bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

HAMILTON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2024

OHIO AUDITOR OF STATE
KEITH FABER

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

Board of Education
Hamilton Local School District
775 Rathmell Rd
Columbus, OH 43207

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

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

Keith Faber
Auditor of State
Columbus, Ohio

April 16, 2025

This page intentionally left blank.

Hamilton Local School District
Franklin County
For the Year Ended June 30, 2024
Table of Contents

This page intentionally left blank.

bhm cpa group, inc.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Hamilton Local School District
Franklin County
775 Rathmell Road
Columbus, Ohio 43207

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton Local School District, Franklin County, Ohio as of June 30, 2024, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Locations throughout Ohio, Kentucky, West Virginia • Phone: 614-708-4648 • www.bhmcpagroup.com

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
January 17, 2025

This page is intentionally left blank.

As management of the Hamilton Local School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2024.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $57.0 million (net position).

- The District's total net position increased by $6.4 million during the fiscal year.

- As of the close of the fiscal year, the District's general fund balance totaled $40.9 million, a $4.3 million increase in comparison with the prior fiscal year. Of this total amount, $39.7 million is available for spending at the District's discretion (unassigned fund balance).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one category: governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, which is considered a major fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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.

Government-wide Financial Analysis

Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year.

Net Position
Governmental Activities

	2024	2023	Change
Current and Other Assets	$ 59,599,582	$ 53,883,290	$ 5,716,292
Capital Assets, Net	53,399,379	53,648,371	(248,992)
Total Assets	112,998,961	107,531,661	5,467,300
Pension	6,890,131	7,923,840	(1,033,709)
OPEB	1,103,054	687,647	415,407
Total Deferred Outflows of Resources	7,993,185	8,611,487	(618,302)
Current Liabilities	3,338,700	3,743,292	(404,592)
Long-Term Liabilities:			
Due Within One Year	1,665,670	1,634,767	30,903
Due Later Than One Year:			
Net Pension Liability	31,976,130	32,407,277	(431,147)
Net OPEB Liability	1,658,840	1,413,573	245,267
Other Amounts Due Later Than One Year	11,501,212	12,842,250	(1,341,038)
Total Liabilities	50,140,552	52,041,159	(1,900,607)
Property Taxes	7,696,866	5,280,268	2,416,598
Pension	2,425,930	3,543,371	(1,117,441)
OPEB	3,728,677	4,717,887	(989,210)
Total Deferred Inflows of Resources	13,851,473	13,541,526	309,947
Net Investment in Capital Assets	42,015,438	40,909,937	1,105,501
Restricted	7,363,292	5,629,883	1,733,409
Unrestricted	7,621,391	4,020,643	3,600,748
Total Net Position	$ 57,000,121	$ 50,560,463	$ 6,439,658

There was a significant change in net pension/OPEB liability (asset) for the District. These fluctuations are due to changes in the retirement systems unfunded liabilities/assets that are passed through to the District's financial statements. All components of pension and OPEB accruals contribute to the fluctuations in deferred outflows/inflows, net OPEB asset and noncurrent liabilities are described in more detail in their respective notes.

Current and other assets increased in comparison with the prior fiscal year. This increase is primarily the result of an increase in property taxes receivable related to Franklin County's reassessment.

Other amounts due later than one year decreased in comparison with the prior fiscal year. This decrease is the result of principal payments made during the fiscal year.

A significant portion of the District's net position reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The District uses these assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

Total net position of the District increased. Key elements of the District's net position increase are as follows:

Changes in Net Position
Governmental Activities

Revenues:	2024	2023	Change
Program Revenues			
Charges for Services	$ 1,281,943	$ 1,153,137	$ 128,806
Operating Grants	4,554,231	8,393,150	(3,838,919)
Total Program Revenues	5,836,174	9,546,287	(3,710,113)
General Revenues			
Property Taxes	13,216,191	9,895,482	3,320,709
Payment in Lieu of Taxes	598,517	593,572	4,945
Grants and Entitlements	29,250,864	23,749,044	5,501,820
Investment Earnings	1,771,460	138,960	1,632,500
Other Revenue	456,423	73,785	382,638
Total General Revenue	45,293,455	34,450,843	10,842,612
Total Revenues	51,129,629	43,997,130	7,132,499
Expenses:			
Program Expenses			
Instruction	25,643,458	22,502,303	3,141,155
Support Services	15,235,436	12,604,511	2,630,925
Non-Instructional	1,830,380	1,660,175	170,205
Extracurricular Activities	1,752,395	1,452,135	300,260
Interest and Fiscal Charges	228,302	286,312	(58,010)
Total Expenses	44,689,971	38,505,436	6,184,535
Changes in Net Position	6,439,658	5,491,694	947,964
Net Position at Beginning of Year	50,560,463	45,068,769	
Net Position at End of Year	$ 57,000,121	$ 50,560,463	

Operating grants decreased significantly in comparison with the prior fiscal year. This decrease is mainly due to a decrease in federal grants received related to the COVID-19 pandemic in comparison with the prior fiscal year.

Property taxes increased in comparison with the prior fiscal year. This increase is due to Franklin County reappraising properties during the fiscal year.

Grants and entitlements increased in comparison with the prior fiscal year. This increase is due to the per pupil cost increasing in comparison with the prior year and the Ohio Fair School Funding plan.

Investment earning increased in comparison with the prior fiscal year. This increase is primarily due to the District having more invested and better interest rates in comparison with the prior fiscal year.

Instructional and support service expenses increased significantly in comparison with the prior fiscal year. This increase is primarily the result of inflation, additional building maintenance, new employees, and pay raises from the previous fiscal year.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the District's governmental funds fund balance increase in comparison with the prior year. The general fund is the chief operating fund of the District. The fund balance in the general fund increased by $4,274,604 from the prior fiscal year balance of $36,586,502. Property and other local taxes and intergovernmental revenues both increased in comparison with the prior fiscal year. Intergovernmental revenues increased during the fiscal year as a result of the District receiving more state funding in comparison with the prior fiscal year. Property and other local taxes increased as a result of Franklin County reassessing properties.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

For the General Fund, actual revenues were significantly greater than final and original estimated resources as a result of higher than expected intergovernmental revenue. The variance between the original and final estimated was insignificant.

Actual expenditures and other financing uses were greater than final appropriations. Final appropriations were also greater than the original appropriations. These variances were related to greater than expected transfers to other funds during the fiscal year.

Capital Assets

At fiscal year-end, the District's capital assets decreased in comparison with the prior fiscal year. This decrease represents the amount in which depreciation and disposals exceeded additions during the fiscal year. Detailed information regarding capital asset activity is included in Note 7 to the basic financial statements.

Debt

At fiscal year-end, the District's outstanding long-term debt decreased in comparison with the prior fiscal year-end. This decrease represents the amount in which current year principal payments and premium amortization exceeded the new lease inception. Detailed information regarding long-term debt is included in Note 11 to the basic financial statements.

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 received. If you have any questions about this report or need additional information, contact Brian Wilson, Treasurer of Hamilton Local School District, 775 Rathmell Road, Columbus, Ohio 43207.

Hamilton Local School District
Franklin County, Ohio
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 43,052,709
Property Taxes Receivable	13,036,130
Intergovernmental Receivable	900,559
Payments in Lieu of Taxes Receivable	127,121
Prepaid Items	88,976
Capital Assets, not Being Depreciated/Amortized	1,277,144
Capital Assets Being Depreciated/Amortized, net	52,122,235
Net OPEB Asset	2,394,087
Total Assets	112,998,961
Deferred Outflows of Resources	
Pension	6,890,131
OPEB	1,103,054
Total Deferred Outflows of Resources	7,993,185
Liabilities	
Accounts Payable	71,748
Accrued Wages and Benefits	2,678,326
Retainage Payable	60,568
Intergovernmental Payable	528,058
Long-Term Liabilities:	
Due Within One Year	1,665,670
Due Later Than One Year:	
Net Pension Liability	31,976,130
Net OPEB Liability	1,658,840
Other Amounts Due Later Than One Year	11,501,212
Total Liabilities	50,140,552
Deferred Inflows of Resources	
Property Taxes	7,696,866
Pension	2,425,930
OPEB	3,728,677
Total Deferred Inflows of Resources	13,851,473
Net Position	
Net Investment in Capital Assets	42,015,438
Restricted for:	
Debt Service	1,931,380
Capital Projects	1,680,350
Food Services	777,433
Extracurricular Activities	368,323
State and Federal Grants	44,800
Other Purposes	2,561,006
Unrestricted	7,621,391
Total Net Position	$ 57,000,121

See accompanying notes to the basic financial statements.

