



OHIO AUDITOR OF STATE
KEITH FABER



**FAIRFIELD CITY SCHOOL DISTRICT
BUTLER COUNTY
JUNE 30, 2025**

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BUTLER COUNTY
JUNE 30, 2025**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Fairfield City School District
Butler County
4641 Bach Lane
Fairfield, Ohio 45014

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 Fairfield City School District, Butler County, Ohio (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Fairfield City School District, Butler County, Ohio as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 19 to the financial statements, during 2025, the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2026, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

March 20, 2026

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Fairfield City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The discussion and analysis of Fairfield City School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review notes to the basic financial statements and financial statements to enhance their understanding of the District's performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- Net position of governmental activities increased \$4,931,155 from 2024.
- General revenues accounted for \$105,351,815 in revenue or 80% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$26,887,843 or 20% of total revenues of \$132,239,658.
- The District had \$127,308,503 in expenses related to governmental activities; \$26,887,843 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues of \$105,351,815 were also used to provide for these programs.

Overview of the Financial Statements

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

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

Government-wide Financial Statements

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did we do financially during 2025?" The Government-wide Financial Statements answers this question. These statements include *all assets, liabilities, and deferred outflows/inflows of resources* using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Fairfield City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

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

In the Government-wide Financial Statements, the overall financial position of the District is presented in the following manner:

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

Fund Financial Statements

The analysis of the District's major funds begins on the balance sheet. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

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

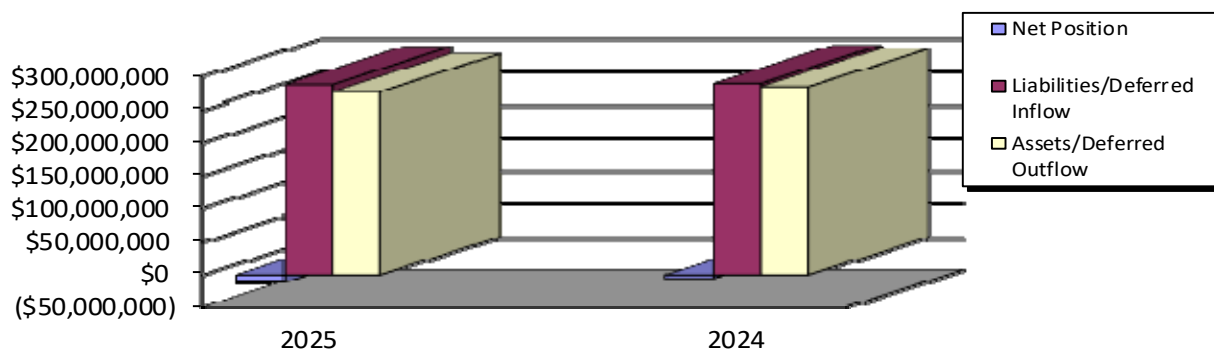
Fairfield City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The District as a Whole

As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for fiscal year 2025 compared to fiscal year 2024:

Table 1
Net Position

	Governmental Activities	
	2025	2024
Assets:		
Current and Other Assets	\$139,694,776	\$140,001,876
Net OPEB Asset	7,573,629	8,246,815
Capital Assets	102,412,522	104,076,588
Total Assets	249,680,927	252,325,279
Deferred Outflows of Resources:		
Deferred Charge on Refunding	263,992	277,191
Pension	22,676,496	27,042,749
OPEB	3,442,906	4,134,537
Total Deferred Outflows of Resources	26,383,394	31,454,477
Liabilities:		
Other Liabilities	12,472,879	12,285,265
Long-Term Liabilities	183,272,475	191,594,083
Total Liabilities	195,745,354	203,879,348
Deferred Inflows of Resources:		
Property Taxes	59,017,633	59,670,217
Other Taxes	4,724,732	4,750,731
Pension	15,994,491	7,799,443
OPEB	11,745,861	12,795,288
Total Deferred Inflows of Resources	91,482,717	85,015,679
Net Position:		
Net Investment in Capital Assets	45,046,572	43,927,907
Restricted	19,364,930	22,746,461
Unrestricted	(75,575,252)	(71,789,639)
Total Net Position	(\$11,163,750)	(\$5,115,271)



Fairfield City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2025, the District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$11,163,750.

At year-end, capital assets represented 41% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2025, were \$45,046,572. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the District's net position, \$19,364,930 represents resources that are subject to external restriction on how they must be used.

Net position of governmental activities increased \$4,931,155 from 2024 to 2025. Total assets for the District decreased from 2024 to 2025 mainly due to the decrease in intergovernmental receivables. Total liabilities decreased from 2024 to 2025 due to a decrease in long term debt.

Table 2 shows the changes in net position for fiscal years 2025 and 2024.

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Fairfield City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Table 2
Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues		
Charges for Services and Sales	\$5,426,895	\$5,668,900
Operating Grants and Contributions	21,460,948	27,015,007
General Revenues		
Property Taxes	59,652,152	59,979,790
Grants and Entitlements not Restricted to Specific Programs	35,849,170	36,662,773
Revenue in Lieu of Taxes	5,621,898	4,252,171
Other	4,228,595	4,048,756
Total Revenues	132,239,658	137,627,397
Program Expenses		
Instruction	76,014,197	79,052,442
Support Services:		
Pupil and Instructional Staff	7,996,949	9,596,610
School Administrative, General		
Administration, Fiscal and Business	14,305,798	14,121,204
Operations and Maintenance	8,201,304	7,116,030
Pupil Transportation	8,644,126	8,642,906
Central	358,054	1,114,650
Operation of Non-Instructional Services	7,832,621	7,049,520
Extracurricular Activities	2,015,831	2,254,859
Interest and Fiscal Charges	1,939,623	1,972,933
Total Program Expenses	127,308,503	130,921,154
Change in Net Position	4,931,155	6,706,243
Net Position - Beginning of Year, Restated	(16,094,905)	(11,821,514)
Net Position - End of Year	(\$11,163,750)	(\$5,115,271)

Of the total governmental activities revenues of \$132,239,658, \$26,887,843 is from program revenue. This means that the government relies on general revenues to fund the majority of the cost of services provided to the students. Of those general revenues, \$59,652,152 (57%) comes from property tax levies and \$35,849,170 (34%) is from state funding. This District's operations are reliant upon its property tax levy and the state's foundation program.

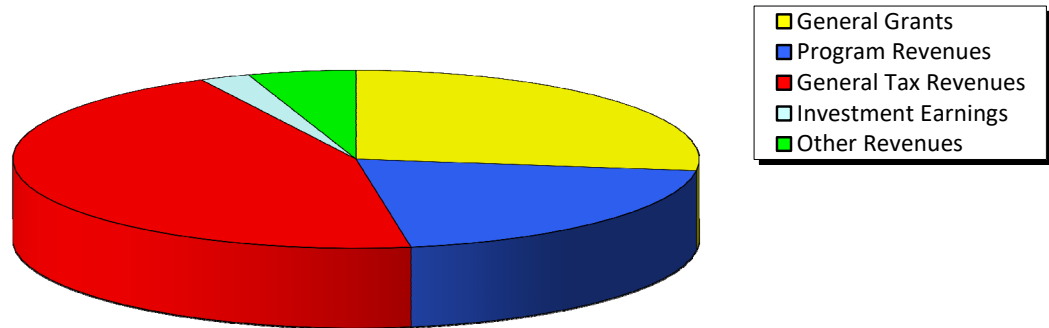
The District depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

Fairfield City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Thus Ohio districts do not collect additional property tax revenue on the increased value of homes that is due to appreciation and must regularly return to the voters to maintain a constant level of service. Property taxes made up 45% of revenue for governmental activities for the District in fiscal year 2025.

Governmental Activities
Revenue Sources

	2025	Percentage
General Grants	\$35,849,170	27%
Program Revenues	26,887,843	20%
General Tax Revenues	59,652,152	45%
Investment Earnings	3,128,644	2%
Other Revenues	6,721,849	5%
Total Revenue Sources	<u>\$132,239,658</u>	<u>100%</u>



Instruction comprises 60% of governmental program expenses. Support services expenses were 31% of governmental program expenses. All other program expenses including interest and fiscal charges were 9%. Interest expense was attributable to the outstanding bonds and borrowing for capital projects.

Overall revenues decreased due to a decrease in operating grants and contributions, and property tax revenues in 2025 when compared to 2024. Total expenses decreased in 2025 due to a decrease in Instruction expenses.

Governmental Activities

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

Fairfield City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Table 3
Governmental Activities

	Total Cost of Services		Net (Cost)/Benefit of Services	
	2025	2024	2025	2024
Instruction	\$76,014,197	\$79,052,442	(\$60,838,955)	(\$59,939,871)
Support Services:				
Pupil and Instructional Staff	7,996,949	9,596,610	(6,240,200)	(6,329,703)
School Administrative, General				
Administration, Fiscal and Business	14,305,798	14,121,204	(14,058,622)	(13,879,354)
Operations and Maintenance	8,201,304	7,116,030	(8,092,973)	(7,045,022)
Pupil Transportation	8,644,126	8,642,906	(7,821,238)	(7,866,905)
Central	358,054	1,114,650	(309,448)	(315,489)
Operation of Non-Instructional Services	7,832,621	7,049,520	139,186	609,033
Extracurricular Activities	2,015,831	2,254,859	(1,258,787)	(1,497,003)
Interest and Fiscal Charges	1,939,623	1,972,933	(1,939,623)	(1,972,933)
Total Expenses	<u>\$127,308,503</u>	<u>\$130,921,154</u>	<u>(\$100,420,660)</u>	<u>(\$98,237,247)</u>

The District's Funds

The District has one major governmental fund: the General Fund. Assets of the General Fund comprised \$110,600,961 (79%) of the total \$140,769,875 governmental funds' assets.

