title I School Improvement Stimulus A				
Total revenues and other sources	\$ 110,000	\$ 158,458	\$ 31,643	\$ (126,815)
Total expenditures and other uses	<u>94,344</u>	<u>158,458</u>	<u>157,941</u>	<u>517</u>
Net change in fund balance	15,656	-	(126,298)	(126,298)
Fund balance (deficit) at beginning of year	(19,344)	(19,344)	(19,344)	-
Prior year encumbrances appropriated	<u>19,344</u>	<u>19,344</u>	<u>19,344</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 15,656</u>	<u>\$ -</u>	<u>\$ (126,298)</u>	<u>\$ (126,298)</u>
Student Support and Academic Enrichment				
Total revenues and other sources	\$ 112,800	\$ 203,564	\$ 89,579	\$ (113,985)
Total expenditures and other uses	<u>100,000</u>	<u>183,900</u>	<u>100,790</u>	<u>83,110</u>
Net change in fund balance	12,800	19,664	(11,211)	(30,875)
Fund balance (deficit) at beginning of year	<u>(339)</u>	<u>(339)</u>	<u>(339)</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ 12,461</u>	<u>\$ 19,325</u>	<u>\$ (11,550)</u>	<u>\$ (30,875)</u>
Termination Benefits				
Total expenditures and other uses	<u>\$ 450,000</u>	<u>\$ 471,495</u>	<u>\$ 471,495</u>	<u>\$ -</u>
Net change in fund balance	(450,000)	(471,495)	(471,495)	-
Fund balance at beginning of year	<u>471,495</u>	<u>471,495</u>	<u>471,495</u>	<u>-</u>
Fund balance at end of year	<u>\$ 21,495</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Rotary				
Total expenditures and other uses	\$ 750	\$ 750	\$ -	\$ 750
Net change in fund balance	(750)	(750)	-	750
Fund balance at beginning of year	775	775	775	-
Fund balance at end of year	<u>\$ 25</u>	<u>\$ 25</u>	<u>\$ 775</u>	<u>\$ 750</u>
Public School Support				
Total revenues and other sources	\$ 31,200	\$ 56,200	\$ 59,064	\$ 2,864
Total expenditures and other uses	125,000	70,000	98,703	(28,703)
Net change in fund balance	(93,800)	(13,800)	(39,639)	(25,839)
Fund balance at beginning of year	96,674	96,674	96,674	-
Prior year encumbrances appropriated	50,839	50,839	50,839	-
Fund balance at end of year	<u>\$ 53,713</u>	<u>\$ 133,713</u>	<u>\$ 107,874</u>	<u>\$ (25,839)</u>
Unclaimed Funds				
Fund balance at beginning of year	\$ 6,006	\$ 6,006	\$ 6,006	\$ -
Fund balance at end of year	<u>\$ 6,006</u>	<u>\$ 6,006</u>	<u>\$ 6,006</u>	<u>\$ -</u>

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

FUND DESCRIPTIONS

Nonmajor Capital Projects Funds

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

Permanent Improvement

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

Classroom Facilities

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

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

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Permanent Improvement	Classroom Facilities	Total Nonmajor Capital Projects Funds
Assets:			
Equity in pooled cash and investments	\$ 2,872,758	3,850,234	\$ 6,722,992
Cash with fiscal agent	335,893	-	335,893
Receivables:			
Property taxes	1,119,789	-	1,119,789
Payment in lieu of taxes	38,419	-	38,419
Intergovernmental	-	216,612	216,612
Total assets	\$ 4,366,859	\$ 4,066,846	\$ 8,433,705
Liabilities:			
Accounts payable	\$ 124	\$ -	\$ 124
Contracts payable	-	72,739	72,739
Total liabilities	124	72,739	72,863
Deferred inflows of resources:			
Property taxes levied for the next fiscal year	1,014,666	-	1,014,666
Payment in lieu of taxes levied for next fiscal year	38,419	-	38,419
Delinquent property tax revenue not available	36,381	-	36,381
Intergovernmental revenue not available	-	216,612	216,612
Total deferred inflows of resources	1,089,466	216,612	1,306,078
Fund balances:			
Restricted:			
Capital improvements	3,277,269	3,777,495	7,054,764
Total liabilities, deferred inflows and fund balances	\$ 4,366,859	\$ 4,066,846	\$ 8,433,705

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>Permanent Improvement</u>	<u>Classroom Facilities</u>	<u>Total Nonmajor Capital Projects Funds</u>
Revenues:			
Property taxes	\$ 1,139,952	\$ -	\$ 1,139,952
Intergovernmental	31,140	2,138,643	2,169,783
Earnings on investments	-	145,998	145,998
Payment in lieu of taxes	29,452	-	29,452
Total revenues	<u>1,200,544</u>	<u>2,284,641</u>	<u>3,485,185</u>
Expenditures:			
Current:			
Support services:			
Fiscal	12,481	-	12,481
Operations and maintenance	223,152	-	223,152
Facilities acquisition and construction	97,718	3,482,872	3,580,590
Debt service:			
Principal retirement	150,000	-	150,000
Interest and fiscal charges	580,850	-	580,850
Total expenditures	<u>1,064,201</u>	<u>3,482,872</u>	<u>4,547,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>136,343</u>	<u>(1,198,231)</u>	<u>(1,061,888)</u>
Other financing sources:			
Transfers in	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Net change in fund balances	386,343	(1,198,231)	(811,888)
Fund balances at beginning of year	<u>2,890,926</u>	<u>4,975,726</u>	<u>7,866,652</u>
Fund balances at end of year	<u>\$ 3,277,269</u>	<u>\$ 3,777,495</u>	<u>\$ 7,054,764</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Permanent Improvement				
Total revenues and other sources	\$ 1,435,000	\$ 2,086,211	\$ 1,471,538	\$ (614,673)
Total expenditures and other uses	<u>2,532,758</u>	<u>2,532,758</u>	<u>1,687,428</u>	<u>845,330</u>
Net change in fund balance	(1,097,758)	(446,547)	(215,890)	230,657
Fund balance at beginning of year	913,789	913,789	913,789	-
Prior year encumbrances appropriated	<u>1,032,758</u>	<u>1,032,758</u>	<u>1,032,758</u>	<u>-</u>
Fund balance at end of year	<u>\$ 848,789</u>	<u>\$ 1,500,000</u>	<u>\$ 1,730,657</u>	<u>\$ 230,657</u>
Classroom Facilities				
Total revenues and other sources	\$ 2,405,000	\$ 2,405,000	\$ 2,284,641	\$ (120,359)
Total expenditures and other uses	<u>8,237,527</u>	<u>6,697,527</u>	<u>6,689,856</u>	<u>7,671</u>
Net change in fund balance	(5,832,527)	(4,292,527)	(4,405,215)	(112,688)
Fund balance at beginning of year	1,573,667	1,573,667	1,573,667	-
Prior year encumbrances appropriated	<u>5,237,527</u>	<u>5,237,527</u>	<u>5,237,527</u>	<u>-</u>
Fund balance at end of year	<u>\$ 978,667</u>	<u>\$ 2,518,667</u>	<u>\$ 2,405,979</u>	<u>\$ (112,688)</u>

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

FUND DESCRIPTION

Permanent Fund

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

Teacher Grant

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

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Teacher Grant				
Total revenues and other sources	\$ 136	\$ 1,210	\$ 4,484	\$ 3,274
Total expenditures and other uses	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance	(9,864)	(8,790)	4,484	13,274
Fund balance at beginning of year	<u>12,990</u>	<u>12,990</u>	<u>12,990</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,126</u>	<u>\$ 4,200</u>	<u>\$ 17,474</u>	<u>\$ 13,274</u>

STATISTICAL SECTION

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

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	136-149
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	150-155
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	156-159
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	160-161
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	162-172

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Governmental activities				
Net investment in capital assets	\$ 10,212,238	\$ 6,068,745	\$ (93,439)	\$ (484,418)
Restricted	28,456,580	28,073,797	31,438,830	30,678,684
Unrestricted (deficit)	(18,954,830)	(19,593,893)	(23,067,057)	(19,554,266)
Total governmental activities net position	<u>\$ 19,713,988</u>	<u>\$ 14,548,649</u>	<u>\$ 8,278,334</u>	<u>\$ 10,640,000</u>

- (1) The District implemented GASB Statement No. 68 in 2015.
Amounts for 2014 have been restated to reflect the implementation of this statement.
- (2) The District implemented GASB Statement No. 75 in 2018.
Amounts for 2017 have been restated to reflect the implementation of this statement.
- (3) The District implemented GASB Statement No. 84 in 2020.
Amounts for 2019 have been restated to reflect the implementation of this statement.