Hamilton Local School District
Franklin County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities				
Instruction:				
Regular Instruction	$ 19,238,392	$ 243,868	$ -	$ (18,994,524)
Special Instruction	6,149,272	143,921	1,861,108	(4,144,243)
Vocational Instruction	114,833	-	-	(114,833)
Student Intervention Services	126,966	-	113,967	(12,999)
Other Instruction	13,995	-	-	(13,995)
Support Services:				
Pupils	1,864,184	-	407,017	(1,457,167)
Instructional Staff	2,318,064	-	399,316	(1,918,748)
Board of Education	29,674	-	-	(29,674)
Administration	3,138,262	-	1,618	(3,136,644)
Fiscal Services	1,157,027	-	-	(1,157,027)
Maintenance	4,861,264	-	214,397	(4,646,867)
Pupil Transportation	1,559,769	-	14,015	(1,545,754)
Central	307,192	-	-	(307,192)
Operation of Non-Instructional/Shared Services:				
Non-Instructional Services	1,830,380	267,581	1,542,793	(20,006)
Extracurricular Activities	1,752,395	626,573	-	(1,125,822)
Debt Service:				
Interest and Fiscal Charges	228,302	-	-	(228,302)
Total	$ 44,689,971	$ 1,281,943	$ 4,554,231	(38,853,797)

General Revenues	
Property Taxes Levied for:	
General Purposes	11,190,135
Debt Service	1,525,458
Capital Projects	500,598
Payments in Lieu of Taxes	598,517
Grants and Entitlements not Restricted	29,250,864
Investment Earnings	1,771,460
Miscellaneous	456,423
Total General Revenues	45,293,455
Change in Net Position	6,439,658
Net Position Beginning of Year	50,560,463
Net Position End of Year	$ 57,000,121

See accompanying notes to the basic financial statements.

Hamilton Local School District
Franklin County, Ohio
Balance Sheet
Governmental Funds
June 30, 2024

	General	ESSER	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 38,668,005	$ -	$ 4,384,704	$ 43,052,709
Property Taxes Receivable	10,960,297	-	2,075,833	13,036,130
Intergovernmental Receivable	165,665	-	734,894	900,559
Payments in Lieu of Taxes Receivable	127,121	-	-	127,121
Prepaid Items	88,976	-	-	88,976
Due from Other Funds	631,521	-	-	631,521
Total Assets	$ 50,641,585	$ -	$ 7,195,431	$ 57,837,016
Liabilities				
Accounts Payable	$ 35,386	$ -	$ 36,362	$ 71,748
Accrued Wages and Benefits	2,498,804	-	179,522	2,678,326
Retainage Payable	-	-	60,568	60,568
Intergovernmental Payable	492,319	-	35,739	528,058
Due to Other Funds	-	-	631,521	631,521
Total Liabilities	3,026,509	-	943,712	3,970,221
Deferred Inflows of Resources				
Property Taxes	6,469,116	-	1,227,750	7,696,866
Unavailable Revenue	284,854	-	58,993	343,847
Total Deferred Inflows of Resources	6,753,970	-	1,286,743	8,040,713
Fund Balances				
Nonspendable	88,976	-	-	88,976
Restricted	-	-	5,002,910	5,002,910
Assigned	1,113,452	-	-	1,113,452
Unassigned	39,658,678	-	(37,934)	39,620,744
Total Fund Balance	40,861,106	-	4,964,976	45,826,082
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 50,641,585	$ -	$ 7,195,431	$ 57,837,016

See accompanying notes to the basic financial statements.

Hamilton Local School District
Franklin County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2024

Total Governmental Fund Balances		$ 45,826,082
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		53,399,379
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Delinquent Property Taxes	$ 183,387	
Payment in Lieu of Taxes	127,121	
Intergovernmental	33,339	343,847
The net pension liability and net OPEB liability (asset) are not due and payable in the current period, therefore, the liability and related deferred inflows/outflows are not reported in governmental funds.		
Net OPEB Asset	2,394,087	
Deferred Outflows - Pension	6,890,131	
Deferred Outflows - OPEB	1,103,054	
Net Pension Liability	(31,976,130)	
Net OPEB Liability	(1,658,840)	
Deferred Inflows - Pension	(2,425,930)	
Deferred Inflows - OPEB	(3,728,677)	(29,402,305)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(10,195,000)	
Unamortized Bond Premiums	(1,019,890)	
Lease	(169,051)	
Compensated Absences	(1,782,941)	(13,166,882)
Net Position of Governmental Activities		$ 57,000,121

See accompanying notes to the basic financial statements.

Hamilton Local School District
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General	ESSER	Other Governmental Funds	Total Governmental Funds
Revenues				
Property and Other Local Taxes	$ 11,225,167	$ -	$ 2,040,365	$ 13,265,532
Payments in Lieu of Taxes	515,461	-	-	515,461
Intergovernmental	28,891,543	-	5,230,988	34,122,531
Charges for Services	-	-	267,581	267,581
Interest	1,771,460	-	-	1,771,460
Tuition and Fees	385,664	-	-	385,664
Extracurricular Activities	146,151	-	480,422	626,573
Rent	2,125	-	-	2,125
Contributions and Donations	61,765	-	-	61,765
Other	425,096	-	17,569	442,665
Total Revenues	43,424,432	-	8,036,925	51,461,357
Expenditures				
Current:				
Instruction:				
Regular Instruction	18,185,373	-	77,910	18,263,283
Special Instruction	4,285,567	-	1,844,073	6,129,640
Vocational Instruction	110,493	-	-	110,493
Student Intervention Services	13,000	-	113,966	126,966
Other Instruction	13,995	-	-	13,995
Support Services:				
Pupils	1,461,477	-	404,745	1,866,222
Instructional Staff	1,854,010	-	396,500	2,250,510
Board of Education	29,674	-	-	29,674
Administration	3,136,911	-	23,275	3,160,186
Fiscal Services	1,209,587	-	26,158	1,235,745
Operation and Maintenance of Plant	3,891,211	-	327,193	4,218,404
Pupil Transportation	1,812,494	-	549,231	2,361,725
Central	336,369	-	-	336,369
Operation of Non-Instructional/Shared Services				
Non-Instructional Services	94,747	-	1,793,378	1,888,125
Extracurricular Activities	1,109,570	-	617,664	1,727,234
Capital Outlay	204,135	-	1,134,539	1,338,674
Debt Service				
Principal Retirement	35,084	-	1,410,934	1,446,018
Interest and Fiscal Charges	13,811	-	373,942	387,753
Total Expenditures	37,797,508	-	9,093,508	46,891,016
Excess of Revenues Over (Under) Expenditures	5,626,924	-	(1,056,583)	4,570,341
Other Financing Sources (Uses)				
Insurance Recoveries	13,760	-	-	13,760
Inception of Lease	204,135	-	-	204,135
Transfers In	4,647	-	1,611,221	1,615,868
Transfers Out	(1,574,862)	-	(41,006)	(1,615,868)
Total Other Financing Sources (Uses)	(1,352,320)	-	1,570,215	217,895
Net Change in Fund Balances	4,274,604	-	513,632	4,788,236
Fund Balances Beginning of Year, as Previously Presented	36,586,502	(320,124)	4,771,468	41,037,846
Major to Nonmajor Fund	-	320,124	(320,124)	-
Fund Balances End of Year	$ 40,861,106	$ -	$ 4,964,976	$ 45,826,082

See accompanying notes to the basic financial statements.