General Fund: Fund balance at June 30, 2025 was \$39,018,655, a decrease in fund balance of \$4,593,332 from 2024. The decrease in fund balance was mainly due to a transfer out to capital projects funds.

General Fund Budgeting Highlights

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

During the course of fiscal year 2025 the District amended its General Fund budget at times. The District's budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, the final budgeted revenue and other financing sources was \$119,141,787 and the original budgeted revenue and other financing sources was \$112,683,267. The difference was \$6,458,520, mostly due to underestimates in taxes and intergovernmental revenue. The final budgeted expenditures and other financing uses were \$121,369,605 and the original budgeted expenditures and other financing uses were \$116,744,562. The difference was \$4,625,043, mostly due to changes in instruction, school administration, and pupil transportation expenditures.

The District's ending unobligated actual fund balance for the General Fund was \$41,614,255.

Fairfield City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Capital Assets and Long-Term Obligations

Capital Assets

At the fiscal year end, the District had \$102,412,522 invested in land, buildings and improvements, and equipment. Table 4 shows fiscal year 2025 balances compared to fiscal year 2024:

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

	Governmental Activities	
	2025	2024
Land	\$5,062,249	\$5,062,249
Construction in Progress	1,122,879	0
Buildings and Improvements	92,627,579	94,728,763
Equipment	3,599,815	4,285,576
Total Net Capital Assets	<u>\$102,412,522</u>	<u>\$104,076,588</u>

Overall, capital assets decreased due to depreciation expense and disposals exceeding additions. See note 6 in the notes to the basic financial statements for further details on the District's capital assets.

Long-Term Obligations

At June 30, 2025, the District had \$59,423,339 in bonds and notes payable outstanding, \$2,503,000 due within one year. Table 5 summarizes bonds outstanding.

Table 5
Outstanding Debt at Year End

	Governmental Activities	
	2025	2024
General Obligation Bonds:		
2020 Refunding Current Interest Bonds	\$46,625,000	\$47,300,000
2020 Refunding Capital Appreciation - Principal	580,000	580,000
2020 Refunding Capital Appreciation - Interest	1,793,397	1,255,799
Premium on 2020 Refunding Bonds	5,326,942	5,710,872
2014 School Improvement	4,790,000	6,220,000
2011 HB 264 Bond	202,874	405,090
2011 Cooling Project	105,126	209,910
Total Bonds	<u>\$59,423,339</u>	<u>\$61,681,671</u>

See note 7 in the notes to the basic financial statements for further details on the District's outstanding debt.

Fairfield City School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

For the Future

Public school districts in Ohio use a combination of state funds, local sources (such as property taxes) and federal funds. Since the funding for the State Funding Program must be appropriated by the General Assembly for each biennium, there can be no assurance that current funding levels will be continued. From time to time there may be an increase, a stabilization or a reduction of the level of state assistance to school districts.

House Bill 110 was signed by Governor DeWine on July 1, 2021. The Fair School Funding Plan is the basis for the new school-funding formula included in the bill. The proposed funding formula may differ significantly from the current funding formula when it is enacted. From time to time, legislation is proposed which would make changes in school district funding amounts based on criteria specific to only certain school districts.

Fairfield remains concerned about the instability of the state and local economy and the political ramifications of new funding models. Management is required to plan carefully and prudently the resources to meet student needs over the next several years.

All of the District's financial abilities will be needed to meet the challenges of the future. With careful planning and monitoring of the District's finances, the District's management is confident that the District can continue to provide a quality education for our students and provide a secure financial future.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Treasurer/CFO at Fairfield City School District, 4641 Bach Lane, Fairfield, Ohio 45014.

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Fairfield City School District, Ohio
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$71,145,466
Restricted Cash and Investments	259,195
Receivables (Net):	
Taxes	61,845,129
Accounts	71,484
Interest	246,173
Intergovernmental	6,039,759
Inventory Held for Resale	87,570
Net OPEB Asset	7,573,629
Nondepreciable Capital Assets	6,185,128
Depreciable Capital Assets, Net	96,227,394
Total Assets	249,680,927
Deferred Outflows of Resources:	
Deferred Charge on Refunding	263,992
Pension	22,676,496
OPEB	3,442,906
Total Deferred Outflows of Resources	26,383,394
Liabilities:	
Accounts Payable	302,878
Accrued Wages and Benefits	10,547,479
Contracts Payable	1,122,879
Retainage Payable	55,352
Accrued Interest Payable	287,741
Deposits Held and Due to Others	93,585
Claims Payable	20,295
Unearned Revenue	42,670
Long-Term Liabilities:	
Due Within One Year	5,569,220
Due In More Than One Year	
Net Pension Liability	95,477,990
Net OPEB Liability	3,763,053
Other Amounts	78,462,212
Total Liabilities	195,745,354
Deferred Inflows of Resources:	
Property Taxes	59,017,633
Revenue In Lieu of Taxes	4,724,732
Pension	15,994,491
OPEB	11,745,861
Total Deferred Inflows of Resources	91,482,717
Net Position:	
Net Investment in Capital Assets	45,046,572
Restricted for:	
Debt Service	504,653
Capital Projects	3,244,465
Locally Funded Programs	175,832
Capital Maintenance	3,007,557
Student Activities	456,006
Food Service Operations	4,395,161
Net OPEB Asset	7,573,629
Other Purposes	7,627
Unrestricted	(75,575,252)
Total Net Position	(\$11,163,750)

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$52,466,599	\$1,470,637	\$2,304,002	(\$48,691,960)
Special	22,477,649	955,316	8,785,572	(12,736,761)
Vocational	1,558	0	4,966	3,408
Other	1,068,391	27,170	1,627,579	586,358
Support Services:				
Pupil	6,030,246	1,405	1,257,823	(4,771,018)
Instructional Staff	1,966,703	0	497,521	(1,469,182)
General Administration	35,086	0	0	(35,086)
School Administration	12,361,500	0	247,169	(12,114,331)
Fiscal	1,552,801	0	7	(1,552,794)
Business	356,411	0	0	(356,411)
Operations and Maintenance	8,201,304	105,333	2,998	(8,092,973)
Pupil Transportation	8,644,126	0	822,888	(7,821,238)
Central	358,054	0	48,606	(309,448)
Operation of Non-Instructional Services	7,832,621	2,109,990	5,861,817	139,186
Extracurricular Activities	2,015,831	757,044	0	(1,258,787)
Interest and Fiscal Charges	1,939,623	0	0	(1,939,623)
Totals	<u>\$127,308,503</u>	<u>\$5,426,895</u>	<u>\$21,460,948</u>	<u>(100,420,660)</u>

General Revenues:

Property Taxes Levied for:	
General Purposes	55,488,250
Special Revenue Purposes	236,972
Debt Service Purposes	3,444,777
Capital Projects Purposes	482,153
Grants and Entitlements, Not Restricted	35,849,170
Revenue in Lieu of Taxes	5,621,898
Unrestricted Contributions	182,166
Investment Earnings	3,128,644
Other Revenues	917,785
Total General Revenues	<u>105,351,815</u>
Change in Net Position	4,931,155
Net Position - Beginning of Year, as Previously Reported	(5,115,271)
Change in Accounting Principle	(10,979,634)
Net Position - Beginning of Year, Restated	<u>(16,094,905)</u>
Net Position - End of Year	<u>(\$11,163,750)</u>

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Balance Sheet
Governmental Funds
June 30, 2025

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$46,810,280	\$24,226,771	\$71,037,051
Restricted Cash and Investments	203,843	55,352	259,195
Receivables (Net):			
Taxes	57,377,030	4,468,099	61,845,129
Accounts	56,793	14,691	71,484
Interest	244,769	1,404	246,173
Intergovernmental	4,724,732	1,315,027	6,039,759
Interfund	1,183,514	0	1,183,514
Inventory Held for Resale	0	87,570	87,570
Total Assets	<u>110,600,961</u>	<u>30,168,914</u>	<u>140,769,875</u>
Liabilities:			
Accounts Payable	172,980	129,898	302,878
Accrued Wages and Benefits	9,705,550	841,929	10,547,479
Compensated Absences	484,045	0	484,045
Contracts Payable	0	1,122,879	1,122,879
Retainage Payable	0	55,352	55,352
Interfund Payable	0	1,183,514	1,183,514
Deposits Held and Due to Others	93,585	0	93,585
Unearned Revenue	0	42,670	42,670
Total Liabilities	<u>10,456,160</u>	<u>3,376,242</u>	<u>13,832,402</u>
Deferred Inflows of Resources:			
Property Taxes	56,215,287	4,380,489	60,595,776
Grants	0	980,533	980,533
Revenue In Lieu of Taxes	4,724,732	0	4,724,732
Investment Earnings	186,127	1,068	187,195
Total Deferred Inflows of Resources	<u>61,126,146</u>	<u>5,362,090</u>	<u>66,488,236</u>
Fund Balances:			
Restricted	0	16,202,897	16,202,897
Committed	785,000	0	785,000
Assigned	3,098,609	6,736,929	9,835,538
Unassigned	35,135,046	(1,509,244)	33,625,802
Total Fund Balances	<u>39,018,655</u>	<u>21,430,582</u>	<u>60,449,237</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$110,600,961</u>	<u>\$30,168,914</u>	<u>\$140,769,875</u>

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
June 30, 2025

Total Governmental Fund Balance	\$60,449,237
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Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets used in the operation of Governmental Funds	102,412,522
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Delinquent Property Taxes	1,578,143	
Interest	187,195	
Intergovernmental	980,533	
		2,745,871

An internal service fund is used by management to charge back costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

Internal Service Net Position	88,120
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In the statement of net position interest payable is accrued when incurred; whereas, in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.