Source: School District financial records.

<u>2019 (3)</u>	<u>2018 (2)</u>	<u>2017 (2)</u>	<u>2016</u>	<u>2015 (1)</u>	<u>2014 (1)</u>
\$ (835,421)	\$ (1,661,308)	\$ (3,267,779)	\$ (2,104,264)	\$ (1,985,698)	\$ (1,459,939)
29,476,814	28,848,602	29,857,426	3,308,836	2,745,402	2,997,314
(18,461,121)	(28,112,181)	(52,816,731)	(43,539,438)	(49,602,801)	(53,963,251)
<u>\$ 10,180,272</u>	<u>\$ (924,887)</u>	<u>\$ (26,227,084)</u>	<u>\$ (42,334,866)</u>	<u>\$ (48,843,097)</u>	<u>\$ (52,425,876)</u>

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenses					
Governmental activities:					
Instruction:					
Regular	\$24,060,101	\$ 22,598,900	\$ 22,401,703	\$ 19,862,935	\$ 15,222,134
Special	13,685,222	12,423,907	11,898,072	11,709,404	9,202,557
Vocational	339,729	283,894	318,832	287,459	243,443
Other	5,477	3,796	3,678,047	3,507,565	3,456,282
Support services:					
Pupil	4,983,387	4,319,440	5,058,887	4,043,757	2,878,782
Instructional staff	1,528,044	1,518,682	1,388,407	1,300,971	823,683
Board of education	37,706	235,618	83,013	107,446	70,115
Administration	4,243,634	3,358,777	3,762,031	3,390,578	2,749,916
Fiscal	1,253,069	1,191,867	1,150,606	918,855	860,323
Business	668,507	568,338	711,371	542,361	251,111
Operations and maintenance	4,714,304	4,597,311	4,938,741	4,321,706	4,272,798
Pupil transportation	4,034,942	3,571,784	3,561,006	3,142,630	2,652,859
Central	898,581	878,337	1,018,636	663,119	614,500
Operation of non-instructional services:					
Food service operations	2,416,200	2,174,208	1,753,584	2,148,206	2,128,425
Other non-instructional services	74,660	78,067	121,694	42,993	62,237
Extracurricular activities	1,709,170	1,429,198	1,423,567	1,195,071	841,424
Interest and fiscal charges	3,581,260	3,724,458	3,016,381	1,532,154	1,520,615
Total governmental activities expenses	<u>68,233,993</u>	<u>62,956,582</u>	<u>66,284,578</u>	<u>58,717,210</u>	<u>47,851,204</u>

2018	2017	2016	2015	2014
\$ 8,044,802	\$ 17,019,438	\$ 15,955,675	\$ 15,686,540	\$ 16,956,807
6,059,993	9,617,254	9,218,968	8,847,298	8,856,853
87,909	-	-	-	-
3,520,583	3,873,420	3,607,359	3,482,117	3,135,954
1,440,767	2,771,003	2,593,028	2,562,651	2,680,853
480,154	925,489	1,077,018	870,299	622,123
89,841	74,347	116,771	70,502	61,264
1,599,420	3,289,477	3,005,776	2,970,160	2,902,535
506,910	880,459	807,496	805,235	712,071
130,093	287,639	269,419	320,615	300,181
2,924,369	3,493,445	3,614,206	3,503,186	3,427,869
1,596,271	2,751,908	2,694,958	2,677,487	2,467,642
492,083	503,744	559,402	466,167	429,785
1,514,863	1,978,748	1,806,473	1,744,725	1,779,522
81,865	145,327	47,917	68,725	-
491,917	842,724	841,833	702,610	715,775
1,784,782	806,351	247,685	837,070	957,730
<u>30,846,622</u>	<u>49,260,773</u>	<u>46,463,984</u>	<u>45,615,387</u>	<u>46,006,964</u>

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Program Revenues					
Governmental activities:					
Charges for services:					
Instruction:					
Regular	\$ 403,096	\$ 388,750	\$ 342,386	\$ 409,110	\$ 367,679
Special	278,387	263,172	228,955	147,289	82,640
Support services:					
Administration	-	24,357	132,876	58,931	89,961
Operations and maintenance	5,385	1,040	27,690	3,898	2,385
Pupil transportation	-	-	437	1,192	4,163
Operation of non-instructional services:					
Food service operations	161,558	45,552	35,608	182,552	230,415
Other non-instructional services	2,526	3,000	599	2,447	-
Extracurricular activities	402,535	380,705	177,517	398,819	249,257
Operating grants and contributions:					
Instruction:					
Regular	5,315,888	4,401,498	1,218,963	411,654	96,577
Special	5,225,736	5,143,637	4,868,615	5,916,803	5,184,827
Vocational	107,594	110,031	200,292	205,049	200,292
Other instructional	-	-	-	60,549	-
Support services:					
Pupil	1,180,439	949,948	1,363,031	1,051,304	92,295
Instructional staff	149,470	264,819	161,898	271,545	104,520
Board of education	-	-	-	1,855	-
Administration	142,713	147,309	133,356	246,912	127,187
Fiscal	7,200	7,200	7,200	24,443	-
Business	-	-	53,371	8,520	-
Operations and maintenance	-	-	58,006	63,449	13,508
Pupil transportation	348,699	449,134	150,503	194,753	106,250
Central	-	-	151,182	11,016	7,200
Operation of non-instructional services:					
Food service operations	2,044,038	3,254,125	974,485	1,811,228	1,678,948
Other non-instructional services	91,229	117,945	95,999	42,883	67,485
Extracurricular activities	127,256	77,841	67,458	33,124	10,585
Capital grants and contributions:					
Instruction:					
Regular	-	233,524	-	-	-
Support services:					
Operations and maintenance	-	-	2,500,000	-	-
Central	222,788	-	-	-	-
Extracurricular activities	86,375	464,210	141,887	113,200	-
Total governmental program revenues	<u>16,302,912</u>	<u>16,727,797</u>	<u>13,092,314</u>	<u>11,672,525</u>	<u>8,716,174</u>
Net (Expense)/Revenue					
Governmental activities	<u>(51,931,081)</u>	<u>(46,228,785)</u>	<u>(53,192,264)</u>	<u>(47,044,685)</u>	<u>(39,135,030)</u>