Hamilton Local School District
Franklin County, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds		$ 4,788,236
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.		
Capital Asset Additions	$ 1,377,832	
Current Year Depreciation/Amortization	(1,658,644)	(280,812)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.		31,820
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property Taxes	(49,341)	
Payment in Lieu of Taxes	83,056	
Grants	(379,203)	(345,488)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
General Obligation Bonds	1,345,000	
Lease	35,084	
Direct Borrowings	65,934	1,446,018
Inception of lease in the governmental funds that increase long-term liabilities in the statement of net position are not reported as revenues.		(204,135)
In the statement of activities, interest is accrued on outstanding bonds, and bond premium and the gain/loss on refunding are amortized over the term of the bonds, whereas in governmental funds, an interest expenditure is reported when bonds are issued.		
Amortization of Premium on Bonds		159,451
Contractually required pension/OPEB contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension	3,123,441	
OPEB	68,242	3,191,683
Except for amount reported as deferred inflows/outflows, changes in the net pension/OPEB liability are reported as pension/OPEB expense in the statement of activities.		
Pension	$ (2,608,562)	
OPEB	352,646	(2,255,916)
Some expenses reported in the statement of activities, do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated Absences		(91,199)
Change in Net Position of Governmental Activities		$ 6,439,658

See accompanying notes to the basic financial statements.

Hamilton Local School District
Franklin County, Ohio
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Property and Other Local Taxes	$ 7,085,967	$ 7,085,967	$ 9,593,641	$ 2,507,674
Payments in Lieu of Taxes	-	-	489,047	489,047
Intergovernmental	22,602,378	22,602,378	28,760,241	6,157,863
Interest	800,000	800,000	1,224,816	424,816
Tuition and Fees	45,783	148,000	385,664	237,664
Extracurricular Activities	135,000	135,000	146,151	11,151
Rent	-	-	2,125	2,125
Contributions and Donations	-	-	61,765	61,765
Other	420,000	420,000	118,531	(301,469)
Total Revenues	31,089,128	31,191,345	40,781,981	9,590,636
Expenditures				
Current:				
Instruction:				
Regular	17,806,462	18,308,356	17,848,596	459,760
Special	3,255,328	5,186,429	4,361,813	824,616
Vocational	218,327	211,016	111,305	99,711
Student Intervention Services	40,000	40,000	13,000	27,000
Other	1,222,786	46,754	88,240	(41,486)
Support Services:				
Pupils	806,109	884,639	1,421,826	(537,187)
Instructional Staff	711,404	1,302,782	1,809,962	(507,180)
Board of Education	31,512	31,512	27,474	4,038
Administration	2,786,770	3,040,471	3,120,833	(80,362)
Fiscal Services	807,305	1,158,452	1,224,233	(65,781)
Business Operations	12,751	12,751	-	12,751
Operation and Maintenance of Plant	3,688,557	4,338,761	4,155,229	183,532
Pupil Transportation	1,774,287	2,000,287	1,840,602	159,685
Central	98,412	211,026	339,183	(128,157)
Operation of Non-Instructional/Shared Services:				
Operation of Non-Instructional/Shared Services	-	100,000	79,080	20,920
Extracurricular Activities	824,491	856,491	1,186,343	(329,852)
Capital Outlay	-	-	17,500	(80,362)
Debt Service				
Principal Retirement	35,084	35,084	35,084	-
Interest and Fiscal Charges	13,811	13,811	13,811	-
Total Expenditures	34,133,396	37,778,622	37,694,114	84,508
Excess of Receipts Over (Under) Expenditures	(3,044,268)	(6,587,277)	3,087,867	9,675,144
Other Financing Sources (Uses)				
Insurance Recoveries	-	-	13,760	13,760
Transfers In	-	-	47,931	47,931
Transfers Out	-	(1,454,774)	(1,454,774)	-
Total Other Financing Sources (Uses)	-	(1,454,774)	(1,393,083)	61,691
Net Change in Fund Balance	(3,044,268)	(8,042,051)	1,694,784	9,736,835
Fund Balance Beginning of Year	36,992,152	36,992,152	36,992,152	-
Prior Year Encumbrances Appropriated	233,396	233,396	233,396	-
Fund Balance End of Year	$ 34,181,280	$ 29,183,497	$ 38,920,332	$ 9,736,835

See accompanying notes to the basic financial statements.

This page is intentionally left blank.

NOTE 1 – NATURE OF OPERATIONS AND DESCRIPTION OF THE ENTITY

The Hamilton Local School District (the "District") is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education and is responsible for the provision of public education to residents of the District.

The District provides regular, vocational and special instruction. The District also provides support services for the pupils, instructional staff, general and school administration, business and fiscal services, facilities acquisition and construction services, operation and maintenance of plant, student transportation, food services, extracurricular activities and non-programmed services.

The reporting entity is required to be comprised of the primary government, component units and other organizations that are included to ensure that the basic financial statements of the District are not misleading. 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; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provides financial support to, the organization; or 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. The District had no component units for the fiscal year ended June 30, 2024.

The District is involved with the Metropolitan Educational Technology Association (META), which is defined as a jointly governed organization. META is a not-for-profit educational council whose primary purpose and objective is to contribute to the educational services available to school districts in Franklin County and surrounding areas by cooperative action membership. The governing board consists of a representative from each of the Franklin County districts. Districts outside of Franklin County are associate members and each county selects a single district to represent them on the governing board. META is its own fiscal agent. The District does not have an ongoing financial interest in or ongoing financial responsibility for META. META provides computer services to the District.

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The District's accounts are maintained on the basis of funds, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to specific District functions or activities. The operation of each fund is accounted for within a separate set of self-balancing accounts.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds.

General Fund - The General Fund is the chief operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Other Governmental Funds – Other Governmental Funds consist of non-major special revenue, debt service, and capital project funds. The special revenue funds are established to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted or committed to expenditures for specified purposes. The capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and other assets.

Basis of Presentation

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the governmental activities of the District. 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 amounts paid by the recipient of goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column, and all non-major funds are aggregated into one column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balance.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using modified accrual for governmental funds.

Revenues, Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the District is sixty days after year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5), unless advanced or available to be advanced to the District in the previous fiscal year. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been met. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, investment earnings, tuition, grants and student fees.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred amount on refundings and for pensions and other post-employment benefits (OPEB). The deferred amount 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. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 8 and 9.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow 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 delinquent property taxes. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position (See Notes 8 and 9).

Expenditures/Expenses

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

Budgetary Process

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

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

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

Cash and Investments

The District maintains a cash and investment pool used by all funds. The cash and investment pool has the same characteristics as a demand deposit. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents. Monies for all funds are maintained in this account or temporarily used to purchase short-term investments. It is the policy of the District to value investment contracts and money market investments with maturity of one year or less at the time of purchase at fair value.

Investments of the District's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

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

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

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2024 amounted to $1,771,460, which includes $200,870 assigned from other District funds.

Inventory

On government-wide financial statements, inventories are presented at the lower of cost or market using the first in, first out (FIFO) method and are expensed when used. On fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased.

Capital Assets and Depreciation

General capital assets are reported in 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. The District does not capitalize interest costs as part of capital assets.

Interest is expensed as incurred. Donated fixed assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure.

All reported capital assets, with the exception of land, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Buildings and improvements are charged a full year of depreciation in the year of acquisition or the year the asset is placed into service. Depreciation for furniture, fixtures and equipment, vehicles, and land improvements will begin in the month of acquisition.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Useful Life
Land	not depreciated
Land Improvements	10 – 25 years
Buildings & Improvements	20 – 50 years
Furniture and Equipment	5 – 20 years
Buses and Other Vehicles	5 – 15 years

The District is reporting intangible right to use assets related to leased equipment. These leased assets are initially measured at the initial amount of lease liability, adjusted for payments made at or before the lease commencement date plus certain initial direct costs. This lease is then amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred and become available.