(287,741)

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

Compensated Absences	(24,124,048)
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Deferred bond loss associated with long-term liabilities are not reported in the funds.

263,992

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

Deferred outflows of resources related to pensions	22,676,496	
Deferred inflows of resources related to pensions	(15,994,491)	
Deferred outflows of resources related to OPEB	3,442,906	
Deferred inflows of resources related to OPEB	(11,745,861)	
		(1,620,950)

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

Net OPEB Asset	7,573,629	
Net Pension Liability	(95,477,990)	
Net OPEB Liability	(3,763,053)	
Bonds and Notes Payable	(59,423,339)	
		(151,090,753)

Net Position of Governmental Activities	<u>(\$11,163,750)</u>
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See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property and Other Taxes	\$55,577,038	\$4,168,089	\$59,745,127
Tuition and Fees	2,425,599	0	2,425,599
Investment Earnings	3,039,123	18,151	3,057,274
Intergovernmental	46,613,637	10,222,115	56,835,752
Extracurricular Activities	226,075	559,899	785,974
Charges for Services	557,683	1,552,310	2,109,993
Revenue in Lieu of Taxes	5,621,898	0	5,621,898
Other Revenues	944,022	261,257	1,205,279
Total Revenues	115,005,075	16,781,821	131,786,896
Expenditures:			
Current:			
Instruction:			
Regular	51,745,809	294,805	52,040,614
Special	20,035,212	3,481,491	23,516,703
Vocational	1,558	0	1,558
Other	969,480	40,565	1,010,045
Support Services:			
Pupil	6,055,667	81,852	6,137,519
Instructional Staff	1,260,116	614,222	1,874,338
General Administration	35,452	0	35,452
School Administration	12,514,740	250,600	12,765,340
Fiscal	1,601,880	38,686	1,640,566
Business	390,595	0	390,595
Operations and Maintenance	7,249,863	186,498	7,436,361
Pupil Transportation	7,425,341	6,000	7,431,341
Central	316,948	48,496	365,444
Operation of Non-Instructional Services	516,696	7,298,405	7,815,101
Extracurricular Activities	1,587,255	581,022	2,168,277
Capital Outlay	1,165,368	2,430,204	3,595,572
Debt Service:			
Principal Retirement	0	2,412,000	2,412,000
Interest and Fiscal Charges	0	1,789,705	1,789,705
Total Expenditures	112,871,980	19,554,551	132,426,531
Excess of Revenues Under Expenditures	2,133,095	(2,772,730)	(639,635)
Other Financing Sources (Uses):			
Proceeds from Sale of Capital Assets	10,502	0	10,502
Transfers In	0	6,736,929	6,736,929
Transfers (Out)	(6,736,929)	0	(6,736,929)
Total Other Financing Sources (Uses)	(6,726,427)	6,736,929	10,502
Net Change in Fund Balance	(4,593,332)	3,964,199	(629,133)
Fund Balance - Beginning of Year	43,611,987	17,466,383	61,078,370
Fund Balance - End of Year	\$39,018,655	\$21,430,582	\$60,449,237

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Net Change in Fund Balance - Total Governmental Funds (\$629,133)

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

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of the difference between capital asset additions and depreciation in the current period.

Capital assets used in governmental activities	3,652,816	
Depreciation Expense	(5,251,626)	
		(1,598,810)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The amount of the proceeds must be removed and the gain or loss on the disposal of capital assets must be recognized. This is the amount of the difference between the proceeds and the gain or loss.

(65,256)

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

Pension Contributions	10,310,603	
Pension Expense	(6,197,804)	
OPEB Contributions	262,446	
OPEB Expense	2,061,364	
		6,436,609

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

Delinquent Property Taxes	(92,975)	
Interest	71,371	
Intergovernmental	474,366	
		452,762

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

2,412,000

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

16,949

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	(1,793,118)	
Amortization of Bond Premium	383,930	
Amortization of Deferred Charge on Refunding	(13,199)	
Bond Accretion	(537,598)	
		(1,959,985)

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

Change in Net Position - Internal Service Funds		(133,981)
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Change in Net Position of Governmental Activities		<u>\$4,931,155</u>
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See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Statement of Net Position
Proprietary Fund
June 30, 2025

	Governmental Activities- Internal Service Fund
Assets:	
Current Assets:	
Equity in Pooled Cash and Investments	<u>\$108,415</u>
Total Assets	<u>108,415</u>
Liabilities:	
Current Liabilities:	
Claims Payable	<u>20,295</u>
Total Current Liabilities	<u>20,295</u>
Net Position:	
Unrestricted	<u>88,120</u>
Total Net Position	<u>\$88,120</u>

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2025

	Governmental Activities- Internal Service Fund
Operating Revenues:	
Charges for Services	\$0
Total Operating Revenues	0
Operating Expenses:	
Other	77,310
Claims Expense	56,671
Total Operating Expenses	133,981
Change in Net Position	(133,981)
Net Position - Beginning of Year	222,101
Net Position - End of Year	\$88,120

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2025

	Governmental Activities- Internal Service Fund
Cash Flows from Operating Activities:	
Cash Payments to Suppliers	(\$77,310)
Cash Payments for Claims	(75,328)
Net Cash From Operating Activities	(152,638)
Net Decrease in Cash and Cash Equivalents	(152,638)
Cash and Cash Equivalents - Beginning of Year	261,053
Cash and Cash Equivalents - End of Year	108,415
Reconciliation of Operating Loss to Net Cash From Operating Activities	
Operating Loss	(133,981)
Changes in Assets & Liabilities:	
Decrease in Claims Payables	(18,657)
Net Cash From Operating Activities	(\$152,638)

See accompanying notes to the basic financial statements.

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 1 - Description of the District

The Fairfield City School District (the "District") operates under current standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 and Section 119.01 of the Ohio Revised Code.

The District operates under a locally elected five member Board form of government and provides educational services as authorized by its charter or further mandated by state and/or federal agencies. This Board controls the District's instructional and support facilities staffed by approximately 466 non-certificated personnel and approximately 668 certificated full time teaching and administrative personnel to provide services to students and other community members.

The District is the 16th largest in the State of Ohio (among 613 Districts) in terms of enrollment (head count) and the 2nd largest in Butler County. It currently operates 6 elementary schools (serving grades Preschool-5), 2 middle school (serving grades 6-8), 1 freshman school (serving grade 9), alternative education school (serving grades 7-12), and 1 comprehensive high school (serving grades 10-12). The District services an area of 38 square miles.

Reporting Entity

The reporting entity is comprised of the primary government, which consists of all funds, departments, boards and agencies that are not legally separate from 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 provide 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 has no component units.

Note 2 - Summary of Significant Accounting Policies

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

Measurement Focus

Government-wide Financial Statements

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

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

The government-wide statements are prepared using the economic resources measurement focus. All assets, liabilities, and deferred outflows/inflows associated with the operation of the District are included on the statement of net position.

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

Fund Financial Statements

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

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

Fund Accounting

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

Governmental Funds

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

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

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Proprietary Funds

Proprietary funds are used to account for the District's ongoing activities which are similar to those often found in the private sector where the determination of net income is necessary or useful to sound financial administration. The District has no enterprise funds. The following is a description of the District's internal service fund:

Internal Service Fund - The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the district, or to other governments, on a cost-reimbursement basis. The internal service fund of the District accounts for a self-insurance program which provides workers' compensation benefits to employees.

Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the District, deferred outflows of resources related to deferred charge on refunding, pension and OPEB are reported on the governmental-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB 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 until that time. For the District, deferred inflows of resources include property taxes, grants and other taxes (which include tax incremental financing 'TIF'), revenue in lieu of taxes, investment earnings, OPEB, and pension. Property taxes and TIF represent amounts for which there is an enforceable legal claim as of June 30, 2025, but which were levied to finance year 2026 operations. These amounts have been recorded as deferred inflows on both the government-wide statement of net position and the governmental fund financial statements. Grants and investment earnings have been recorded as deferred inflows on the governmental fund financial statements. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

Expenses/Expenditures

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

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

Equity in Pooled Cash and Investments

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

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue during fiscal year 2025 credited to the General Fund amounted to \$3,039,123 and \$18,151 credited to Other Governmental Funds.

For purposes of the statement of cash flows, the internal service portion of pooled cash and investments is considered a cash equivalent because the District is able to withdraw resources from the internal service funds without prior notice or penalty.

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Inventory

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

Inventory consists of donated food.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition cost as of the date received. The District maintains a capitalization threshold of one thousand dollars (\$1,000). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10 - 40 years
Equipment	5 - 10 years

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

The District's policies regarding compensated absences are determined by the state laws and/or negotiated agreements. In summary, the policies are as follows:

<u>Vacation</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How earned	Not Eligible	Not Eligible	10-25 days for each Service year depending on length of service.
Maximum Accumulation	Not Applicable	Not Applicable	25 days
Vested	Not Applicable	Not Applicable	As Earned

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Termination Entitlement	Not Applicable	Not Applicable	Paid upon Termination
<u>Sick Leave</u>	<u>Certified</u>	<u>Administrators</u>	<u>Non-Certificated</u>
How Earned	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)	1 1/4 days per month of employment (15 days per year)
Maximum Accumulation	330 days according to bargaining agreements	360 days	330 days according to bargaining agreements
Vested	As Earned	As Earned	As Earned
Termination Entitlement	Per Contract	Per Contract	Per Contract

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (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.

Net Position

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Of the District's \$19,364,930 in restricted net position, none was restricted by enabling legislation.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

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

Fund Balance

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

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

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

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education. Formal action by the Board of Education is needed to commit or rescind resources.