	2018	2017	2016	2015	2014
\$	698,863	\$ 228,454	\$ 413,522	\$ 322,161	\$ 402,811
	2,634	28,248	79,702	146,679	359,420
	98,364	88,706	129,093	129,922	-
	6,761	8,612	17,675	35,280	18,113
	4,761	69,292	6,093	10,691	-
	288,182	286,530	303,061	393,289	401,977
	-	-	-	-	-
	261,856	245,049	244,571	233,692	253,013
	202,827	367,168	365,820	128,729	490,640
	5,361,456	5,294,166	4,686,948	4,563,755	3,790,852
	200,292	-	-	-	68,867
	-	202,061	109,557	9,015	70,174
	30,165	47,382	55,154	45,358	71,882
	131,144	136,420	320,919	139,632	254,055
	-	-	-	-	-
	137,788	147,666	180,708	110,968	145,544
	-	-	-	-	-
	-	-	-	-	-
	36,872	656	289	672	-
	149,803	121,366	133,248	116,547	124,641
	7,200	7,200	7,200	-	14,400
	1,732,495	1,782,895	1,665,339	1,381,740	1,360,130
	84,625	122,470	54,286	87,043	-
	28,966	25,028	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	<u>9,465,054</u>	<u>9,209,369</u>	<u>8,773,185</u>	<u>7,855,173</u>	<u>7,826,519</u>
	<u>(21,381,568)</u>	<u>(40,051,404)</u>	<u>(37,690,799)</u>	<u>(37,760,214)</u>	<u>(38,180,445)</u>

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

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

General Revenues and Other Changes in Net Position	2023	2022	2021	2020	2019
Governmental activities:					
Property taxes levied for:					
General purposes	\$18,470,332	\$ 18,521,980	\$ 18,060,231	\$ 17,001,252	\$ 17,431,311
Debt service	5,485,559	5,727,457	4,603,310	2,706,131	2,903,286
Capital outlay	1,141,241	1,193,777	722,013	-	-
Facilities maintenance	156,943	141,718	154,461	146,830	149,713
School district income taxes	-	5,817,181	4,925,852	4,415,664	4,542,234
Payment in lieu of taxes	729,345	642,642	443,507	454,209	286,812
Income taxes levied for:					
General purposes	5,833,440	-	-	-	-
Grants and entitlements not restricted to specific programs	22,297,595	20,841,209	21,778,237	21,302,276	22,539,837
Grants restricted for Ohio Facilities Construction Commission (OFCC)	-	-	-	-	-
Investment earnings	2,701,824	(483,739)	72,322	1,279,155	2,039,112
Miscellaneous	280,141	96,875	70,665	198,896	171,884
Unrestricted Contributions	-	-	-	-	-
Total governmental activities	<u>57,096,420</u>	<u>52,499,100</u>	<u>50,830,598</u>	<u>47,504,413</u>	<u>50,064,189</u>
Change in Net Position					
Governmental activities	<u>\$ 5,165,339</u>	<u>\$ 6,270,315</u>	<u>\$ (2,361,666)</u>	<u>\$ 459,728</u>	<u>\$ 10,929,159</u>

Source: School District financial records.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 16,924,108	\$ 17,798,353	\$ 16,449,350	\$ 16,177,779	\$ 17,896,482
2,777,979	2,320,201	1,178,862	1,235,511	1,339,235
-	-	-	-	-
145,329	98,769	-	-	-
4,472,395	3,877,917	3,814,525	3,710,712	2,336,769
130,542	247,036	138,837	245,927	211,926
-	-	-	-	-
21,805,494	21,242,409	22,146,093	19,260,745	19,033,850
-	23,452,778	-	-	-
310,565	79,534	153,159	43,645	26,303
117,353	105,367	318,204	668,674	978,653
-	-	-	-	1,000
<u>46,683,765</u>	<u>69,222,364</u>	<u>44,199,030</u>	<u>41,342,993</u>	<u>41,824,218</u>
<u>\$ 25,302,197</u>	<u>\$ 29,170,960</u>	<u>\$ 6,508,231</u>	<u>\$ 3,582,779</u>	<u>\$ 3,643,773</u>

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

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019 (1)</u>
General Fund:					
Nonspendable	\$ 186,981	\$ 160,874	\$ 177,631	\$ 182,499	\$ 201,233
Committed	-	189,938	609,755	654,212	751,800
Assigned	3,854,218	11,413,347	6,829,376	2,729,067	1,573,301
Unassigned	<u>27,447,827</u>	<u>16,354,258</u>	<u>21,548,536</u>	<u>26,446,142</u>	<u>26,774,927</u>
Total general fund	<u>\$ 31,489,026</u>	<u>\$ 28,118,417</u>	<u>\$ 29,165,298</u>	<u>\$ 30,011,920</u>	<u>\$ 29,301,261</u>
All Other Governmental Funds:					
Nonspendable	\$ 53,213	\$ 44,802	\$ 37,536	\$ 45,538	\$ 35,467
Restricted	35,421,641	69,990,418	100,088,239	23,702,114	37,645,135
Unassigned (deficit)	<u>(128,480)</u>	<u>(354,768)</u>	<u>(98,455)</u>	<u>(273,151)</u>	<u>(427,011)</u>
Total all other governmental funds	<u>\$ 35,346,374</u>	<u>\$ 69,680,452</u>	<u>\$ 100,027,320</u>	<u>\$ 23,474,501</u>	<u>\$ 37,253,591</u>

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

Source: School District financial records.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 211,968	\$ 188,798	\$ 76,591	\$ 65,450	\$ -
831,664	555,248	397,710	185,057	425,454
3,050,601	1,299,607	639,995	750,359	3,837,998
<u>20,151,406</u>	<u>18,760,524</u>	<u>15,102,964</u>	<u>9,734,940</u>	<u>3,691,075</u>
<u>\$ 24,245,639</u>	<u>\$ 20,804,177</u>	<u>\$ 16,217,260</u>	<u>\$ 10,735,806</u>	<u>\$ 7,954,527</u>
\$ 28,877	\$ 34,952	\$ 22,273	\$ 41,708	\$ 32,222
40,853,093	40,309,261	2,942,251	2,666,926	2,638,934
<u>(403,406)</u>	<u>(364,267)</u>	<u>(92,458)</u>	<u>(7,963)</u>	<u>(30,790)</u>
<u>\$ 40,478,564</u>	<u>\$ 39,979,946</u>	<u>\$ 2,872,066</u>	<u>\$ 2,700,671</u>	<u>\$ 2,640,366</u>

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

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenues				
From local sources:				
Taxes and payments in lieu of taxes	\$ 31,780,697	\$ 31,939,348	\$ 28,879,820	\$ 24,714,548
Tuition and fees	685,235	659,334	580,133	508,545
Transportation fees	-	-	-	1,192
Investment earnings	2,732,007	(231,427)	80,238	1,373,646
Charges for services	161,558	45,552	168,484	182,552
Extracurricular	401,309	376,293	169,761	391,818
Classroom materials and fees	-	-	-	57,302
Rental income, contributions and donations, contract services and other local revenues	510,700	689,363	2,836,014	1,221,867
Intergovernmental	39,582,924	40,278,061	36,863,038	-
Intergovernmental - state	-	-	-	31,310,292
Intergovernmental - federal	-	-	-	4,513,674
Total revenues	<u>75,854,430</u>	<u>73,756,524</u>	<u>69,577,488</u>	<u>64,275,436</u>
	-			
Expenditures				
Current:				
Instruction:				
Regular	22,709,121	23,822,665	20,253,353	18,475,338
Special	13,062,053	12,843,798	10,975,527	11,161,060
Vocational	316,284	304,645	285,801	273,192
Other	5,277	4,201	3,570,527	3,455,157
Support services:				
Pupil	4,727,845	4,626,277	4,631,431	3,807,491
Instructional staff	1,490,321	1,566,696	1,252,693	1,182,991
Board of education	34,078	232,719	79,879	105,668
Administration	3,987,386	3,558,653	3,417,986	3,182,633
Fiscal	1,187,910	1,191,055	1,052,592	881,878
Business	627,872	572,022	655,151	483,766
Operations and maintenance	4,313,272	4,549,636	4,623,898	4,050,569
Pupil transportation	3,918,946	3,719,080	3,000,670	2,965,509
Central	854,372	921,882	956,123	623,861
Operation of non-instructional services:				
Food service operations	2,332,990	2,201,390	1,627,767	2,045,223
Other non-instructional services	72,798	75,579	118,505	41,972
Extracurricular activities	1,620,742	1,495,723	1,306,886	1,121,749
Facilities acquisitions and construction	38,614,286	36,532,549	13,965,269	20,492,707
Debt service:				
Principal retirement	3,120,000	2,009,940	11,275,000	1,500,000
Interest and fiscal charges	3,846,595	3,930,233	2,026,810	1,493,103
Accretion on capital appreciation bonds	-	1,005,060	-	-
Bond issue costs	-	-	873,027	-
Total expenditures	<u>106,842,148</u>	<u>105,163,803</u>	<u>85,948,895</u>	<u>77,343,867</u>
Excess (deficiency) of revenues over (under) expenditures	(30,987,718)	(31,407,279)	(16,371,407)	(13,068,431)