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 fund without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. On fund financial statements, short-term interfund loans are classified as due to/from other funds. These amounts are eliminated in the statement of net position.

Compensated Absences

Vacation leave accumulated by employees is accrued as a liability as the benefits are earned when the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave is accrued using the vesting method, which states that an accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The District records a liability for all employees meeting the retirement criteria outlined by the pension systems as well as all employees with 20 or more years of service with the District.

The entire compensated absences liability is reported on the entity-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent that amounts are expected to be paid using expendable available financial resources. The balance of the liability is not recorded.

Accrued Liabilities and Long-Term Obligations

All accrued liabilities and long-term debt is reported in the entity-wide financial statements. For governmental fund financial statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term debt paid from governmental funds is not recognized as a liability in the fund financial statements until due.

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.

Fund Balance

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

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

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. Those committed amounts cannot be used for any other purpose unless the District 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 as restricted or 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 both restricted and unrestricted (assigned and unassigned) fund balance is available. The District considers assigned and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

Encumbrances

The District employs encumbrance accounting in governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

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.

Changes in Accounting Principles

For the fiscal year ended June 30, 2024, the District has implemented certain provisions of GASB Statement No. 99, *Omnibus 2022* and GASB Statement No. 100, *Accounting Changes and Error Corrections*.

GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves 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 certain provisions of GASB Statement No. 99 that relate to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 did not have an effect on the financial statements of the District.

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessment accountability.

During the fiscal year, a change within the financial reporting entity resulted in adjustments to beginning fund balance as it relates to the ESSER fund, which was previously reported as a major fund. The effects of the change within the financial reporting entity are shown on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

NOTE 3 – GAAP TO BUDGET RECONCILIATION

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis, as provided by law requires accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The Ohio Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

The Statement of Revenues, Expenditures and Changes in Fund Balances, Budget (Non-GAAP Basis) and Actual presented for the general fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the GAAP basis and the budget basis are as follows:

Net Change in Fund Balance

	General Fund
GAAP Basis	$ 4,274,604
Net Adjustment for Revenue Accruals	8,161,546
Net Adjustment for Expenditure Accruals	(10,385,709)
Funds Budgeted Elsewhere	(102,803)
Adjustment for Encumbrances	(252,854)
Budget Basis	$ 1,694,784

With the implementation of GASB Statement No. 54, *Fund Balance Reporting*, the District's Public School Support Fund, Other State Grant Funds, Retirement Funds, and Other Local Funds, no longer meet the special revenue fund type criteria for reporting in the fiscal year-end external financial statements. As such, these fund are presented as part of the District's General Fund in the year-end financial statements. The budgetary comparison information in the fiscal year-end financial statements is the legally adopted budget for the General Fund, without modification for the funds no longer meeting the special revenue criteria.

NOTE 4 – DEPOSITS AND INVESTMENTS

Monies held by the District are classified by State statue into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the District treasury. Active 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 has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

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

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed 30 days;

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

7. The State Treasurer's investment pool (STAR Ohio).

8. Certain bankers' acceptances (for a period not to exceed 180 days) and commercial paper notes (for a period not to exceed 270 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.

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.

Deposits

Custodial Credit Risk. Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, $250,000 of the District's bank balance of $4,293,922 was exposed to custodial credit risk because it was uninsured and collateralized. The District's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

Ohio law requires that deposits either be insured or be protected by:

1. Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or

2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

Investments - At fiscal year-end, the District had the following investments and maturities:

S&P Global Ratings	Investment Type	Measurement Value	Investment Maturities: 12 Months or Less	12 to 36 Months	More Than 36 Months	Percent of Total
	Net Asset Value (NAV):					
AAAm	STAR Ohio	$ 7,498,544	$ 7,498,544	$ -	$ -	18.19%
AAAm	Money Market	1,233,123	1,233,123	-	-	2.99%
	Fair Value:					
AA+	Tennessee Valley Authority	220,095	-	-	220,095	0.53%
AA+	FFCB	7,690,706	964,156	2,838,840	3,887,710	18.65%
AA+	FHLMC MTN	1,355,378	433,620	802,192	119,566	3.29%
AA+	FHLB	6,315,495	1,872,316	2,822,617	1,620,562	15.32%
AA+	FNMA	1,150,024	373,448	334,061	442,515	2.79%
AAA	US Treasury Notes	11,886,021	1,941,965	4,286,328	5,657,728	28.83%
Not Rated	Negotiable Certificates of Deposit	2,694,295	339,697	472,955	1,881,643	6.54%
A-1	Commercial Paper	1,184,947	1,184,947	-	-	2.87%
	Total Investments	$41,228,628	$15,841,816	$11,556,993	$ 13,829,819	100.00%

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk. Interest rate risk is the risk that an interest rate change could adversely affect an investment's fair value. 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.

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.

Credit Risk. The District has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized statistical rating organization. The weighted average of maturity of the portfolio held by STAR Ohio as of June 30 is 47 days.

Concentration of Credit Risk. Concentration of credit risk is the risk of inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification. The District places no limit on the amount that may be invested in any one issuer.

NOE 5 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. First half collections are received by the District in the second half of the fiscal year. Second half distributions occur in the first half of the following fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes.

Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be re-valued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property as 35 percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of inventory. The tangible personal property tax has been phased out. The assessed values upon which the fiscal year taxes were collected are:

	Calendar Year 2023 Second Half Collections		Calendar Year 2024 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property - Agricultural / Residential	$ 180,847,290	50.70%	$ 309,906,860	57.17%
Real Property - Commercial / Industrial	159,478,090	44.70%	200,174,680	36.92%
Real Property - Public Utilities	295,550	0.08%	332,880	0.06%
Personal Property - Public Utilities	16,117,090	4.52%	31,721,600	5.85%
Total Assessed Values	$ 356,738,020	100.00%	$ 542,136,020	100.00%
Tax rate per $1,000 of assessed valuation		$ 51.65		$ 51.50

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The Franklin County Treasurer collects property taxes on behalf of all taxing Districts in the County, including the Hamilton Local School District. The county auditor periodically remits to the District its portion of the taxes collected. Calendar year 2024 second-half property tax payments collected by the County by June 30, 2024 are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Property taxes receivable represents real property and public utility taxes and outstanding delinquencies that are measurable as of June 30, 2024. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance is recognized as revenue.

NOTE 6 – TAX ABATEMENTS

Under Community Reinvestment Area (CRA) and other property tax abatements, the District's property tax revenues were reduced by $1,893,895 during the fiscal year.

NOTE 7 – CAPITAL ASSETS

A summary of capital asset activity during the fiscal year follows:

Asset Class	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Being Depreciated/Amortized				
Land	$ 1,247,490	$ -	$ -	$ 1,247,490
Construction in Progress	-	29,654	-	29,654
Total Capital Assets, Not Being Depreciated/Amortized	1,247,490	29,654	-	1,277,144
Capital Assets, Being Depreciated/Amortized				
Land and Building Improvements	76,206,495	287,550	-	76,494,045
Furniture & Equipment	3,601,014	139,531	(5,514)	3,735,031
Intangible Right-to-Use Furniture & Equipment	-	204,135	-	204,135
Vehicles	2,299,000	716,962	(662,189)	2,353,773
Total Capital Assets, Being Depreciated/Amortized	82,106,509	1,348,178	(667,703)	82,786,984
Total Accumulated Depreciation/Amortization				
Land and Building Improvements	25,568,332	1,542,987	-	27,111,319
Furniture & Equipment	2,443,256	28,664	(5,514)	2,466,406
Intangible Right-to-Use Furniture & Equipment	-	40,827	-	40,827
Vehicles	1,694,040	46,166	(694,009)	1,046,197
Total Accumulated Depreciation/Amortization	29,705,628	1,658,644	(699,523)	30,664,749
Total Capital Assets, Being Depreciated/Amortized, Net	52,400,881	(310,466)	31,820	52,122,235
Total Capital Assets, Net	$ 53,648,371	$ (280,812)	$ 31,820	$ 53,399,379

Depreciation/Amortization expense was charged to governmental functions as follows:

Instruction Regular	$	1,469,725
Instruction Special		161
Instruction Vocational		4,340
Instructional Staff		233
Administration		5,517
Operation and Maintenance of Plant		63,996
Pupil Transportation		42,843
Noninstructional Services		6,233
Extracurricular Activities		65,596
	$	1,658,644

NOTE 8 - DEFINED BENEFIT PENSION PLANS

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

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents 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 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 this estimate annually.