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

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

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

Estimates

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

Fairfield City School District, Ohio
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Restricted Assets

Restricted assets in the general fund represent equity in pooled cash and investments set aside to establish a budget stabilization reserve, while restricted assets in the capital projects fund is for retainage payable.

Note 3 - Equity in Pooled Cash and Investments

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States.
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.
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 thirty days.
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met.
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts.

Fairfield City School District, Ohio
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For the Fiscal Year Ended June 30, 2025

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.
7. The State Treasurer's investment pool (STAR Ohio).
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met.

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

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. As of June 30, 2025, \$16,198,420 of the District's bank balance of \$16,698,420 was exposed to custodial credit risk because it was uninsured and collateralized.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by:

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

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

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Investments

As of June 30, 2025, the District had the following investments:

	Fair Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Federal Home Loan Bank	\$5,764,314	Level 2	3.39
Federal National Mortgage Association	2,764,564	Level 2	1.42
Federal Farm Credit Bank	3,416,382	Level 2	3.73
US Treasury Notes	15,487,623	Level 1	3.70
Commercial Paper	9,312,269	Level 2	0.35
Negotiable CDs	11,513,174	Level 2	1.84
Money Market Funds	7,805,660	N/A	0.00
	<u>\$56,063,986</u>		
Portfolio Weighted Average Maturity			2.10

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 of the fair value hierarchy are valued using pricing sources, as provided by the investment managers. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2025.

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

Credit Risk – It is the District's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have the highest credit quality rating issued by nationally recognized statistical rating organizations. The District's investments in Federal National Mortgage Association, Federal Farm Credit Bank, and Federal Home Loan Bank were rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service. The District's investments in Commercial Paper was rated A-1+ by Standard and Poor's ratings and P-1 by Moody's Investors Service. Money Market Funds, and Negotiable CD's are not rated.

Concentration of Credit Risk – The District's investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 14% of the District's investments in Money Market Funds, 5% in Federal National Mortgage Association, 6% in Federal Farm Credit Bank, 21% in Negotiable CDs, 10% in Federal Home Loan Bank, 27% in US Treasury Notes and 17% in Commercial Paper.

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. All of the District's securities are registered in the name of the District.

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 4 - Property Taxes

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

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The District receives property taxes from Butler County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2025, are available to finance fiscal year 2025 operations. The amount available for advance can vary based on the date the tax bills are sent.

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

Accrued property taxes receivable represent delinquent taxes outstanding, real property, and public utility taxes which became measurable at June 30, 2025. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2025 on the fund statements. The entire amount of delinquent taxes receivable is recognized as a revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations.

The assessed value, by property classification, upon which taxes collected in 2025 were based as follows:

	2024 2nd Half	2025 1st Half
Public Utility	\$87,351,850	\$97,153,800
Real Estate	2,229,507,450	2,252,987,300
Total	<u>\$2,316,859,300</u>	<u>\$2,350,141,100</u>

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 5 – Receivables

Receivables at June 30, 2025, consisted of taxes, accounts (rent and student fees), intergovernmental, interfund, and interest. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
General Fund	\$4,724,732
Other Governmental Funds:	
Title VI B Pre-School	439,221
Title III	115,120
Title I	357,875
Drug Free Schools	2,988
Pre-School Disabilities	8,792
Title II-A	56,537
Food Service	334,494
Total	<u>\$6,039,759</u>

Note 6 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$5,062,249	\$0	\$0	\$5,062,249
Construction in Progress	0	1,122,879	0	1,122,879
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	161,345,531	1,700,418	0	163,045,949
Equipment	30,499,766	829,519	2,752,305	28,576,980
Totals at Historical Cost	<u>196,907,546</u>	<u>3,652,816</u>	<u>2,752,305</u>	<u>197,808,057</u>
Less Accumulated Depreciation:				
Buildings and Improvements	66,616,768	3,801,602	0	70,418,370
Equipment	26,214,190	1,450,024	2,687,049	24,977,165
Total Accumulated Depreciation	<u>92,830,958</u>	<u>5,251,626</u>	<u>2,687,049</u>	<u>95,395,535</u>
Governmental Activities Capital Assets, Net	<u><u>\$104,076,588</u></u>	<u><u>(\$1,598,810)</u></u>	<u><u>\$65,256</u></u>	<u><u>\$102,412,522</u></u>

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$2,433,916
Special	20,319
Support Services:	
Pupil	45,616
Instructional Staff	88,158
School Administration	97,708
Fiscal	966
Business	3,445
Operations and Maintenance	964,014
Pupil Transportation	1,397,142
Operation of Non-Instructional Services	125,004
Extracurricular Activities	75,338
Total Depreciation Expense	<u>\$5,251,626</u>

Note 7 - Long-Term Liabilities

The change in the District's long-term obligations during the year consist of the following:

	Interest Rate	Restated Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
Governmental Activities:						
Bonds:						
2020 Refunding						
Current Interest Bonds	2.923-3.476%	\$47,300,000	\$0	\$675,000	\$46,625,000	\$695,000
Capital Appreciation Bonds	27.26-27.70%	580,000	0	0	580,000	0
Interest		1,255,799	537,598	0	1,793,397	0
Premium		5,710,872	0	383,930	5,326,942	0
2014 School Improvement		6,220,000	0	1,430,000	4,790,000	1,500,000
Bonds from Direct Borrowing:						
2011 HB 264 Bond	5.38%	405,090	0	202,216	202,874	202,874
2011 Cooling Project	0.90%	209,910	0	104,784	105,126	105,126
Notes Payable:						
2017 HVAC Note Payable	2.03%	0	0	0	0	0
Subtotal Bonds and Note Payable		61,681,671	537,598	2,795,930	59,423,339	2,503,000
Compensated Absences		22,337,703	2,270,390 *	0	24,608,093	3,066,220
Subtotal Bonds and Other Amounts		84,019,374	2,807,988	2,795,930	84,031,432	5,569,220
Net Pension Liability		112,152,089	0	16,674,099	95,477,990	0
Net OPEB Liability		6,402,254	0	2,639,201	3,763,053	0
Total Governmental Activities		<u>\$202,573,717</u>	<u>\$2,807,988</u>	<u>\$22,109,230</u>	<u>\$183,272,475</u>	<u>\$5,569,220</u>

*-net change

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from which the person is paid (usually general and special revenue funds). Notes payable obligations will be paid from the general fund.

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Debt Refunding

The District's outstanding bonds from direct borrowings and direct placements related to governmental activities of \$1,529,000 contain the following provision that for the payment of the Bonds and the interest thereon, the full faith, credit, and revenue of the Board of Education are hereby irrevocably pledged, and for the purpose of providing the necessary funds to pay the interest on the Bonds promptly when and as the same falls due, and also to provide a fund sufficient to discharge the Bonds at maturity or upon mandatory sinking fund redemption, there shall be and is hereby levied on all the taxable property in this School District within applicable limitations, in addition to all other taxes, a direct tax annually during the period the Bonds are to run in an amount sufficient to provide funds to pay interest upon the Bonds as and when the same falls due and also to provide a fund for the discharge of the principal of the Bonds at maturity or upon mandatory sinking fund redemption, which tax shall not be less than the interest and sinking fund tax required by Article XII, Section 11 of the Constitution of Ohio.

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 benefitting from their service.

The following is a summary of the District's future annual debt service requirements for general obligations:

Fiscal Year Ending June 30	General Obligation Bonds			Capital Appreciation Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$2,195,000	\$4,210,114	\$6,405,114	\$0	\$0	\$0
2027	2,280,000	4,133,720	6,413,720	0	0	0
2028	2,475,000	4,060,564	6,535,564	0	0	0
2029	2,550,000	1,447,821	3,997,821	0	0	0
2030	0	1,406,383	1,406,383	205,000	2,425,000	2,630,000
2031-2035	5,695,000	6,865,681	12,560,681	375,000	7,655,000	8,030,000
2036-2040	16,240,000	4,878,346	21,118,346	0	0	0
2041-2045	19,980,000	1,788,923	21,768,923	0	0	0
Total	<u>\$51,415,000</u>	<u>\$28,791,552</u>	<u>\$80,206,552</u>	<u>\$580,000</u>	<u>\$10,080,000</u>	<u>\$10,660,000</u>

Fiscal Year Ending June 30	Direct Placement Bonds		
	Principal	Interest	Total
2026	\$308,000	\$8,285	\$316,285

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 employee 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.

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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

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

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

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

Plan Description - School Employees Retirement System (SERS)

Plan Description

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

Fairfield City School District, Ohio
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For the Fiscal Year Ended June 30, 2025

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost-of-living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2024.

Funding Policy

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2025, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2025, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was \$2,188,571 for fiscal year 2025. Of this amount \$309,835 is reported as accrued wages and benefits.

Plan Description - State Teachers Retirement System (STRS)

Plan Description

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

Fairfield City School District, Ohio
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For the Fiscal Year Ended June 30, 2025

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. The calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of credited service. Effective August 1, 2023, any member can retire with unreduced benefits with 34 years of services credit at any age; or five years of service credit and age 65. Effective June 1, 2025 - July 1, 2027, any member can retire with unreduced benefits with 33 years of service credit at any age; or five years of service credit and age 65. Effective on or after August 1, 2027, any member can retire with unreduced benefits with 34 years of service credit at any age; or five years of service credit and age 65.

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, an 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 permanent 1 percent COLA 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.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits effective August 1, 2023, can retire with 29 years of service credit at any age; or five years of service credit and age 60. Effective June 1, 2025 - July 1, 2027, retirement eligibility for reduced benefits is 28 years of service credit at any age; or five years of service credit and age 60. Effective on or after August 1, 2027, retirement eligibility for reduced benefits is 29 years of service credit at any age; or five years of service credit and age 60.