	2019	2018	2017	2016	2015	2014
\$	25,271,861	\$ 24,159,763	\$ 24,305,862	\$ 21,509,471	\$ 21,466,940	\$ 21,800,092
	395,076	625,199	190,044	423,310	338,215	584,288
	4,163	4,761	69,292	6,093	10,691	-
	2,094,910	334,653	16,071	151,562	37,050	26,303
	230,415	288,182	286,530	303,061	393,289	607,215
	241,545	273,588	250,533	244,858	238,698	238,659
	62,955	67,494	65,384	74,082	130,814	-
	284,116	300,762	238,183	473,799	861,319	757,367
	-	-	-	-	-	25,302,215
	29,386,256	26,850,237	25,176,339	25,065,885	22,044,571	-
	4,717,152	4,612,815	4,274,326	4,322,578	4,417,142	-
	<u>62,688,449</u>	<u>57,517,454</u>	<u>54,872,564</u>	<u>52,574,699</u>	<u>49,938,729</u>	<u>49,316,139</u>
	17,248,585	16,758,125	16,022,716	15,711,696	15,844,229	15,857,053
	10,177,717	9,948,497	9,286,417	9,165,076	9,014,752	8,610,982
	264,615	152,400	-	-	-	-
	3,397,007	3,456,818	3,797,579	3,532,290	3,404,590	3,135,954
	3,292,556	2,883,192	2,612,482	2,542,048	2,645,451	2,621,854
	878,675	802,550	751,600	930,442	768,985	639,021
	70,307	93,211	71,721	114,626	70,195	61,264
	3,127,528	3,250,153	3,099,508	3,048,820	3,035,798	2,954,760
	912,520	774,684	869,002	788,014	775,899	714,947
	261,039	292,633	272,428	265,469	282,733	286,021
	4,895,214	3,814,502	3,431,656	3,628,548	3,545,756	3,436,007
	2,948,145	2,756,187	2,719,125	2,739,508	3,250,579	2,406,320
	651,475	672,391	464,806	550,922	460,715	427,573
	2,211,869	1,998,896	1,881,104	1,779,943	1,691,288	1,770,807
	61,070	80,646	142,188	47,140	102,962	-
	974,257	878,282	770,832	784,418	736,969	660,535
	6,692,638	1,453,421	92,478	-	-	-
	1,445,000	1,625,000	10,995,000	1,000,000	830,000	238,976
	1,523,583	1,885,786	369,238	292,890	636,244	1,421,408
	-	-	-	-	-	-
	-	-	443,074	-	178,693	-
	<u>61,033,800</u>	<u>53,577,374</u>	<u>58,092,954</u>	<u>46,921,850</u>	<u>47,275,838</u>	<u>45,243,482</u>
	1,654,649	3,940,080	(3,220,390)	5,652,849	2,662,891	4,072,657

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

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (Continued)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Other Financing Sources (Uses)				
Transfers in	\$ 250,000	\$ 250,000	\$ 575,000	\$ 500,000
Transfers (out)	(250,000)	(250,000)	(575,000)	(500,000)
Sale of capital assets	24,249	13,530	-	-
Issuance of bonds	-	-	75,230,000	-
Issuance of notes	-	-	9,800,000	-
Refunding bond issued	-	-	-	-
Premium on bonds and notes issued	-	-	7,047,604	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>24,249</u>	<u>13,530</u>	<u>92,077,604</u>	<u>-</u>
Net change in fund balances	<u>\$ (30,963,469)</u>	<u>\$ (31,393,749)</u>	<u>\$ 75,706,197</u>	<u>\$ (13,068,431)</u>
Debt service principal and interest as a percentage of noncapital expenditures	9.96%	6.52%	20.43%	4.29%

Source: School District financial records.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 535,262	\$ 500,000	\$ 28,533,319	\$ -	\$ -	\$ 10,107
(535,262)	(500,000)	(28,533,319)	-	-	(10,107)
-	-	-	-	-	10,000
-	-	33,736,391	-	-	-
-	-	9,900,000	-	-	-
-	-	-	-	12,169,940	-
-	-	1,278,796	-	745,386	-
-	-	-	-	(12,736,633)	-
-	-	44,915,187	-	178,693	10,000
<u>\$ 1,654,649</u>	<u>\$ 3,940,080</u>	<u>\$ 41,694,797</u>	<u>\$ 5,652,849</u>	<u>\$ 2,841,584</u>	<u>\$ 4,082,657</u>
5.02%	6.62%	19.71%	2.81%	3.10%	3.70%

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

ASSESSED VALUATION AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS

<u>Collection Year</u>	<u>Real Property (a)</u>		<u>Public Utility (b)</u>		<u>Total Direct Tax Rate</u>
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
2023	\$ 718,398,020	\$ 2,052,565,771	\$ 31,135,100	\$ 88,957,429	\$ 58.84
2022	708,436,620	2,024,104,629	29,142,760	83,265,029	58.84
2021	693,627,290	1,981,792,257	27,403,840	78,296,686	59.09
2020	603,325,130	1,723,786,086	26,574,570	75,927,343	54.54
2019	597,127,420	1,706,078,343	24,315,590	69,473,114	55.05
2018	588,803,760	1,682,296,457	22,696,900	64,848,286	55.25
2017	579,361,190	1,655,317,686	21,287,390	60,821,114	55.35
2016	577,102,760	1,648,865,029	19,875,960	56,788,457	52.65
2015	576,450,780	1,647,002,229	19,251,570	55,004,486	52.65
2014	595,676,590	1,701,933,114	18,519,470	52,912,771	52.50

Source: Greene County Auditor's Office

(a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the State Tax Commissioner.

(b) Assumes public utilities are assessed at true value which is 35%.