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

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

The 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 *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the required pension disclosures. See Note 9 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – District non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability, and survivor 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; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $586,196 for fiscal year 2024. Of this amount, $24,002 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility charges will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

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

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

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

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

The District's contractually required contribution to STRS was $2,537,245 for fiscal year 2024. Of this amount, $387,495 is reported as an intergovernmental payable.

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

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

	SERS	STRS	Total
Proportion of the Net Pension Liability:			
Current Measurement Date	0.0989419%	0.12309802%	
Prior Measurement Date	0.1019360%	0.12097900%	
Change in Proportionate Share	-0.0029941%	0.00211902%	
Proportionate Share of the Net Pension Liability	$ 5,467,048	$ 26,509,082	$ 31,976,130
Pension Expense	$ 353,709	$ 2,254,853	$ 2,608,562

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 234,986	$ 966,465	$ 1,201,451
Changes of Assumptions	38,725	2,183,167	2,221,892
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	-	343,347	343,347
District Contributions Subsequent to the Measurement Date	586,196	2,537,245	3,123,441
Total Deferred Outflows of Resources	$ 859,907	$ 6,030,224	$ 6,890,131
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ -	$ 58,826	$ 58,826
Net Difference between Projected and Actual Earnings on Pension Plan Investments	76,845	79,448	156,293
Changes of Assumptions	-	1,643,296	1,643,296
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	334,902	232,613	567,515
Total Deferred Inflows of Resources	$ 411,747	$ 2,014,183	$ 2,425,930

$3,123,441 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	$ (217,130)	$ (217,142)	$ (434,272)
2026	(248,984)	(925,677)	(1,174,661)
2027	324,007	2,698,426	3,022,433
2028	4,071	(76,811)	(72,740)
Total	$ (138,036)	$ 1,478,796	$ 1,340,760

Actuarial Assumptions - SERS

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

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

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

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

Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement

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

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

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

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

Discount Rate The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate of fiscal year 2023 was 14.00 percent. Projected inflows from investment earnings were calculated using the long term assumed investment rate of return, 7.00 percent. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 8,069,086	$ 5,467,048	$ 3,275,330

Actuarial Assumptions - STRS

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

Inflation	2.50 percent
Salary Increases	From 2.5 percent to 8.5 percent, based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent, effective July 1, 2017

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

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

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

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

*Final target weights reflected at October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

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

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	$ 40,765,101	$ 26,509,082	$ 14,452,391

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

NOTE 9 - DEFINED BENEFIT OPEB PLANS

See Note 8 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was $30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.00 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the District's surcharge obligation was $68,242, which is reported as an intergovernmental payable. The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was equal to its surcharge obligation for fiscal year 2024.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

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

	SERS	STRS	Total
Proportion of the Net OPEB Liability (Asset):			
Current Measurement Date	0.1006916%	0.12309802%	
Prior Measurement Date	0.1006811%	0.12097900%	
Change in Proportionate Share	0.0000105%	0.00211902%	
Proportionate Share of the Net OPEB Liability (Asset)	$ 1,658,840	$ (2,394,087)	
OPEB Expense	$ (202,229)	$ (150,417)	$ (352,646)

Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in OPEB expense beginning in the current period, using a straight-line method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

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

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between Expected and Actual Experience	$ 3,454	$ 3,732	$ 7,186
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	12,857	4,274	17,131
Changes of Assumptions	560,903	352,685	913,588
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	94,328	2,579	96,907
District Contributions Subsequent to the Measurement Date	68,242	-	68,242
Total Deferred Outflows of Resources	$ 739,784	$ 363,270	$ 1,103,054
Deferred Inflows of Resources			
Differences between Expected and Actual Experience	$ 855,524	$ 365,162	$ 1,220,686
Changes of Assumptions	471,127	1,579,583	2,050,710
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	388,421	68,860	457,281
Total Deferred Inflows of Resources	$ 1,715,072	$ 2,013,605	$ 3,728,677

$68,242 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction/addition to the net OPEB liability/asset in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2025	$ (324,367)	$ (746,691)	$ (1,071,058)
2026	(266,454)	(337,986)	(604,440)
2027	(162,516)	(123,815)	(286,331)
2028	(115,552)	(168,068)	(283,620)
2029	(104,618)	(154,053)	(258,671)
Thereafter	(70,023)	(119,722)	(189,745)
Total	$ (1,043,530)	$ (1,650,335)	$ (2,693,865)

Actuarial Assumptions - SERS

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

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

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

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

	June 30, 2023
Inflation	2.40 percent
Future Salary Increases, including Inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020, five-year experience study, are summarized as follows:

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

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

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 and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.27 percent) and higher (5.27 percent) than the current discount rate (4.27 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (5.75 percent decreasing to 3.40 percent) and higher (7.75 percent decreasing to 5.40 percent) than the current rate (6.75 percent decreasing to 4.40 percent).

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 2,120,471	$ 1,658,840	$ 1,294,823

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	$ 1,218,692	$ 1,658,840	$ 2,242,094

Actuarial Assumptions – STRS

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

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

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

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

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

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

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

*Final target weights reflected at October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and is net of investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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

Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB (Asset)	$ (2,026,281)	$ (2,394,087)	$ (2,714,406)

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB (Asset)	$ (2,729,270)	$ (2,394,087)	$ (1,990,363)

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

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

NOTE 10 – RISK MANAGEMENT

General Risk

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District has addressed these various types of risk by purchasing a comprehensive insurance policy through commercial carriers. The District maintains general liability insurance, fleet insurance, and replacement cost insurance on buildings and contents. Settlements have not exceeded coverage in any of the last three fiscal years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation-Public Entity Risk Pool

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 Ohio School Boards Association. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria.

Health Insurance

The District provides life insurance and accidental death and dismemberment insurance to its employees. The District has elected to provide employee medical/surgical benefits and dental, all fully funded programs.

NOTE 11 – LONG-TERM OBLIGATIONS

Changes in the District's long-term obligations during the fiscal year were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due in One Year
Bonds					
2015 Refunding Bonds					
Current Interest Bonds	$ 5,280,000	$ -	$ (795,000)	$ 4,485,000	$ 825,000
Premium on Bonds	461,236	-	(83,861)	377,375	-
2021 Refunding Bonds					
Current Interest Bonds	6,260,000	-	(550,000)	5,710,000	565,000
Premium on Bonds	718,105	-	(75,590)	642,515	-
Total General Obligation Bonds	12,719,341	-	(1,504,451)	11,214,890	1,390,000
Direct Borrowings					
2017 Lease Purchase Agreement	19,093	-	(19,093)	-	-
Wells Fargo MacBook	46,841	-	(46,841)	-	-
Total Direct Borrowings	65,934	-	(65,934)	-	-
Net Pension Liability	32,407,277	-	(431,147)	31,976,130	-
Net OPEB Liability	1,413,573	245,267	-	1,658,840	-
Konica Monolta Copiers Lease	-	204,135	(35,084)	169,051	37,745
Compensated Absences	1,691,742	306,206	(215,007)	1,782,941	237,925
	$48,297,867	$ 755,608	$ (2,251,623)	$46,801,852	$ 1,665,670

All outstanding general obligation bonds relate to projects, for the purpose of constructing, improving and equipping schools. Such bonds are direct obligations of the District for which the full faith and credit and resources are pledged and a payable from taxes levied on all taxable property of the District. The District pays obligations related to employee compensation from the fund benefitting from their service. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefiting from the employee's service, which is primarily the General fund. For additional information related to the net pension liability and net OPEB liability see Notes 8 and 9.