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

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

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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 2025 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2025, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was \$8,122,032 for fiscal year 2025. Of this amount \$1,353,672 is reported as accrued wages and benefits.

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

The net pension liability (asset) was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability:			
Current Measurement Date	0.36456280%	0.39928262%	
Prior Measurement Date	<u>0.37711050%</u>	<u>0.42403090%</u>	
Change in Proportionate Share	<u>-0.01254770%</u>	<u>-0.02474828%</u>	
Proportionate Share of the Net Pension Liability	\$18,649,562	\$76,828,427	\$95,477,990
Pension Expense	\$813,238	\$5,384,567	\$6,197,804

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At June 30 2025, reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$712,024	\$4,838,182	\$5,550,206
Changes of assumptions	166,834	3,540,676	3,707,510
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	0	3,108,177	3,108,177
Contributions subsequent to the measurement date	2,188,571	8,122,032	10,310,603
Total Deferred Outflows of Resources	<u>\$3,067,429</u>	<u>\$19,609,067</u>	<u>\$22,676,496</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$42,072	\$42,072
Changes of assumptions	0	2,665,111	2,665,111
Net difference between projected and actual earnings on pension plan investments	1,166,519	6,605,682	7,772,201
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	1,193,670	4,321,437	5,515,107
Total Deferred Inflows of Resources	<u>\$2,360,189</u>	<u>\$13,634,302</u>	<u>\$15,994,491</u>

\$10,310,603 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	(\$1,527,622)	(\$3,875,249)	(\$5,402,871)
2027	678,009	6,670,795	7,348,804
2028	(288,698)	(2,331,015)	(2,619,713)
2029	(343,020)	(2,611,798)	(2,954,818)
Total	<u>(\$1,481,331)</u>	<u>(\$2,147,267)</u>	<u>(\$3,628,598)</u>

Actuarial Assumptions - SERS

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

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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, 2024, and compared with June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
COLA or Ad Hoc COLA	2.0%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.00%, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00% net of system expenses	7.00% net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

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

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

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. ORC 3309.15 and the SERS Board-adopted Investment Policy govern investment activity. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	<u>100.00 %</u>	

Discount Rate

The total pension liability for 2024 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 20-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2024 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2024 was 9.31 percent.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$28,531,248	\$18,649,562	\$10,329,715

Changes Between the Measurement Date and the Report Date

The pension information is measured as of June 30, 2024 (measurement date) and used for the fiscal year ending June 30, 2025 (reporting date). There were no changes between the measurement date and the reporting date.

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Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation compared to those used in the June 30, 2023, actuarial valuation are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.50%	2.50%
Salary increases	From 2.50% to 8.50% based on service	From 2.50% to 8.50% based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00% net of investments expense, including inflation
Discount Rate of Return	7.00 percent	7.00%
Payroll Increases	3.00 percent	3.00%
Cost-of-Living Adjustments (COLA)	0.0%, effective July 1, 2017	0.0%, effective July 1, 2017

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 Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	1.00	2.40
Total	<u>100.00%</u>	

* Final target weights reflected at October 1, 2022.

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 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.

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Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2024. 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, 2024. 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, 2024.

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$123,937,717	\$76,828,427	\$36,982,062

Changes Between the Measurement Date and the Report Date

At the April 2025 STRS Board meeting, they approved the following change:

1. Beginning July 1, 2025, approve a 1.5% cost-of-living increase be paid to eligible benefit recipients on their anniversary date in fiscal year 2026; and
2. Temporarily make thirty-two years of service credit the minimum requirement for unreduced benefits and adjust the years of service credit required for reduced retirement benefits to twenty-seven or more years of service credit at any age for the period effective June 1, 2025 through May 1, 2030, then temporarily make thirty-three years of service credit the minimum requirement for unreduced benefits and adjust the years of service credit required for reduced retirement benefits to twenty-eight or more years of service at any age from June 1, 2030 through May 1, 2032, with a return to a minimum of thirty-four years of service credit (twenty-nine years or more for reduced retirement benefits) effective June 1, 2032 going forward.

Any effect on the net pension liability is unknown.

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. 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 2025, 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 2025, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2025, the District's surcharge obligation was \$262,446.

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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 \$262,446 for fiscal year 2025.

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.

Medicare Part D is a federal program to help cover the costs of prescription drugs for Medicare beneficiaries. This program allows STRS Ohio to recover part of the cost for providing prescription coverage since all eligible STRS Ohio health care plans include creditable prescription drug coverage.

Funding Policy

Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2025, STRS did not allocate any employer contributions to post-employment health care.

Net OPEB Liabilities (Assets), OPEB Expense (Income), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2024, 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:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.36947180%	0.39928262%	
Prior Measurement Date	0.38861710%	0.42403090%	
Change in Proportionate Share	<u>-0.01914530%</u>	<u>-0.02474828%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$3,763,053	\$0	\$3,763,053
Net OPEB (Asset)	\$0	(\$7,573,629)	(\$7,573,629)
OPEB Expense	(\$543,830)	(\$1,517,533)	(\$2,061,364)

At June 30 2025, reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$329,242	\$329,242
Changes of assumptions	1,615,100	932,207	2,547,307
Net difference between projected and actual earnings on OPEB plan investments	18,373	0	18,373
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	124,995	160,543	285,538
Contributions subsequent to the measurement date	262,446	0	262,446
Total Deferred Outflows of Resources	<u>\$2,020,914</u>	<u>\$1,421,992</u>	<u>\$3,442,906</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$4,057,549	\$816,192	\$4,873,741
Changes of assumptions	1,728,609	3,415,658	5,144,267
Net difference between projected and actual earnings on OPEB plan investments	0	325,189	325,189
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	1,324,037	78,627	1,402,664
Total Deferred Inflows of Resources	<u>\$7,110,195</u>	<u>\$4,635,666</u>	<u>\$11,745,861</u>

\$262,446 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date was recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year			
Ending June 30:	SERS	STRS	Total
2026	(\$1,225,870)	(\$1,137,524)	(\$2,363,394)
2027	(902,733)	(499,330)	(1,402,063)
2028	(707,745)	(644,559)	(1,352,304)
2029	(637,465)	(600,115)	(1,237,580)
2030	(631,934)	(484,549)	(1,116,483)
Thereafter	(1,245,980)	152,403	(1,093,577)
Total	<u>(\$5,351,727)</u>	<u>(\$3,213,674)</u>	<u>(\$8,565,401)</u>

Actuarial Assumptions – SERS

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

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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, 2024, compared with June 30, 2023, are presented below:

	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Future Salary Increases, including inflation	3.25% to 13.58%	3.25% to 13.58%
Investment Rate of Return	7.00% net of investment expense	7.00% net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2059	2048
Municipal Bond Index Rate:		
Measurement Date	3.93%	3.86%
Prior Measurement Date	3.86%	3.69%
Single Equivalent Interest Rate,		
Measurement Date	4.88%	4.27%
Prior Measurement Date	4.27%	4.08%
Health Care Cost Trend Rate:		
Medical Trend Assumption		
Measurement Date	7.00% to 4.40%	6.75% to 4.40%
Prior Measurement Date	6.75% to 4.40%	7.00% to 4.40%

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

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Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

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

The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (geometric)
Cash	3.00 %	0.97 %
US Equity	22.00	4.68
Non-US Equity Developed	12.00	4.96
Non-US Equity Emerging	6.00	5.66
Fixed Income/Global Bonds	18.00	2.38
Private Equity	14.00	7.10
Real Estate	13.00	3.64
Infrastructure	7.00	4.80
Private Debt/Private Credit	5.00	5.86
Total	100.00 %	

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2024, was 4.88 percent. The discount rate used to measure total OPEB liability prior to June 30, 2024, was 4.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2059 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, 2023, and the June 30, 2024, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.93 percent at June 30, 2024, and 3.86 percent at June 30, 2023.

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

The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.88%) and higher (5.88%) than the current discount rate (4.88%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate.

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
District's proportionate share of the net OPEB liability	\$5,017,897	\$3,763,053	\$2,765,910
	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
District's proportionate share of the net OPEB liability	\$2,543,683	\$3,763,053	\$5,365,816

Changes Between the Measurement Date and the Report Date

The OPEB information is measured as of June 30, 2024 (measurement date) and used for the fiscal year ending June 30, 2025 (reporting date). There were no changes between the measurement date and the reporting date.

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2024, actuarial valuation compared to the prior year are presented below:

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Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	June 30, 2024	June 30, 2023
Projected salary increases	Varies by service from 2.50% to 8.50%	Varies by service from 2.50% to 8.50%
Investment Rate of Return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Payroll Increases	3.00%	3.00%
Discount Rate of Return	7.00%	7.00%
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50% initial 3.94% ultimate	7.50% initial 4.14% ultimate
Medicare	(112.22%) initial 3.94% ultimate	(10.94%) initial 4.14% ultimate
Prescription Drug		
Pre-Medicare	8.00% initial 3.94% ultimate	(11.95%) initial 4.14% ultimate
Medicare	(15.14%) initial 3.94% ultimate	1.33% initial 4.14% 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, 2024, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
Domestic Equity	26.00%	6.90%
International Equity	22.00	7.70
Alternatives	19.00	9.10
Fixed Income	22.00	4.50
Real Estate	10.00	5.10
Liquidity Reserves	<u>1.00</u>	<u>2.40</u>
Total	<u>100.00%</u>	

* Final target weights reflected at October 1, 2022.

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.4 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 actual rate of return, without net value added by management.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2024. 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, 2024. 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, 2024.