Total		
Assessed Value	Estimated Actual Value	%
\$ 749,533,120	\$ 2,141,523,200	35.00%
737,579,380	2,107,369,658	35.00%
721,031,130	2,060,088,943	35.00%
629,899,700	1,799,713,429	35.00%
621,443,010	1,775,551,457	35.00%
611,500,660	1,747,144,743	35.00%
600,648,580	1,716,138,800	35.00%
596,978,720	1,705,653,486	35.00%
595,702,350	1,702,006,715	35.00%
614,196,060	1,754,845,885	35.00%

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

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$1,000 OF ASSESSED VALUE)
LAST TEN YEARS

Tax Year/ Collection Year	Overlapping Rates		Direct Rates				Greene County Joint Vocational School
	County	Township	Voted			Total	
			General	Bond	Permanent Improvement		
2022/2023	\$ 13.95	\$ 12.10	\$ 48.62	\$ 7.70	\$ 2.08	\$ 58.40	\$ 4.30
2021/2022	14.45	12.10	48.66	8.10	2.08	58.84	4.32
2020/2021	14.45	12.10	48.81	8.20	2.08	59.09	4.32
2019/2020	14.45	12.10	49.74	4.55	0.25	54.54	3.45
2018/2019	14.45	12.10	49.85	4.95	0.25	55.05	4.48
2017/2018	13.95	12.10	50.10	4.90	0.25	55.25	3.45
2016/2017	14.45	12.10	50.20	4.90	0.25	55.35	3.45
2015/2016	14.45	9.90	50.35	2.30	-	52.65	3.45
2014/2015	12.65	9.90	50.25	2.40	-	52.65	3.45
2013/2014	12.25	9.90	50.10	2.40	-	52.50	3.45

Source: Greene County Auditor's Office

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

PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

December 31, 2022			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Dayton Power & Light	\$ 17,066,190	1	2.28%
Vectren Energy Delivery	8,249,940	2	1.10%
REOF Fairborn One LLC	7,799,500	3	1.04%
Charter Woods LLC	6,424,780	4	0.86%
NL Core Avalon Place LLC	5,511,440	7	0.74%
Group Housing LLC	4,486,840	5	0.60%
Brinley Place LLC	4,088,310	6	0.55%
2377 Commerce Center Blvd LLC	3,710,040	8	0.49%
Woods Development LLC	3,554,680	9	0.47%
Fairfield Oakes LLC	3,370,190	10	0.45%
Total	\$ 64,261,910		\$ 749,533,120

December 31, 2013			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Dayton Power & Light	\$ 14,841,600	1	2.42%
Charter Woods LLC	6,280,800	2	1.02%
Mapleview Apartments LLC	4,058,050	3	0.66%
2377 Commerce Center Blvd LLC	3,617,500	4	0.59%
Campus Village Wright State LLC	3,222,070	5	0.52%
Natdayon LLC	3,137,760	6	0.51%
Highlands Apartments Phase II	2,831,020	7	0.46%
Trebein Limited ADK III	2,655,000	8	0.43%
Shoppes at V G Ltd	2,449,840	9	0.40%
Vectren	2,420,820	10	0.39%
Total	\$ 45,514,460		\$ 614,196,060

Source: Greene County Auditor's Office

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

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2022/2023	\$ 24,113,005	\$ 1,573,026	\$ 25,686,031	\$ 23,157,061	96.04%
2021/2022	23,960,636	1,373,310	25,333,946	22,949,482	95.78%
2020/2021	23,479,079	1,284,486	24,763,565	22,776,247	97.01%
2019/2020	18,350,732	952,347	19,303,079	17,832,208	97.17%
2018/2019	18,987,298	1,224,979	20,212,277	18,431,482	97.07%
2017/2018	18,708,140	1,279,663	19,987,803	18,055,695	96.51%
2016/2017	18,442,430	1,412,101	19,854,531	17,753,176	96.26%
2015/2016	16,805,433	1,258,551	18,063,984	16,009,308	95.26%
2014/2015	16,742,577	1,188,351	17,930,928	15,898,713	94.96%
2013/2014	16,700,500	1,063,650	17,764,150	15,927,467	95.37%

Note: "Delinquent Levy" indicates the portion collected that was delinquent.

Source: Greene County Auditor's Office

Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy
\$ 735,354	\$ 23,892,415	93.02%
781,715	23,731,195	93.67%
687,302	23,463,549	94.75%
500,985	18,333,193	94.98%
676,621	19,108,103	94.54%
754,309	18,810,004	94.11%
866,245	18,619,421	93.78%
800,051	16,809,359	93.05%
663,182	16,561,895	92.36%
598,192	16,525,659	93.03%

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

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		(a) Total Primary Government	(b) Per Capita	(b) Per ADM	(b) Percentage Personal Income
	General Obligation Bonds	Certificates of Participation				
2023	\$ 97,023,663	\$ 19,360,607	\$ 116,384,270	3,327	27,876	10.94%
2022	100,162,367	19,575,918	119,738,285	3,470	28,908	12.81%
2021	103,171,577	19,741,229	122,912,806	3,562	29,675	13.15%
2020	42,072,011	-	42,072,011	1,242	10,167	4.66%
2019	43,505,484	-	43,505,484	1,010	10,006	4.31%
2018	44,925,146	-	44,925,146	1,043	10,366	4.45%
2017	46,594,653	-	46,594,653	1,082	10,851	4.61%
2016	12,735,066	-	12,735,066	296	2,951	1.26%
2015	13,750,326	-	13,750,326	319	3,136	1.36%
2014	14,677,900	-	14,677,900	448	3,290	2.20%

Source: School District financial records

(a) See notes to the financial statements regarding the District's outstanding debt information. Includes unamortized premiums and accreted interest on capital appreciation bonds.

(b) See schedule " Demographic and Economic Statistic, Last Ten Years" for personal income, population and enrollment information.

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

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds (1)	Net Position Restricted for Debt Service	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2023	\$ 97,023,663	\$ 514,766	\$ 97,538,429	4.55%	\$ 2,789
2022	100,162,367	801,914	100,964,281	4.79%	2,926
2021	103,171,577	-	103,171,577	5.01%	2,990
2020	42,072,011	(1,025,926)	41,046,085	2.28%	1,212
2019	43,505,484	(1,344,462)	42,161,022	2.37%	979
2018	44,925,146	(2,789,001)	42,136,145	2.41%	978
2017	46,594,653	(2,087,351)	44,507,302	2.59%	1,033
2016	12,735,066	(1,145,857)	11,589,209	0.68%	269
2015	13,750,326	(1,061,310)	12,689,016	0.75%	295
2014	14,677,900	(1,071,973)	13,605,927	0.78%	415

(1) Details regarding the District's outstanding debt can be found in the notes to the financial statements. Total includes unamortized premiums and accreted interest on capital appreciation bonds.

Source: School District financial records

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

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2023

<u>Governmental Unit</u>	<u>Net General Tax Supported Debt</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Fairborn City School District	\$ 116,384,270	100.00%	\$ 116,384,270
Overlapping debt:			
Clark County	14,264,000	0.03%	4,279
Greene County	17,240,496	14.33%	2,470,563
Dayton City	39,330,000	1.54%	605,682
Fairborn City	2,583,230	91.54%	2,364,689
Riverside City	2,650,000	8.36%	221,540
Greene County Career Center	48,675,000	15.14%	7,369,395
Dayton Metro Library District	124,489,986	0.57%	709,593
Total overlapping debt	<u>249,232,712</u>		<u>13,745,741</u>
 Total direct and overlapping debt	 <u>\$ 365,616,982</u>		 <u>\$ 130,130,011</u>

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the District's taxable assessed value that is within the subdivision's boundaries and dividing it by the District's total taxable assessed value. Net general tax supported debt includes accreted interest on capital appreciation bonds and unamortized bond premiums, but excludes unamortized deferred losses on refundings.