The District pays bond obligations from the Debt Service Fund and the Konica-Minolta copiers from the General Fund. The District paid the 2017 Lease Purchase Agreement and Wells Fargo MacBook from the Permanent Improvement fund.

2012 Advance Refunding Bonds – On October 30, 2012, the District issued $7,730,000 in current interest serial bonds with interest rates ranging from 2 to 3 percent, and $284,566 in capital appreciation bonds with stated interest rates of 22 percent, for the purpose of advance refunding $8,015,000 of 2006 current interest serial bonds. The 2012 current interest serial bonds mature December 1, 2033 and the capital appreciation bond matures on December 1, 2022. The 2012 current interest bonds were issued at a premium of $142,409, the capital appreciation bond was issued at a premium of $1,224,091, and bond issuance costs totaled $136,216. On August 24, 2021, the District issued $6,310,000 in current interest serial bonds for the purpose of refunding $6,910,000 of the serial 2012 advanced refunding bonds.

The net proceeds from the issuance were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds were called on June 1, 2016. The advance refunding met the requirements of an in-substance debt defeasance and the 2006 current interest serial bonds were removed from the District's government-wide financial statements. As a result of the advance refunding, the District reduced its total debt service requirements by $1,234,408, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt)) of $971,139. At fiscal year-end, the amount of defeased bonds outstanding was $0.

2015 Advance Refunding Bonds – On October 22, 2015, the District issued $8,800,000 in current interest serial bonds with interest rates ranging from 2 to 4 percent for the purpose of advance refunding $8,395,000 of the series 2006 advance refunding bonds and $1,130,000 of the series 2006 school improvement bonds. The 2015 bonds mature December 1, 2028. The 2015 bonds were issued at a premium of $1,090,195 and bond issuance costs totaled $137,706.

The net proceeds from the issuance were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds were called on June 1, 2016. The advance refunding met the requirements of an in-substance debt defeasance and the 2006 current interest serial bonds were removed from the District's government-wide financial statements. As a result of the advance refunding, the District reduced its total debt service requirements by $1,278,828, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt)) of $1,284,241. At fiscal year-end, the amount of defeased bonds outstanding was $0.

2021 Refunding Bonds - On August 24, 2021, the District issued $6,310,000 in current interest serial bonds with interest rates ranging from 1 to 4 percent for the purpose of refunding $6,910,000 of the series 2012 advance refunding bonds. The 2021 bonds mature December 1, 2032. The 2021 bonds were issued at a premium of $831,490 and bond issuance costs totaled $83,131.

The net proceeds from the issuance were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds were called on December 1, 2021. The advance refunding met the requirements of an in-substance debt defeasance and the 2012 serial bonds were removed from the District's government-wide financial statements. As a result of the advance refunding, the District reduced its total debt service requirements by $771,213, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new (debt)) of $684,018.

2017 Lease Purchase Agreement On June 26, 2017, the District entered into a series of one-year renewable lease-purchase agreements with PC Trust Ltd, whereas the District leased equipment and services for buildings and improvements located at the high school, middle school, intermediate school, elementary school, and preschool/administration buildings. PC Trust Ltd agreed to pay $386,479 in order to fund the equipment. In turn, the District agreed to pay $386,479 under the sublease at an interest rate of 6.1585%. The final payment to PC Trust Ltd was due July 1, 2023.

Per the renewable lease-purchase agreements with the PC Trust Ltd, the District pledged the equipment for buildings and improvements located at the high school, middle school, intermediate school, elementary school, and preschool/administration buildings as collateral for the debt. In the event of default, PC Trust Ltd shall have all of the rights of the equipment. Also, in the event of default, PC Trust Ltd may also exercise the following rights and remedies:

1. By written notice, the District may have to pay all of the remaining lease payments
2. PC Trust Ltd may enter and retake possession of the equipment or return the property at the District's expense
3. PC Trust Ltd may sublease the equipment for the account of the District, while still holding the District liable for the difference between the applicable rental payments and the payments made by the sublessee.
4. PC Trust Ltd may take action at law against the District to enforce its rights under the lease-purchase agreements.

Wells Fargo MacBook On October 15, 2020, the District entered into an agreement with Well Fargo for the purchase of MacBooks for District students. The District agreed to pay $190,157 at an interest rate of 1.49%. The final payment to Wells Fargo was due October 15, 2023.

Per the agreement with Wells Fargo, the District pledged the MacBooks as collateral for the debt. In the event of default, Wells Fargo shall have all of the rights of the equipment.

Konica Minolta Copiers On July 5, 2023, the District entered into an agreement with Konica Minolta for the lease of copiers for the District. The District agreed to pay $204,135 at an interest rate of 7.336%. The final payment to Konica Minolta will be due in fiscal year 2028.

Per the agreement with Konica Minolta, the District pledged the copiers as collateral for the debt. In the event of default, Konica Minolta has the following remedies:

1. Terminate the agreement and the District's rights to the equipment
2. Require the District at its expense to remove and return the equipment
3. Require the District to pay the unpaid principal at the time of the default

The annual requirement to amortize all bonds outstanding as of June 30, 2024 is as follows:

		Principal	Interest	Total
Fiscal Year Ending June 30,	2025	$ 1,390,000	$ 328,775	$ 1,718,775
	2026	1,430,000	277,650	1,707,650
	2027	1,505,000	222,200	1,727,200
	2028	1,545,000	167,275	1,712,275
	2029	1,610,000	110,450	1,720,450
	2030-2033	2,715,000	165,675	2,880,675
		$ 10,195,000	$ 1,272,025	$ 11,467,025

The annual requirement to amortize the lease outstanding as of June 30, 2024 is as follows:

		Principal	Interest	Total
Fiscal Year Ending June 30,	2025	$ 37,745	$ 11,149	$ 48,894
	2026	40,609	8,285	48,894
	2027	43,691	5,204	48,895
	2028	47,006	1,889	48,895
		$ 169,051	$ 26,527	$ 195,578

NOTE 12 – COMPENSATED ABSENCES

The criteria for determining vested vacation and sick leave components are derived from negotiated agreements and State laws. Only administrative and support personnel who are under a full year contract (260 days) are eligible for vacation time. Vacation leave is based upon length of service and position.

Each employee earns sick leave at the rate of one and one-fourth days per month. Sick leave shall accumulate during active employment on a continuous year-to-year basis. Maximum sick leave accumulation for employees is 300 days.

Retirement severance is paid to each employee retiring from the District at a per diem rate of the annual salary at the time of retirement. Classified and Certified employees who meet the retirement qualifications of STRS/SERS and employees who have 20 years of experience with the district are probable to a severance payment from the District, therefore a liability will be recorded for the employees. Classified employee receiving retirement severance pay shall be entitled to a dollar amount equivalent to thirty percent of unused sick leave up to a maximum of 260 days, not to exceed seventy, plus one day for each year in which no more than three days of sick leave are used. Certified employees receiving retirement severance pay shall be entitled to a dollar amount equivalent to thirty percent of unused sick leave up to a maximum of 280 days, not to exceed seventy days.