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

The following table represents the net OPEB asset as of June 30, 2024, 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.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the net OPEB asset	(\$6,157,860)	(\$7,573,629)	(\$8,805,655)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	(\$8,888,878)	(\$7,573,629)	(\$5,991,871)

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Changes Between the Measurement Date and the Report Date

At the May 2025 STRS Board meeting, the Board approved the following change: Increasing the health care subsidy for twenty-seven years of service to the maximum subsidy minus the subsidy for three years of service for anyone who retires between August 1, 2023, and July 1, 2032, effective June 1, 2025 through July 1, 2032. After that the maximum subsidy for Healthcare Plan participants who retire August, 1, 2032 or later will align with the eligibility for unreduced pensions, and all others eligible for subsidies receive one less year of subsidy for each year below the minimum years of service required to receive unreduced subsidy at any age. Any effect on the net OPEB asset is unknown.

Note 10 - Contingent Liabilities

Grants

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2025.

Litigation

The District is party to legal proceedings. The probability of loss or the amount is not currently estimable. District management estimates that all other potential claims, not covered by insurance of the District, resulting from all other litigation would not materially affect the financial statements of the District.

Note 11 - Risk Management

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. During the fiscal year, the District contracted with Liberty Mutual for property and general liability insurance and boiler and machinery insurance.

General liability is protected by Liberty Mutual with \$1,000,000 each occurrence, \$3,000,000 aggregate limit. Vehicles are covered by Liberty Mutual with a \$500 deductible. Public officials' bond insurance is provided by Marsh & McLennan Agency. The Treasurer is covered by a bond in the amount of \$100,000. The District has elected to provide employee medical and dental benefits through Butler Health Plan. The employees share the cost of the monthly premium for the coverage with the Board.

There were no significant reductions in insurance coverage from the prior year. Also, there were no settlements that exceeded insurance coverage for the past three fiscal years.

Beginning in January 2011, the District began to self-insure its workers' compensation costs. Expenses for claims are recorded on the current basis based on an actuarially determined charge per employee. The District accounts for the activities of this program in an internal service fund in accordance with GASB Statement No. 10. A summary of the changes in self-insurance workers' compensation claims liability is as follows:

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	2025	2024
Claims Liability at Beginning of Year	\$38,952	\$31,532
Claims Incurred	56,671	81,329
Claims Paid	(75,328)	(73,909)
Claims Liability at End of Year	<u>\$20,295</u>	<u>\$38,952</u>

Note 12 - Jointly Governed Organizations

Southwest Ohio Computer Association

Southwest Ohio Computer Association (SWOCA) is a jointly governed organization among a three county consortium of school districts. The jointly governed organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. Each of the governments of these schools supports SWOCA based upon a per pupil charge dependent upon the software package utilized. SWOCA is a council of governments that is governed by a Board of Directors consisting of the superintendents and treasurers of member school districts. The degree of control exercised by any participating school district is limited to its representation on the Board. The Board consists of one representative from each of the participating 43 school districts.

Butler Technology and Career Development Schools

The Butler Technology and Career Development Schools is a distinct political subdivision of the State of Ohio operated under the direction of a Board, consisting of one representative from the participating school district's elected board, which possesses its own budgeting and taxing authority. Accordingly, the Butler Technology and Career Development School is not part of the District and its operations are not included as part of the reporting entity.

Note 13 – Accountability

The following funds had a deficit in fund balance:

Other Governmental Funds:	Deficit
Extracurricular Student Activities	\$399,041
Title VI B Pre-School	560,683
Title III	115,120
Miscellaneous Federal	5,930
Title I	357,875
Title II-A	56,537
Drug Free Schools	2,988
Pre-School Disabilities	11,070

The deficits in fund balance were primarily due to accruals in GAAP. The general fund is liable for any deficit in these funds and will provide transfers when cash is required not when accruals occur.

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 14 - 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 similar 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.

For fiscal year ended June 30, 2025, the District was no longer required to set aside funds in the budget reserve set-aside, with the exception of refund monies received from the Bureau of Workers' Compensation, which must be spent for specified purposes.

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

	Capital Acquisition	Budget Stabilization
Set Aside Reserve Balance as of June 30, 2024	\$0	\$203,843
Current Year Set Aside Requirements	2,147,652	0
Qualified Disbursements	(2,224,421)	0
Set Aside Reserve Balance as of June 30, 2025	<u>(\$76,769)</u>	<u>\$203,843</u>
Restricted Cash as of June 30, 2025	<u>\$0</u>	<u>\$203,843</u>

Although the District had offsets and qualifying disbursements during the year that reduced the set-aside amounts to below zero for capital acquisition. For capital acquisition, the negative amount was a result of a bond issuance, which will be used to offset set-aside requirements in future years.

Am. Sub. Senate Bill 345 amended ORC Section 5705.29 effectively eliminating the requirement for the District to establish and maintain a budget stabilization reserve. By resolution, the Board can eliminate the reserve in accordance with the Act. As of June 30, 2025, the Board had not acted on the Senate Bill requirements to eliminate the reserve balance.

Note 15 - Interfund Transactions

Interfund transactions at June 30, 2025, consisted of the following interfund receivables and interfund payables and transfers in and transfers out:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$1,183,514	\$0	\$0	\$6,736,929
Other Governmental Funds	0	1,183,514	6,736,929	0
Total All Funds	<u>\$1,183,514</u>	<u>\$1,183,514</u>	<u>\$6,736,929</u>	<u>\$6,736,929</u>

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

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 16 – Fund Balances

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

Fund Balances	General	Other Governmental Funds	Total
Restricted for:			
Student Activity	\$0	\$456,006	\$456,006
Spring Recognition	0	175,832	175,832
Auxiliary Services	0	64,676	64,676
Classroom Facilities Maintenance	0	2,992,271	2,992,271
Food Service	0	4,863,705	4,863,705
Private Purpose Trust	0	7,627	7,627
Debt Service	0	2,526,104	2,526,104
Classroom Facilities	0	3,532,122	3,532,122
Building	0	995,878	995,878
Permanent Improvement	0	588,676	588,676
Total Restricted	0	16,202,897	16,202,897
Committed to:			
Termination Benefits	785,000	0	785,000
Total Committed	785,000	0	785,000
Assigned to:			
Permanent Improvements	0	6,736,929	6,736,929
Public School Support	282,699	0	282,699
Encumbrances	2,815,910	0	2,815,910
Total Assigned	3,098,609	6,736,929	9,835,538
Unassigned (Deficit)	35,135,046	(1,509,244)	33,625,802
Total Fund Balance	\$39,018,655	\$21,430,582	\$60,449,237

Note 17 – Tax Abatements entered Into By Other Governments

Other governments entered into property tax abatement agreements with property owners under the Ohio Community Reinvestment Area (“CRA”) program with the taxing districts of the District. The CRA program is a directive incentive tax exemption program benefiting property owners who renovate or construct new buildings. Under this program, the other governments designated areas to encourage revitalization of the existing housing stock and the development of new structures. Within the taxing districts of the District, the City of Fairfield (City) has entered into such an agreement. Under this agreement the District’s property taxes were reduced by approximately \$1,302,355. The District received \$645,830 from the City in association with the forgone property tax revenue.

Note 18 – Related Party Disclosures

The District has evaluated its financial transactions, arrangements, and relationships in accordance with the requirements of the U.S. Department of Education (34 CFR §668.23(d)(1)) and Auditor of State

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Technical Bulletin 2025-001, which extend beyond the disclosure requirements of GASB Codification Section 2250, Related Party Transactions.

Management has determined that, for the fiscal year ended June 30, 2025, the District had no related party relationships, related entities, related party transactions, or related party outstanding balances that are required to be disclosed. Accordingly, no related party disclosures are presented in these financial statements.

Note 19 – Implementation of New Accounting Principles

New Accounting Principles

For fiscal year 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, GASB Statement No. 102, Certain Risk Disclosures, and GASB Implementation Guide No. 2025-1.

GASB Statement No. 102 addresses the variety of risks that state and local governments face that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The implementation of GASB Statement No. 102 did not have an effect on the financial statements of the District.

GASB Implementation Guide No. 2025-1 includes providing clarity on a range of accounting issues for state and local governments. These topics under GASB Implementation Guide No. 2025-1 provisions were implemented and did not have an effect on the financial statements of the District.

GASB Statement No. 101 sets out to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB Statement No. 101 had the following effect on net position as reported June 30, 2024, by opinion unit affected:

	<u>Government-Wide</u> Governmental Activities
Net Position-Beginning of Year, as Previously Presented	(\$5,115,271)
Change in Accounting Principal- Adoption of GASB 101	<u>(10,979,634)</u>
Net Position-Beginning of Year, as Restated or Adjusted	<u><u>(\$16,094,905)</u></u>

Fairfield City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 20 – Other Commitments

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

<u>Fund Type</u>	<u>Year-End Encumbrances</u>
General Fund	\$2,988,890
Other Governmental Funds	<u>3,311,794</u>
Total	<u><u>\$6,300,684</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

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

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.3645628%	\$18,649,562	\$15,278,186	122.07%	78.52%
2024	0.3771105%	20,837,298	15,500,029	134.43%	76.06%
2023	0.4099382%	22,172,646	14,774,457	150.07%	75.82%
2022	0.4146068%	15,297,789	14,311,164	106.89%	82.86%
2021	0.4103374%	27,140,580	14,385,529	188.67%	68.55%
2020	0.4112724%	24,607,149	14,108,970	174.41%	70.85%
2019	0.4083148%	23,384,945	13,371,904	174.88%	71.36%
2018	0.3755465%	22,438,074	12,359,779	181.54%	69.50%
2017	0.3791763%	27,752,206	11,775,807	235.67%	62.98%
2016	0.3866131%	22,060,518	12,363,202	178.44%	69.16%

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

See accompanying notes to the required supplementary information.