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

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Fiscal Year	Voted Debt Limit	Total Debt Applicable to Limit (1)	Debt Service Available Balance	Net Debt Applicable to Limit	Voted Legal Debt Margin (2)	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2023	\$ 67,457,981	\$ 91,131,391	\$ 6,171,239	\$ 84,960,152	\$ (17,502,171)	125.95%
2022	66,382,144	94,101,391	6,568,797	87,532,594	(21,150,450)	131.86%
2021	64,892,802	96,011,331	6,778,459	89,232,872	(24,340,070)	137.51%
2020	56,690,973	40,076,331	1,712,182	38,364,149	18,326,824	67.67%
2019	55,929,871	41,576,331	1,344,462	40,231,869	15,698,002	71.93%
2018	55,035,059	43,021,331	1,645,987	41,375,344	13,659,715	75.18%
2017	54,058,372	44,646,331	2,169,463	42,476,868	11,581,504	78.58%
2016	53,728,085	12,004,940	1,124,558	10,880,382	42,847,703	20.25%
2015	53,613,212	13,004,940	1,043,630	11,961,310	41,651,902	22.31%
2014	55,277,645	13,046,011	1,083,288	11,962,723	43,314,922	21.64%

Source: Greene County Auditor and School District financial records

- (1) Total debt applicable to limit excludes unamortized premiums and accreted interest on capital appreciation bonds.
- (2) The District was declared a "special needs" district by the State Department of Education in fiscal year 2021 to improve the District's facilities to better meet the needs of students.

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt. House Bill 530 became effective on March 30, 2006, which excluded tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

Voted Debt Margins are determined without reference to applicable monies in the District's debt service fund.

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

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Year	Population (1)	Per Capita Personal Income (1)	Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rates (3)		
						Greene County	Ohio	United States
2023	34,977	\$ 30,419	\$ 1,063,965,363	34.9	4,175	3.4%	3.5%	3.6%
2022	34,620	28,285	979,226,700	34.4	4,143	4.0%	4.0%	3.7%
2021	34,510	27,085	934,703,350	33.7	4,142	4.3%	5.4%	5.2%
2020	33,876	26,659	903,100,284	33.7	4,138	4.1%	5.6%	6.6%
2019	43,066	23,450	1,009,897,700	33.8	4,348	4.0%	4.0%	3.7%
2018	43,066	23,450	1,009,897,700	33.8	4,334	3.7%	4.6%	3.7%
2017	43,066	23,450	1,009,897,700	33.8	4,294	3.9%	5.0%	4.4%
2016	43,066	23,450	1,009,897,700	33.8	4,316	4.3%	4.9%	4.9%
2015	43,066	23,450	1,009,897,700	33.8	4,385	4.4%	4.9%	5.3%
2014	32,770	20,396	668,376,920	32.4	4,462	5.2%	5.8%	6.2%

Sources:

- (1) U. S. Census Bureau information for the City of Fairborn
2015-2019 information reflects estimates from Census Bureau.
2011-2014 information from 2010 Census.
2008-2010 information from 2005 Census.
- (2) School District records.
- (3) ODJFS, Bureau of Labor Market Information

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

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	Nature of Business	December 31, 2022		
		Employees	Rank	Percentage of Total City Employment
Wright Patterson Air Force Base	Governmental/Military	32,000	1	39.17%
Wright State University	Education	1,945	2	2.38%
Greene County	Governmental	1,072	3	1.31%
Wright-Patt Credit Union	Financial Services	1,029	4	1.26%
Beavercreek City School District	Education	1,026	5	1.26%
Unison Industries	Manufacturing	1,000	6	1.22%
Airforce Institute of Technology	Education	735	7	0.90%
Cedarville University	Education	604	8	0.74%
Central State University	Education	425	9	0.52%
Jeff Schmidt Auto Group	Auto Dealership	400	10	0.49%
Total		40,236		49.25%

Employer	Nature of Business	December 31, 2013		
		Employees	Rank	Percentage of Total City Employment
Wright Patterson Air Force Base	Government/Military	27,000	1	33.55%
Kettering Health Network	Health Care	2,476	2	3.08%
Wright State University	Education	2,385	3	2.96%
Greene County	Government	985	4	1.22%
Beavercreek City School District	Education	980	5	1.22%
Wright-Patt Credit Union	Financial Services	772	6	0.96%
Unison Industries	Manufacturing	700	7	0.87%
Teleperformance USA	Unknown	650	8	0.81%
CACI	Unknown	650	9	0.81%
Air Force Institute of Technology	Education	636	10	0.79%
Total		37,234		46.27%

Source: Greene County Auditor

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

STAFFING STATISTICS
FULL TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION
LAST TEN FISCAL YEARS

<u>Type</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Official - administrative	27.0	25.5	26.0	25.0	28.5
Professional - educational	271.7	327.6	305.0	269.0	274.3
Professional - other	20.0	31.0	18.0	29.0	20.3
Technical	22.0	21.0	23.0	23.0	24.0
Office - clerical	33.0	31.0	32.0	33.5	33.5
Craft & trade	8.0	8.0	5.0	7.0	7.0
Operative	54.0	54.0	59.0	64.0	66.0
Service worker/laborer	159.0	148.0	130.0	159.5	156.5
Total	<u>594.7</u>	<u>646.1</u>	<u>598.0</u>	<u>610.0</u>	<u>610.1</u>
<u>Function</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Instruction:					
Regular	178.8	202.8	253.0	217.0	191.4
Special	62.5	56.0	52.0	52.0	53.8
Vocational	2.7	3.7	2.0	2.0	1.9
Other	27.7	65.2	16.0	27.0	29.2
Support Services:					
Pupil	0.0	0.0	0.0	0.0	0.0
Administration	27.0	25.5	26.0	25.0	28.5
Fiscal	3.0	3.0	3.0	3.0	3.0
Operations and maintenance	98.5	119.0	100.0	113.0	125.5
Pupil transportation	61.0	58.0	59.0	64.0	66.0
Other non-instructional services:					
Food service operations	33.0	32.2	35.0	35.0	36.0
Other non-instructional	100.5	80.8	52.0	72.0	74.8
Total Governmental Activities	<u>594.7</u>	<u>646.1</u>	<u>598.0</u>	<u>610.0</u>	<u>610.1</u>

Source: School District records

2018	2017	2016	2015	2014
28.0	25.0	24.0	23.0	24.0
284.3	280.3	279.0	255.5	277.7
22.4	22.1	22.6	20.3	19.3
22.0	59.0	44.0	33.0	35.0
35.5	63.5	55.6	38.8	64.0
8.0	10.0	8.0	9.0	9.0
70.0	63.5	55.7	52.4	35.9
173.5	78.0	69.0	57.2	49.3
643.7	601.4	557.9	489.2	514.2

2018	2017	2016	2015	2014
201.5	195.0	188.0	182.0	199.6
54.2	57.0	55.0	54.0	55.1
1.9	2.0	2.0	2.0	2.0
26.6	26.3	34.0	17.5	21.0
0.0	5.0	5.0	4.0	5.0
28.0	25.0	24.0	23.0	24.0
3.0	3.0	3.0	3.0	3.0
139.5	49.0	38.0	35.2	35.5
70.0	63.5	55.7	52.4	35.9
41.0	38.0	38.0	29.9	21.8
77.9	137.6	115.2	86.0	111.3
643.6	601.4	557.9	489.0	514.2

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

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2023	2022	2021	2020	2019	2018
Instruction:						
Regular and Special						
Enrollment (students)	4,175	4,143	4,142	4,138	4,348	4,334
Graduates	250	280	246	231	249	229
Support services:						
Board of education						
Regular meetings per year	12	12	12	12	12	12
Special meetings per year	4	7	10	10	2	5
Administration						
Student attendance rate	89.50%	87.10%	90.29%	94.40%	92.78%	93.20%
Fiscal						
Nonpayroll checks issued	2,155	2,160	2,045	2,806	2,879	2,842
Operations and maintenance						
Square footage maintained	652,360	667,602	649,237	649,237	649,237	649,237
Pupil transportation						
Avg. students transported daily	2,280	2,016	*710	2,608	2,507	1,122
Food service operations						
Lunches served to students	376,730	346,730	*193,874	376,807	459,918	443,265

(N/A) Information not available

*Part of the year, students were working from home and not in the buildings.