NOTE 13 – STATUTORY RESERVES

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

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

	Capital Improvement Reserve
Set-Aside Restricted Balance, June 30, 2023	$ -
Current Fiscal Year Set-Aside Requirement	650,332
Current Year Offsets	(512,624)
Prior Year Offset from Bond Proceeds	(137,708)
Total	$ -
Balance Carried Forward to Fiscal Year 2025	$ -
Set-aside balance at June 30, 2024	$ -

The District also had offsets during the fiscal year that reduced the capital acquisition set-aside amount. During fiscal year 2006, the District issued $11,900,000 in capital related debt based on a building project under taken by the District. Those proceeds may be used as qualifying offsets to reduce the capital acquisition to zero for future years. At June 30, 2024, the District still has $11,131,292 in qualifying proceeds that may be used to reduce the set-aside requirement for future years.

NOTE 14 – FUND BALANCE, COMPLIANCE, AND ACCOUNTABILITY

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

	General	Other Governmental Funds	Total
Nonspendable for:			
Prepaids	$ 88,976	$ -	$ 88,976
Total Nonspendable	88,976	-	88,976
Restricted for:			
Capital Projects	-	1,673,729	1,673,729
Debt Service	-	1,912,347	1,912,347
State and Federal Grants	-	45,223	45,223
Food Services	-	836,992	836,992
Other Purposes	-	68,602	68,602
Classroom Facilities Maintenance	-	97,694	97,694
Extracurricular Activities	-	368,323	368,323
Total Restricted	-	5,002,910	5,002,910
Assigned for:			
Instruction	15,042	-	15,042
Support Services	123,267	-	123,267
Extracurricular	61,724	-	61,724
Capital Outlay	17,500	-	17,500
Subsequent Year Appropriations	750,354	-	750,354
Public School Support	145,565	-	145,565
Total Assigned	1,113,452	-	1,113,452
Unassigned	39,658,678	(37,934)	39,620,744
Total Fund Balance	$ 40,861,106	$ 4,964,976	$ 45,826,082

The following funds had deficit fund balances at fiscal year-end:

	Deficit
Non-Major Governmental Funds	
EARLY CHILDHOOD EDUCATION	5,137
TITLE I	32,797
Total	$ 37,934

These fund deficits resulted from the application of accounting principles generally accepted in the United States of America. The General Fund is liable for the deficits and provides operating transfers when cash is required, not when accruals occur.

NOTE 15 – INTERFUND ACTIVITY

Interfund Transfers

Transfers are generally used to either (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 funds collecting the receipts to the Bond Retirement Fund as debt service payments become due, or (3) use unrestricted revenues collected in the General Fund to finance various program accounted for in other funds in accordance with budgetary authorizations.

During the fiscal year, transfers were as follows:

	Transfer Out	Transfer In
General Fund	$ 1,574,862	$ 4,647
Other Governmental Funds	41,006	1,611,221
Total	$ 1,615,868	$ 1,615,868

Interfund Advances

On an as-needed basis, the District's General Fund advances cash to other funds of the District to eliminate cash deficits. As of June 30, 2024, receivables and payables that resulted from prior year advance transactions were as follows:

Fund	Advance In	Advance Out
General Fund	$ -	$ 631,521
Other Governmental Funds	631,521	-
Total	$ 631,521	$ 631,521

NOTE 16 – CONTINGENCIES

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.

Litigation – There are currently a few matters in litigation with the District as defendant. It is the opinion of management that the potential claims against the District not covered by insurance would not materially affect the financial statements.

School Foundation (Traditional Schools) - School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional DEW adjustments for fiscal year 2024 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2024 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

NOTE 17 – SIGNIFICANT COMMITMENTS

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

Fund	Amount
General	$ 252,854
Nonmajor Governmental	1,326,863
	$ 1,579,717

This page is intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

Hamilton Local School District
Franklin County, Ohio
Schedule of District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
State Employees Retirement System (SERS)										
District's Proportion of the Net Pension Liability	0.0989419%	0.1019360%	0.1140492%	0.1080947%	0.1087705%	0.1110012%	0.1174833%	0.1169370%	0.1138244%	0.1083000%
District's Proportionate Share of the Net Pension Liability	$ 5,467,048	$ 5,513,492	$ 4,208,085	$ 7,149,611	$ 6,507,930	$ 6,357,244	$ 7,019,368	$ 8,558,709	$ 6,494,931	$ 5,481,001
District's Covered Payroll	$ 4,108,407	$ 3,927,850	$ 3,770,486	$ 3,793,300	$ 3,703,430	$ 3,628,970	$ 3,872,423	$ 3,677,477	$ 3,422,508	$ 3,155,190
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	133.07%	140.37%	111.61%	188.48%	175.73%	175.18%	181.27%	232.73%	189.77%	173.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%
State Teachers Retirement System (STRS)										
District's Proportion of the Net Pension Liability	0.12309802%	0.12097900%	0.12326373%	0.12287573%	0.12156915%	0.12138018%	0.12633742%	0.12391827%	0.12466853%	0.11979199%
District's Proportionate Share of the Net Pension Liability	$ 26,509,082	$ 26,893,785	$ 15,760,376	$ 29,731,554	$ 26,884,287	$ 26,688,776	$ 30,011,725	$ 41,479,180	$ 34,454,735	$ 29,137,558
District's Covered Payroll	$ 16,716,286	$ 16,629,871	$ 15,299,136	$ 14,880,143	$ 14,322,586	$ 13,791,638	$ 14,181,228	$ 13,530,187	$ 13,240,308	$ 12,925,871
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	158.58%	161.72%	103.01%	199.81%	187.71%	193.51%	211.63%	306.57%	260.23%	225.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.02%	78.90%	87.80%	75.50%	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

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

See accompanying notes to the required supplementary information.

Hamilton Local School District
Franklin County, Ohio
Schedule of District Pension Contributions
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
State Employees Retirement System (SERS)										
Contractually Required Contribution	$ 586,196	$ 575,177	$ 549,899	$ 527,868	$ 531,062	$ 499,963	$ 489,911	$ 542,139	$ 514,847	$ 451,087
Contributions in Relation to the Contractually Required Contribution	586,196	575,177	549,899	527,868	531,062	499,963	489,911	542,139	514,847	451,087
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 4,187,114	$ 4,108,407	$ 3,927,850	$ 3,770,486	$ 3,793,300	$ 3,703,433	$ 3,628,970	$ 3,872,423	$ 3,677,477	$ 3,422,508
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%
State Teachers Retirement System (STRS)										
Contractually Required Contribution	$ 2,537,245	$ 2,340,280	$ 2,328,182	$ 2,141,879	$ 2,083,220	$ 2,005,162	$ 1,930,829	$ 1,985,372	$ 1,894,226	$ 1,853,643
Contributions in Relation to the Contractually Required Contribution	2,537,245	2,340,280	2,328,182	2,141,879	2,083,220	2,005,162	1,930,829	1,985,372	1,894,226	1,853,643
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 18,123,179	$ 16,716,286	$ 16,629,871	$ 15,299,136	$ 14,880,143	$ 14,322,588	$ 13,791,638	$ 14,181,228	$ 13,530,187	$ 13,240,308
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

Hamilton Local School District
Franklin County, Ohio

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

Last Eight Fiscal Years (1)

	2024	2023	2022	2021	2020	2019	2018	2017
State Employees Retirement System (SERS)								
District's Proportion of the Net OPEB Liability	0.1006916%	0.1006811%	0.1111580%	0.1045560%	0.1056470%	0.1091548%	0.1162919%	0.1163997%
District's Proportionate Share of the Net OPEB Liability	$ 1,658,840	$ 1,413,573	$ 2,103,752	$ 2,272,344	$ 2,656,792	$ 3,028,249	$ 3,120,969	$ 3,317,823
District's Covered Payroll	$ 4,108,407	$ 3,927,850	$ 3,770,486	$ 3,793,300	$ 3,703,430	$ 3,628,970	$ 3,872,423	$ 3,677,477
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	40.38%	35.99%	55.80%	59.90%	71.74%	83.45%	80.59%	90.22%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%
State Teachers Retirement System (STRS)								
District's Proportion of the Net OPEB Liability (Asset)	0.12309802%	0.12097900%	0.12364000%	0.12287600%	0.12156900%	0.12138018%	0.12633742%	0.12391827%
District's Proportionate Share of the Net OPEB Liability (Asset)	$ (2,394,087)	$ (3,132,549)	$ (2,598,920)	$ (2,159,543)	$ (2,013,474)	$ (1,950,456)	$ 4,929,220	$ 6,627,181
District's Covered Payroll	$ 16,716,286	$ 16,629,871	$ 15,299,136	$ 14,880,143	$ 14,322,586	$ 13,791,638	$ 14,181,228	$ 13,530,187
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-14.32%	-18.84%	-16.99%	-14.51%	-14.06%	-14.14%	34.76%	48.98%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	168.52%	230.73%	174.73%	182.10%	174.70%	176.00%	47.10%	37.30%

(1) Information prior to 2017 is not available.