Fairfield City School District
Required Supplementary Information
Schedule of the District's Contributions for Net Pension Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$2,188,571	(\$2,188,571)	\$0	\$15,632,650	14.00%
2024	2,138,946	(2,138,946)	0	15,278,186	14.00%
2023	2,170,004	(2,170,004)	0	15,500,029	14.00%
2022	2,068,424	(2,068,424)	0	14,774,457	14.00%
2021	2,003,563	(2,003,563)	0	14,311,164	14.00%
2020	2,013,974	(2,013,974)	0	14,385,529	14.00%
2019	1,904,711	(1,904,711)	0	14,108,970	13.50%
2018	1,805,207	(1,805,207)	0	13,371,904	13.50%
2017	1,730,369	(1,730,369)	0	12,359,779	14.00%
2016	1,648,613	(1,648,613)	0	11,775,807	14.00%

See accompanying notes to the required supplementary information.

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

Year	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2025	0.39928262%	\$76,828,427	\$55,766,057	137.77%	82.55%
2024	0.42403090%	91,314,791	54,393,429	167.88%	80.02%
2023	0.40602313%	90,259,453	52,903,200	170.61%	78.88%
2022	0.40002179%	51,146,381	50,349,600	101.58%	87.78%
2021	0.38665655%	93,557,127	47,870,229	195.44%	75.48%
2020	0.37516799%	82,966,146	44,277,343	187.38%	77.40%
2019	0.36544388%	80,352,904	41,304,429	194.54%	77.30%
2018	0.34644996%	82,299,931	37,985,743	216.66%	75.30%
2017	0.34421803%	115,220,150	36,362,914	316.86%	66.80%
2016	0.33766406%	93,320,470	34,408,800	271.21%	72.10%

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

See accompanying notes to the required supplementary information.

Fairfield City School District
Required Supplementary Information
Schedule of the District's Contributions for Net Pension Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$8,122,032	(\$8,122,032)	\$0	\$58,014,514	14.00%
2024	7,807,248	(7,807,248)	0	55,766,057	14.00%
2023	7,615,080	(7,615,080)	0	54,393,429	14.00%
2022	7,406,448	(7,406,448)	0	52,903,200	14.00%
2021	7,048,944	(7,048,944)	0	50,349,600	14.00%
2020	6,701,832	(6,701,832)	0	47,870,229	14.00%
2019	6,198,828	(6,198,828)	0	44,277,343	14.00%
2018	5,782,620	(5,782,620)	0	41,304,429	14.00%
2017	5,318,004	(5,318,004)	0	37,985,743	14.00%
2016	5,090,808	(5,090,808)	0	36,362,914	14.00%

See accompanying notes to the required supplementary information.

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

Year	District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2025	0.3694718%	\$3,763,053	\$15,278,186	24.63%	44.50%
2024	0.3886171%	6,402,254	15,500,029	41.30%	30.02%
2023	0.4174283%	5,860,737	14,774,457	39.67%	30.34%
2022	0.4219796%	7,986,310	14,311,164	55.80%	24.08%
2021	0.4125523%	8,966,112	14,385,529	62.33%	18.17%
2020	0.4217793%	10,606,862	14,108,970	75.18%	15.57%
2019	0.4134254%	11,469,537	13,371,904	85.77%	13.57%
2018	0.3810717%	10,226,963	12,359,779	82.74%	12.46%
2017	0.38423866%	10,952,222	11,775,807	93.01%	11.49%

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

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

See accompanying notes to the required supplementary information.

Fairfield City School District
Required Supplementary Information
Schedule of the District's Contributions for Net OPEB Liability
School Employees Retirement System of Ohio
Last Ten Fiscal Years (1)

Year	District's Contractually Required Contribution (2)	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$262,446	(\$262,446)	\$0	\$15,632,650	1.68%
2024	254,009	(254,009)	0	15,278,186	1.66%
2023	287,157	(287,157)	0	15,500,029	1.85%
2022	263,719	(263,719)	0	14,774,457	1.78%
2021	245,532	(245,532)	0	14,311,164	1.72%
2020	202,344	(202,344)	0	14,385,529	1.41%
2019	329,420	(329,420)	0	14,108,970	2.33%
2018	286,612	(286,612)	0	13,371,904	2.14%
2017	207,595	(207,595)	0	12,359,779	1.68%
2016	194,355	(194,355)	0	11,775,807	1.65%

(1) Includes surcharge.

See accompanying notes to the required supplementary information.

Fairfield City School District
Required Supplementary Information
Schedule of the District's Proportionate Share of the Net OPEB (Asset)/Liability
State Teachers Retirement System of Ohio
Last Nine Fiscal Years (1) (2)

Year	District's Proportion of the Net OPEB (Asset)/Liability	District's Proportionate Share of the Net OPEB (Asset)/Liability	District's Covered Payroll	District's Proportionate Share of the Net OPEB (Asset)/Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)/Liability
2025	0.39928262%	(\$7,573,629)	\$55,766,057	(13.58%)	158.01%
2024	0.42403090%	(8,246,815)	54,393,429	(15.16%)	168.52%
2023	0.40602313%	(10,513,288)	52,903,200	(19.87%)	230.73%
2022	0.40002179%	(8,434,132)	50,349,600	(16.75%)	174.73%
2021	0.38665655%	(6,795,486)	47,870,229	(14.20%)	182.13%
2020	0.37516799%	(6,213,681)	44,277,343	(14.03%)	174.74%
2019	0.36544388%	(5,872,310)	41,304,429	(14.22%)	176.00%
2018	0.34644996%	13,517,199	37,985,743	35.58%	47.10%
2017	0.34421803%	18,408,870	36,362,914	50.63%	37.30%

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

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

See accompanying notes to the required supplementary information.

Fairfield City School District
Required Supplementary Information
Schedule of the District's Contributions for Net OPEB (Asset)/Liability
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

Year	District's Contractually Required Contribution	District's Contributions in Relation to the Contractually Required Contributions	District's Contribution Deficiency (Excess)	District's Covered Payroll	District's Contributions as a Percentage of Covered Payroll
2025	\$0	\$0	\$0	\$58,014,514	0.00%
2024	0	0	0	55,766,057	0.00%
2023	0	0	0	54,393,429	0.00%
2022	0	0	0	52,903,200	0.00%
2021	0	0	0	50,349,600	0.00%
2020	0	0	0	47,870,229	0.00%
2019	0	0	0	44,277,343	0.00%
2018	0	0	0	41,304,429	0.00%
2017	0	0	0	37,985,743	0.00%
2016	0	0	0	36,362,914	0.00%

See accompanying notes to the required supplementary information.

Fairfield City School District, Ohio
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended June 30, 2025

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$52,477,826	\$55,485,630	\$55,124,518	(\$361,112)
Payments in lieu of taxes	5,351,974	5,658,726	5,621,898	(36,828)
Tuition and Fees	1,936,628	2,047,627	2,034,301	(13,326)
Investment Earnings	2,250,176	2,379,146	2,363,662	(15,484)
Intergovernmental	44,375,578	46,918,996	46,613,637	(305,359)
Extracurricular Activities	153,516	162,314	161,258	(1,056)
Other Revenues	791,233	836,583	831,138	(5,445)
Total Revenues	107,336,931	113,489,022	112,750,412	(738,610)
Expenditures:				
Current:				
Instruction:				
Regular	48,843,590	50,778,616	51,566,168	(787,552)
Special	19,079,329	19,835,191	20,142,825	(307,634)
Vocational	1,476	1,534	1,558	(24)
Other	997,520	1,037,039	1,053,123	(16,084)
Support Services:				
Pupil	5,548,651	5,768,471	5,857,937	(89,466)
Instructional Staff	1,222,381	1,270,807	1,290,517	(19,710)
General Administration	33,673	35,007	35,550	(543)
School Administration	11,695,140	12,158,464	12,347,036	(188,572)
Fiscal	1,498,515	1,557,881	1,582,043	(24,162)
Business	381,003	396,097	402,240	(6,143)
Operations and Maintenance	7,712,947	8,018,509	8,142,872	(124,363)
Pupil Transportation	7,758,174	8,065,528	8,190,620	(125,092)
Central	304,201	316,252	321,157	(4,905)
Extracurricular Activities	1,581,161	1,643,801	1,669,296	(25,495)
Capital Outlay	720,578	749,125	760,744	(11,619)
Total Expenditures	107,378,339	111,632,322	113,363,686	(1,731,364)
Excess of Revenues Over (Under) Expenditures	(41,408)	1,856,700	(613,274)	(2,469,974)
Other Financing Sources (Uses):				
Proceeds from Sale of Capital Assets	9,998	10,571	10,502	(69)
Advances In	4,608,577	4,872,721	4,841,008	(31,713)
Advances (Out)	(1,517,331)	(1,577,443)	(1,601,908)	(24,465)
Transfers In	727,761	769,473	764,465	(5,008)
Transfers (Out)	(7,848,892)	(8,159,840)	(8,286,395)	(126,555)
Total Other Financing Sources (Uses)	(4,019,887)	(4,084,518)	(4,272,328)	(187,810)
Net Change in Fund Balance	(4,061,295)	(2,227,818)	(4,885,602)	(2,657,784)
Fund Balance Beginning of Year (includes prior year encumbrances appropriated)	46,499,857	46,499,857	46,499,857	0
Fund Balance End of Year	\$42,438,562	\$44,272,039	\$41,614,255	(\$2,657,784)

See accompanying notes to the required supplementary information.

Fairfield City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

Note 1 - Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by Board. The legal level of control has been established by Board at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. During the course of fiscal 2025, the District amended its budget several times.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2025.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Board during the year. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not appropriated.

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as assigned to a fund balance for governmental fund types (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.