Source: School District records

2017	2016	2015	2014
4,294	4,316	4,385	4,462
222	227	246	234
12	12	16	15
7	19	11	9
95.00%	95.00%	95.20%	94.50%
2,690	3,059	3,006	2,722
649,237	649,237	649,237	649,237
389	N/A	N/A	N/A
471,240	459,162	408,362	395,560

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

**CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Land	\$ 2,787,251	\$ 2,787,251	\$ 2,787,251	\$ 299,675	\$ 299,675
Land improvements	169,086	297,638	528,785	779,694	1,071,407
Buildings and improvements	22,478,656	23,908,533	25,424,863	2,223,743	2,716,007
Furniture, equipment, and vehicles	2,517,255	2,695,526	2,838,865	3,374,436	3,701,281
Construction in progress	90,454,095	51,937,520	15,493,789	28,711,244	8,238,537
Total Governmental Activities Capital Assets, net	<u>\$ 118,406,343</u>	<u>\$ 81,626,468</u>	<u>\$ 47,073,553</u>	<u>\$ 35,388,792</u>	<u>\$ 16,026,907</u>

Source: School District financial records.

Note: Amounts above are presented net of accumulated depreciation.

2018	2017	2016	2015	2014
\$ 299,675	\$ 299,675	\$ 299,675	\$ 299,675	\$ 299,675
1,203,168	1,507,096	1,803,777	2,163,409	2,341,670
3,303,178	3,897,649	4,505,577	5,120,822	6,234,180
3,595,207	3,744,690	3,965,476	4,180,722	897,970
1,545,899	92,478	-	-	-
<u>\$ 9,947,127</u>	<u>\$ 9,541,588</u>	<u>\$ 10,574,505</u>	<u>\$ 11,764,628</u>	<u>\$ 9,773,495</u>

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

SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Black Lane Elementary (1966)					
Square feet	24,245	24,245	24,245	24,245	24,245
Capacity (students)	275	275	275	275	275
Percentage of capacity in use	0.00%	0.00%	0.00%	0.00%	0.00%
Fairborn High School (1969)					
Square feet	174,577	174,577	174,577	174,577	174,577
Capacity (students)	1,100	1,100	1,100	1,100	1,100
Enrollment	961	1,013	1,048	997	1,122
Percentage of capacity in use	87.36%	92.09%	95.27%	90.64%	102.00%
Baker Middle School (1952)					
Square feet	165,947	165,947	165,947	165,947	165,947
Capacity (students)	1,200	1,200	1,200	1,200	1,200
Enrollment	949	922	889	914	1,029
Percentage of capacity in use	79.08%	76.83%	74.08%	76.17%	85.75%
Fairborn Intermediate (2022)					
Square feet	103,253	142,005	142,005	89,884	89,884
Capacity (students)	1,200	1,300	1,300	1,000	1,000
Enrollment	993	963	924	634	712
Percentage of capacity in use	82.75%	74.08%	71.08%	63.40%	71.20%
Fairborn Primary School (2020)					
Square feet	131,759	131,759	131,759	142,005	142,005
Capacity (students)	1,324	1,324	1,324	1,300	1,300
Enrollment	1,272	1,245	1,281	1,593	1,485
Percentage of capacity in use	96.07%	94.03%	96.75%	122.54%	114.23%
Wright Elementary (1965)					
Square feet	23,510	-	-	23,510	23,510
Capacity (students)	-	-	-	250	250
Percentage of capacity in use	0.00%	0.00%	0.00%	0.00%	0.00%
Administration Building (1962)					
Square feet	8,973	8,973	8,973	8,973	8,973
Psychological Services (1960)					
Square feet	2,288	2,288	2,288	2,288	2,288
Psychological Services Garage (1960)					
Square feet	280	280	280	280	280
Transportation (1944)					
Square feet	13,668	13,668	13,668	13,668	13,668
Maintenance (1952)					
Square feet	3,860	3,860	3,860	3,860	3,860

Source: School District records

Note: Year of original construction is in parentheses

2018	2017	2016	2015	2014
24,245	24,245	24,245	24,245	24,245
275	275	275	275	275
0.00%	0.00%	0.00%	0.00%	0.00%
174,577	174,577	174,577	174,577	174,577
1,100	1,100	1,100	1,100	1,100
1,031	1,040	1,088	1,093	1,146
93.73%	94.55%	98.91%	99.36%	104.18%
165,947	165,947	165,947	165,947	165,947
1,200	1,200	1,200	1,200	1,200
1,067	1,024	982	946	985
88.92%	85.33%	81.83%	78.83%	82.08%
89,884	89,884	89,884	89,884	89,884
1,000	1,000	1,000	1,000	1,000
712	710	730	727	704
71.20%	71.00%	73.00%	72.70%	70.40%
142,005	142,005	142,005	142,005	142,005
1,300	1,300	1,300	1,300	1,300
1,524	1,520	1,516	1,619	1,627
117.23%	116.92%	116.62%	124.54%	125.15%
23,510	23,510	23,510	23,510	23,510
250	250	250	250	250
0.00%	0.00%	0.00%	0.00%	0.00%
8,973	8,973	8,973	8,973	8,973
2,288	2,288	2,288	2,288	2,288
280	280	280	280	280
13,668	13,668	13,668	13,668	13,668
3,860	3,860	3,860	3,860	3,860

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

OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Funds		Governmental Activities		Enrollment	Percent Change
	Expenditures (2)	Cost per pupil	Expenses (2)	Cost per pupil		
2023	\$ 99,875,553	\$ 23,922	\$ 64,652,733	\$ 15,486	4,175	0.80 %
2022	98,218,570	23,707	59,232,124	14,297	4,143	0.12 %
2021	99,223,630	23,955	59,232,124	14,300	4,142	0.10 %
2020	71,774,058	17,345	63,268,197	15,290	4,138	(4.83) %
2019	71,774,058	16,507	63,268,197	14,551	4,348	0.32 %
2018	74,350,764	17,155	57,185,056	13,195	4,334	0.93 %
2017	58,065,217	13,522	46,330,589	10,790	4,294	(0.51) %
2016	50,066,588	11,600	29,061,840	6,734	4,316	(1.57) %
2015	46,285,642	10,555	48,454,422	11,050	4,385	(1.73) %
2014	45,628,960	10,226	46,216,299	10,358	4,462	(2.56) %
2013	45,809,594	10,004	44,778,317	9,779	4,579	(2.47) %

Source: School District financial records

(1) Information not currently available.

(2) Debt Service totals have been excluded.

Teaching Staff	Pupil/Teacher Ratio	Student Attendance Percentage
272	15.35	89.50%
20	207.15	0.00%
328	12.64	87.10%
305	13.57	90.29%
305	14.26	90.29%
269	16.11	94.40%
274	15.65	92.78%
284	15.18	93.20%
280	15.64	95.00%
431	10.35	95.00%
425	10.77	95.20%

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

TEACHER STATISTICS
JUNE 30, 2023

<u>Degree</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>Pay Range</u>
Bachelor's Degree	128.95	47.46%	\$44,185 - \$88,634
Master's Degree	141.75	52.17%	\$52,138 - \$92,758
Educational Specialist	0.00	0.00%	\$50,148- \$91,728
Ph.D.	<u>1.00</u>	<u>0.37%</u>	\$54,127 - \$93,788
	<u><u>271.70</u></u>	<u><u>100.00%</u></u>	

<u>Years of Experience</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>
0 - 5	64.00	23.56%
6 - 10	65.70	24.18%
11 and over	<u>142.00</u>	<u>52.26%</u>
	<u><u>271.70</u></u>	<u><u>100.00%</u></u>

Source: School District Personnel Records

Note: The salary schedule contained in the current teachers' union collective bargaining agreement does not recognize degrees less than a bachelor's.