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

See accompanying notes to the required supplementary information.

Hamilton Local School District
Franklin County, Ohio

Schedule of District OPEB Contributions

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
State Employees Retirement System (SERS)										
Contractually Required Contribution (1)	$ 68,242	$ 67,566	$ 47,597	$ 41,665	$ 31,158	$ 55,717	$ 90,289	$ 49,845	$ 50,061	$ 69,064
Contributions in Relation to the Contractually Required Contribution	68,242	67,566	47,597	41,665	31,158	55,717	90,289	49,845	50,061	69,064
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 4,187,114	$ 4,108,407	$ 3,927,850	$ 3,770,486	$ 3,793,300	$ 3,703,433	$ 3,628,970	$ 3,872,423	$ 3,677,477	$ 3,422,508
Contributions as a Percentage of Covered Payroll (1)	1.63%	1.64%	1.21%	1.11%	0.82%	1.50%	2.49%	1.29%	1.36%	2.02%
State Teachers Retirement System (STRS)										
Contractually Required Contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions in Relation to the Contractually Required Contribution	-	-	-	-	-	-	-	-	-	-
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 18,123,179	$ 16,716,286	$ 16,629,871	$ 15,299,136	$ 14,880,143	$ 14,322,588	$ 13,791,638	$ 14,181,228	$ 13,530,187	$ 13,240,308
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

NOTE 1 - NET PENSION LIABILITY

There were no changes in assumptions or benefit terms for the fiscal years reported unless otherwise stated below:

Changes in Assumptions - SERS

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented as follows:

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Years 2016 and Prior
Wage Inflation	2.40%	3.00%	3.25%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%	4.00% to 22.00%
Investment Rate of Return	7.00% net of system expenses	7.50% net of investment expenses, including inflation	7.75% net of investment expenses, including inflation

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP2020 projection scale generationally.

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent.

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Benefit Terms - SERS

For fiscal year 2022, COLA were increased from 2.00 percent to 2.50 percent.

For fiscal year 2021, COLA were reduced from 2.50 percent to 2.00 percent.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in Assumptions – STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented as follows:

	Fiscal Years 2022 and 2023	Fiscal Years 2021-2018	Fiscal Years 2017 and Prior
Inflation	2.50%	2.50%	2.75%
Projected Salary Increases	From 2.50% to 12.50% based on age	From 12.50% at age 20 to 2.50% at age 65	From 12.25% at age 20 to 2.75% at age 70
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.45%	7.75%
Payroll Increases	3.00%	3.00%	3.50%

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees were based on the RP2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Changes in Benefit Terms - STRS

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

For fiscal year 2018, the COLA was reduced to zero.

Fiscal year 2017 and prior, COLA was 2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, ,2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

NOTE 2 - NET OPEB LIABILITY (ASSET)

Changes in Assumptions – SERS

Amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	Fiscal Years 2023 and 2022	Fiscal Years 2021-2017
Inflation	2.40%	3.00%
Future Salary Increases, including inflation	3.25% to 13.58%	3.50% to 18.20%
Investment Rate of Return, net of investment expenses, including inflation	7.00%	7.50%

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

	Fiscal Year							
Assumption	2024	2023	2022	2021	2020	2019	2018	2017
Municipal Bond Index Rate	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.92%
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	4.27%	4.08%	2.27%	2.63%	3.22%	3.70%	3.63%	2.98%

Changes in Assumptions – STRS

For fiscal year 2023, the projected salary increases were changed from age based (2.5 percent to 12.50 percent) to service based (2.5 percent to 8.5 percent).

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Changes in Benefit Terms – STRS

Effective January 1, 2024, Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes.

For fiscal year 2023, health care trends were updated to reflect emerging claims and recoveries experience

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. 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 calendar year 2022. The Part B monthly reimbursement elimination date was postponed indefinitely

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent 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 .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent 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. This was subsequently extended, see above paragraph.

HAMILTON LOCAL SCHOOL DISTRICT
FRANKLIN COUNTY

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

FEDERAL GRANTOR ***Pass Through Grantor*** Program Title	Assistance Listing Number	Pass Through Entity Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed Through Ohio Department of Education and Workforce			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	3L60	$ 126,074
Cash Assistance:			
School Breakfast Program	10.553	3L70	425,736
National School Lunch Program	10.555	3L60	1,117,264
Total School Lunch Program			1,543,000
Total Nutrition Cluster			$ 1,669,074
Total U.S. Department of Agriculture			**$ 1,669,074**
U.S. DEPARTMENT OF EDUCATION			
Passed Through Ohio Department of Education and Workforce			
Special Education Cluster:			
Special Education Grants to States	84.027	3M20	738,742
Special Education Preschool Grants	84.173	3C50	14,015
Total Special Education Cluster			752,757
English Languange Acquisition Grants	84.365	3Y70	15,968
Title I Grants to Local Educational Agencies	84.010	3M00	722,088
Student Support and Academic Enrichment Program	84.424	3H10	74,031
Supporting Effective Instruction State Grants	84.367	3Y60	122,593
COVID-19 Elementary and Secondary School Emergency Relef Fund	84.425U	3HS0	764,933
COVID-19 Elementary and Secondary School Emergency Relef Fund	84.425D	3HS0	135,617
Total Elementary and Secondary School Emergency Relief Fund			900,550
Total U.S. Department of Education			**2,587,987**
U.S. DEPARTMENT OF TREASURY			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	107,265
Total U.S. Department of Treasury			**107,265**
Total Expenditures of Federal Awards			**$ 4,364,326**

The accompanying notes are an integral part of this schedule.

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective program that 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 REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Hamilton Local School District
Franklin County
775 Rathmell Road
Columbus, Ohio 43207

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hamilton Local School District, Franklin County, (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 17, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Locations throughout Ohio, Kentucky, West Virginia • Phone: 614-708-4648 • www.bhmcpagroup.com

Report on Compliance and Other Matters

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

Purpose of This Report

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

BHM CPA Group

BHM CPA Group Inc.
Portsmouth, Ohio
January 17, 2025

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

Hamilton Local School District
Franklin County
775 Rathmell Road
Columbus, Ohio 43207

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hamilton Local School District's, Franklin County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Hamilton Local School District's major federal programs for the year ended June 30, 2024. Hamilton Local 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, Hamilton Local 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 year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

BHM CPA Group

BHM CPA Group, Inc.
Portsmouth, Ohio
January 17, 2025

Hamilton Local School District
Franklin County
Schedule of Findings
2 CFR § 200.515
June 30, 2024

1. SUMMARY OF AUDITOR'S RESULTS		
(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster (AL #10.553, 10.555) Title I Grants to Local Educational Agencies (AL #84.010)
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > $750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

Hamilton Local School District
Franklin County

Summary Schedule of Prior Audit Findings
2 CFR § 200.511(b)
June 30, 2024

Finding Number	Finding Summary	Status	Additional Information
2023-001	Significant Deficiency – Incomplete Records for Recoding of Expenditures	Fully Corrected	

This page intentionally left blank.

OHIO AUDITOR OF STATE
KEITH FABER

HAMILTON LOCAL SCHOOL DISTRICT

FRANKLIN 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 5/8/2025

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