Fairfield City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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

	Net Change in Fund Balance
	<u>General</u>
GAAP Basis	(\$4,593,332)
Revenue Accruals	(2,254,663)
Expenditure Accruals	2,422,238
Transfers In	764,465
Transfers Out	(1,549,466)
Advances In	4,841,008
Advances Out	(1,601,908)
Encumbrances	(2,913,944)
Budget Basis	<u>(\$4,885,602)</u>

Note 2 - Net Pension Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2025: Effective August 1, 2024, HB 33 established a Contribution-Based Benefit Cap (CBBC). Under this provision, a member's retirement allowance (and any survivor benefit derived from that allowance) will be limited if the calculated benefit under the statutory formula exceeds the CBBC amount.

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

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

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

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

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

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

Changes in Assumptions:

2023-2025: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) Cost of Living Adjustments (COLA) was increased from 2.00% to 2.50% for calendar years 2025, 2024 and 2023.

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

- (1) The assumed rate of inflation was reduced from 3.00% to 2.40%,
- (2) Payroll growth assumption was reduced from 3.50% to 1.75%,
- (3) Assumed real wage growth was increased from 0.50% to 0.85%,

Fairfield City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

- (4) Cost of Living Adjustments (COLA) was reduced from 2.50% to 2.00%,
- (5) The discount rate was reduced from 7.50% to 7.00%,
- (6) Rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and,
- (7) Mortality among active members, service retirees and beneficiaries, and disabled members were updated.

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

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

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

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

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2025: In March 2024, the Board adopted a change in the service retirement eligibility requirements for both unreduced and actuarially reduced benefits. This change is effective for retirements beginning June 1, 2024. The change allows for unreduced retirement at 34 years of service indefinitely (was previously set to increase to 35 years beginning August 1, 2029). The change also allows for an actuarially reduced retirement at any age with 29 years of service.

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

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

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

Changes in Assumptions:

2025: Retirement rates were extended to younger ages intended to ensure that the ranges in retirement eligibility impacted participants at such ages. Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

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

Fairfield City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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

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

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

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

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

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

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

Note 3 - Net OPEB (Asset)/Liability

School Employees Retirement System (SERS)

Changes in Benefit Terms:

2025: The SERS Board increased the minimum compensation used for determining the health care surcharge from \$25,000 to \$30,000.

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

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

Fairfield City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

Changes in Assumptions:

2025: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:

Prior Measurement Date	4.27%
Measurement Date	4.88%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.86%
Measurement Date	3.93%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	4.27%
Measurement Date	4.88%
- (4) Health care trend rates were updated.
- (5) Fiduciary Net Position projected depletion changed from 2048 to 2059.

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

- (1) Discount Rate:

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

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

Prior Measurement Date	4.08%
Measurement Date	4.27%
- (4) The assumption for percent of pre-Medicare eligible retirees who choose the Wraparound plan increased from 10% to 20%.
- (5) The health care trend assumption on retiree premiums was updated to not apply trend to the \$35 surcharge.
- (6) The morbidity factors were updated based on the Society of Actuaries' June 2013 research report Health Care Costs—From Birth to Death by Dale Yamamoto and from the ASOP 6 practice note developed by the American Academy of Actuaries.
- (7) An assumption was added to assume that 15% of pre-65 retirees who waive will elect coverage upon Medicare eligibility.

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

- (1) Discount Rate:

Prior Measurement Date	2.27%
Measurement Date	4.08%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	1.92%
Measurement Date	3.69%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	2.27%
Measurement Date	4.08%
- (4) Health care trend rates were updated.

Fairfield City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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

- (1) Discount Rate:

Prior Measurement Date	2.63%
Measurement Date	2.27%
- (2) Investment Rate of Return:

Prior Measurement Date	7.50%
Measurement Date	7.00%
- (3) Assumed Rate of Inflation:

Prior Measurement Date	3.00%
Measurement Date	2.40%
- (4) Payroll Growth Assumption:

Prior Measurement Date	3.50%
Measurement Date	1.75%
- (5) Assumed Real Wage Growth:

Prior Measurement Date	0.50%
Measurement Date	0.85%
- (6) Municipal Bond Index Rate:

Prior Measurement Date	2.45%
Measurement Date	1.92%
- (7) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Prior Measurement Date	2.63%
Measurement Date	2.27%
- (8) Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- (9) Rate of health care participation for future retirees and spouses was updated to reflect recent.
- (10) Mortality among active members was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Employee mortality table.
- (11) Mortality among service retired members was updated to the following:
 - a. PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females.
- (12) Mortality among beneficiaries was updated to the following:
 - a. PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females.
- (13) Mortality among disabled member was updated to the following:
 - a. PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females.
- (14) Mortality rates are projected using a fully generational projection with Scale MP-2020.

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

- (1) Discount Rate:

Prior Measurement Date	3.22%
Measurement Date	2.63%
- (2) Municipal Bond Index Rate:

Prior Measurement Date	3.13%
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Fairfield City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

Measurement Date	2.45%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Prior Measurement Date	3.22%
Measurement Date	2.63%

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

(1) Discount Rate:	
Prior Measurement Date	3.70%
Measurement Date	3.22%
(2) Municipal Bond Index Rate:	
Prior Measurement Date	3.62%
Measurement Date	3.13%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Prior Measurement Date	3.70%
Measurement Date	3.22%

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

(1) Discount Rate:	
Prior Measurement Date	3.63%
Measurement Date	3.70%
(2) Municipal Bond Index Rate:	
Prior Measurement Date	3.56%
Measurement Date	3.62%
(3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Prior Measurement Date	3.63%
Measurement Date	3.70%

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

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

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

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,

Fairfield City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

State Teachers Retirement System (STRS)

Changes in Benefit Terms:

2025: Healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2025. The larger Medicare trends for Years 2027 and 2028 reflect the assumed impact of the expiration of current Medicare Advantage contract on December 31, 2028.

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

2023: Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

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

2021: There was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year end 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

Fairfield City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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

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

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

Changes in Assumptions:

2025: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

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

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

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

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

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

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

Fairfield City School District, Ohio
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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

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

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**FAIRFIELD CITY SCHOOL DISTRICT
BUTLER COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grant/ Pass Through Grantor Program Title	Assistance Listing Number	Pass Through Entity Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	3L60	\$387,977
Cash Assistance:			
School Breakfast Program	10.553	3L70	781,013
National School Lunch Program	10.555	3L60	2,676,752
Summer Food Service Program for Children	10.559	3GE0	38,755
Fresh Fruit and Vegetable Program	10.582	3GG0	224,466
Total Child Nutrition Cluster			<u>4,108,963</u>
Total U.S. Department of Agriculture			<u>4,108,963</u>
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education and Workforce:</i>			
Special Education Cluster:			
Special Education-Grants to States	84.027A	3M20	2,402,384
Special Education-Preschool Grants	84.173A	3C50	<u>44,102</u>
Total Special Education Cluster			<u>2,446,486</u>
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	3HS0	1,791,492
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund - Homeless Children and Youth	84.425W	3HZ0	<u>3,490</u>
Total Education Stabilization Fund			<u>1,794,982</u>
English Language Acquisition State Grants	84.365A	3Y70	281,847
Supporting Effective Instruction State Grants	84.367A	3Y60	331,383
Title I Grants to Local Educational Agencies	84.010A	3M00	1,477,540
Student Support and Academic Enrichment Program	84.424A	3HI0	<u>127,257</u>
Total U.S. Department of Education			<u>6,459,495</u>
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			
<i>Direct Awards:</i>			
CARA ACT Comprehensive Addition and Recovery Act of 2016	93.799	N/A	<u>53,544</u>
Total U.S. Department of Health & Human Services			<u>53,544</u>
Total Expenditures of Federal Awards			<u>\$10,622,002</u>

See accompanying notes to the schedule of expenditures of federal awards.

**FAIRFIELD CITY SCHOOL DISTRICT
BUTLER COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Fairfield City School District (the District) under programs of the federal government for the year ended June 30, 2025. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE KEITH FABER

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

Fairfield City School District
Butler County
4641 Bach Lane
Fairfield, Ohio 45014

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Fairfield City School District, Butler County, Ohio (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 20, 2026 wherein we noted that the District adopted new accounting guidance in Governmental Accounting Standards Board (GASB) No. 101, *Compensated Absences*.

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 opinion 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.

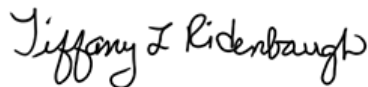
Report on Compliance and Other Matters

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

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

March 20, 2026



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**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**

Fairfield City School District
Butler County
4641 Bach Lane
Fairfield, Ohio 45014

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each the Major Federal Program

We have audited Fairfield City School District's, Butler County, (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 Fairfield City School District's major federal programs for the year ended June 30, 2025. Fairfield City School District's major federal programs is/are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Fairfield City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each the Major Federal Program

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each the 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 the major federal program as a whole.

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

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

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

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.

Fairfield City School District
Butler County
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
Page 3

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

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

KEITH FABER
Ohio Auditor of State

A handwritten signature in black ink that reads "Tiffany L. Ridenbaugh". The signature is written in a cursive, flowing style.

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

March 20, 2026

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**FAIRFIELD CITY SCHOOL DISTRICT
BUTLER COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2025**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)
(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?	No

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

None noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None noted.

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Fairfield City Schools

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
2 CFR § 200.511(b)
JUNE 30, 2025

Finding Number	Finding Summary	Status	Additional Information
2024-001	Lack of controls over Child Nutrition Cluster eligibility requirements	Fully Corrected	The District implemented monitoring control procedures to review software system eligibility determinations to ensure compliance with federal income guidelines.

OHIO AUDITOR OF STATE KEITH FABER



FAIRFIELD CITY SCHOOL DISTRICT

BUTLER COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/26/2026

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

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