FAIRBORN CITY SCHOOL DISTRICT
GREENE COUNTY, OHIO

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2023

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

TABLE OF CONTENTS

Schedule of Expenditures of Federal Awards.....	1
Notes to the Schedule of Expenditures of Federal Awards 2 <i>CFR</i> § 200.510(b)(6)	2
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	3 - 4
Independent Auditor’s Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	5 - 7
Schedule of Findings 2 <i>CFR</i> § 200.515	8

**FAIRBORN CITY SCHOOL DISTRICT
GREENE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL EXPENDITURES OF FEDERAL AWARDS
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through the Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	2023	\$ 398,235
National School Lunch Program	10.555	2022	497,481
National School Lunch Program	10.555	2023	1,043,591
COVID-19 - National School Lunch Program	10.555	COVID-19, 2023	91,135
National School Lunch Program - Food Donation	10.555	2023	185,644
Total National School Lunch Program			1,817,851
Summer Food Service Program for Children	10.559	2023	39,801
Total Child Nutrition Cluster			2,255,887
COVID-19 - State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	COVID-19, 2023	3,135
Total U.S. Department of Agriculture			2,259,022
U.S. DEPARTMENT OF DEFENSE			
<i>Direct Award</i>			
ROTC	12.000	N/A	53,456
Total U.S. Department of Defense			53,456
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through the Ohio Office of Budget and Management</i>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Safety Round #4	21.027	COVID-19	64,637
Total U.S. Department of the Treasury			64,637
U.S. FEDERAL COMMUNICATIONS COMMISSION			
<i>Direct Award</i>			
COVID-19 - Emergency Connectivity Fund Program	32.009	COVID-19, ECF2290006744	190,074
Total U.S. Federal Communications Commission			190,074
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through the Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2022	289,880
Title I Grants to Local Educational Agencies	84.010A	84.010A, 2023	1,080,751
Title I Grants to Local Educational Agencies - Non-competitive, Supplemental School Improvem	84.010A	84.010A, 2022	19,344
Title I Grants to Local Educational Agencies - Non-competitive, Supplemental School Improvem	84.010A	84.010A, 2023	12,299
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-competitive Gran	84.010A	84.010A, 2022	10,666
Title I Grants to Local Educational Agencies - Expanding Opportunities for Each Child Non-competitive Gran	84.010A	84.010A, 2023	49,574
Total Title I Grants to Local Educational Agencies			1,462,514
Special Education Cluster (IDEA):			
Special Education Grants to States (IDEA, Part B)	84.027A	84.027A, 2022	183,417
Special Education Grants to States (IDEA, Part B)	84.027A	84.027A, 2023	948,152
Total Special Education Grants to States (IDEA, Part B)			1,131,569
Special Education Preschool Grants (IDEA Preschool)	84.173A	84.173A, 2023	79,566
Total Special Education Cluster (IDEA)			1,211,135
English Language Acquisition State Grant	84.365A	84.365A, 2022	292
English Language Acquisition State Grant	84.365A	84.365A, 2023	15,077
Total English Language Acquisition State Grants			15,369
Supporting Effective Instruction State Grant	84.367A	84.367A, 2022	41,993
Supporting Effective Instruction State Grant	84.367A	84.367A, 2023	119,567
Total Supporting Effective Instruction State Grant			161,560
Student Support and Academic Enrichment Program	84.424A	84.424A, 2022	12,654
Student Support and Academic Enrichment Program	84.424A	84.424A, 2023	80,598
Total Student Support and Academic Enrichment Program			93,252
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	COVID-19, 84.425D, 2022	1,077,808
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	COVID-19, 84.425D, 2023	896,492
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund - ARP	84.425U	COVID-19, 84.425U, 2022	740,172
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund - ARP	84.425U	COVID-19, 84.425U, 2023	3,978,427
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund - ARP Homeless Round I	84.425W	COVID-19, 84.425W, 2023	22,924
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER) Fund - ARP Homeless Round II	84.425W	COVID-19, 84.425W, 2023	35,065
Total Education Stabilization Fund			6,750,888
<i>Direct Award</i>			
Impact Aid	84.041	2021	28,837
Impact Aid	84.041	2023	112,480
Total Impact Aid			141,317
Total U.S. Department of Education			9,836,035
Total Federal Financial Assistance			\$ 12,403,224

The accompanying notes are an integral part of this schedule.

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

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Fairborn City School District under programs of the federal government for the fiscal year ended June 30, 2023 and is prepared in accordance with the cash basis of accounting. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Fairborn City School District, it is not intended to and does not present the financial position or changes in net position of the Fairborn City School District. Such expenditures are recognized following cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be limited to as to reimbursement.

NOTE 2 – DE MINIMIS COST RATE

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

NOTE 3 - CHILD NUTRITION CLUSTER

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

NOTE 4 – FOOD DONATION PROGRAM

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

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Fairborn City School District
Greene County
306 East Whittier Avenue
Fairborn, OH 45324

To the Members of the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairborn City School District, Greene County, Ohio, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fairborn City School District's basic financial statements, and have issued our report thereon dated December 22, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Fairborn City School District
Greene County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fairborn City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Fairborn City School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fairborn City School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
December 22, 2023

**Independent Auditor’s Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Fairborn City School District
Greene County
306 East Whittier Avenue
Fairborn, OH 45324

To the Members of the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Fairborn City School District’s 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 each of the Fairborn City School District’s major federal programs for the fiscal year ended June 30, 2023. The Fairborn City School District’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings.

In our opinion, the Fairborn City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "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.

Fairborn City School District
Greene County
Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance and on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fairborn City School District, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fairborn City School District's basic financial statements. We issued our report thereon dated December 22, 2023, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Julian & Grube, Inc.
December 22, 2023

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023**

1. SUMMARY OF AUDITOR'S RESULTS		
<i>(d)(1)(i)</i>	<i>Type of Financial Statement Opinion</i>	Unmodified
<i>(d)(1)(ii)</i>	<i>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(ii)</i>	<i>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iii)</i>	<i>Was there any reported material noncompliance at the financial statement level (GAGAS)?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any material internal control weaknesses reported for major federal programs?</i>	No
<i>(d)(1)(iv)</i>	<i>Were there any significant deficiencies in internal control reported for major federal programs?</i>	No
<i>(d)(1)(v)</i>	<i>Type of Major Program's Compliance Opinion</i>	Unmodified
<i>(d)(1)(vi)</i>	<i>Are there any reportable findings under 2 CFR §200.516(a)?</i>	No
<i>(d)(1)(vii)</i>	<i>Major Programs (listed):</i>	Child Nutrition Cluster COVID-19 - Education Stabilization Fund (ALN 84.425)
<i>(d)(1)(viii)</i>	<i>Dollar Threshold: Type A/B Programs</i>	Type A: >\$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<i>Low Risk Auditee under 2 CFR § 200.520?</i>	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



FAIRBORN CITY SCHOOL DISTRICT

GREENE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 2/1/2024

88 East Broad Street, Columbus, Ohio 43215
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