



OHIO AUDITOR OF STATE
KEITH FABER



**FINNEYTOWN LOCAL SCHOOL DISTRICT
HAMILTON COUNTY
JUNE 30, 2025**

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HAMILTON COUNTY
JUNE 30, 2025**

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OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Finneytown Local School District
Hamilton County
8791 Brent Drive
Cincinnati, Ohio 45231

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 Finneytown Local School District, Hamilton 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 as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Finneytown Local School District, Hamilton County, Ohio, as of June 30, 2025, and the respective changes in financial position 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 19, 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 19, 2026

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Finneytown Local School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The discussion and analysis of Finneytown Local 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 the 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 \$5,615,125 or 13% from 2024.
- General revenues accounted for \$24,371,517 in revenue or 86% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,858,057 or 14% of total revenues of \$28,229,574.

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, Building Fund, Capital Projects Fund, and the Classroom Facilities Fund are the major funds 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 question, "How did we do financially during 2025?" The Government-wide Financial Statements answer this question. These statements include *all assets and deferred outflows of resources*, and *liabilities and deferred 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.

These two statements report the District's *net position* and changes in those assets. 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, overall financial position of the District is presented as Governmental Activities. All of the District's programs and services are reported here including instruction, support services, operation of non-instructional services and extracurricular activities and interest and fiscal charges.

Finneytown Local School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Fund Financial Statements

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

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.

Fiduciary Funds Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

The District as a Whole

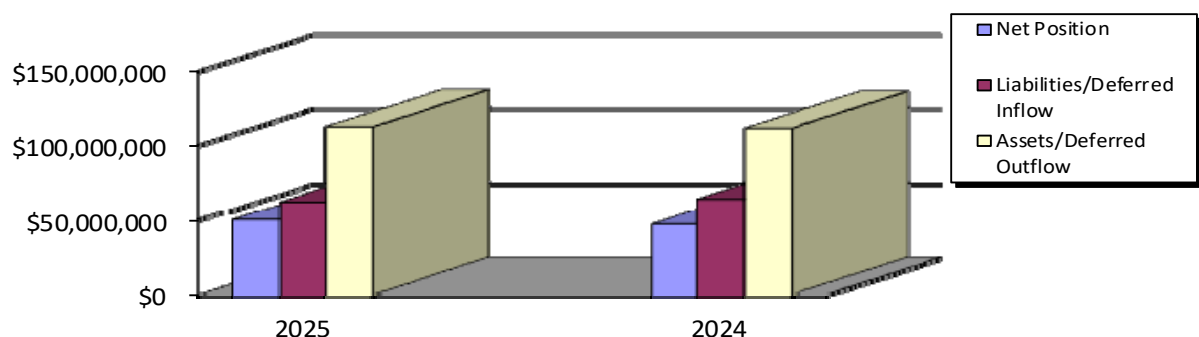
As stated previously, the Statement of Net Position looks at the District as a whole. Table 1 provides a summary of the District's net position for 2025 compared to 2024:

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Finneytown Local School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

Table 1
Net Position

	Governmental Activities	
	2025	2024
Assets:		
Current and Other Assets	\$74,738,271	\$75,152,498
Net OPEB Asset	1,345,314	1,291,078
Capital Assets	30,839,230	30,036,526
Total Assets	106,922,815	106,480,102
Deferred Outflows of Resources:		
OPEB	585,855	652,823
Pension	4,236,970	3,547,201
Total Deferred Outflows of Resources	4,822,825	4,200,024
Liabilities:		
Other Liabilities	2,155,167	3,164,464
Long-Term Liabilities	47,744,138	47,885,078
Total Liabilities	49,899,305	51,049,542
Deferred Inflows of Resources:		
Property Taxes	7,061,198	8,382,940
Revenue in Lieu of Taxes	414,472	396,008
OPEB	1,993,742	2,095,859
Pension	2,415,276	1,935,361
Total Deferred Inflows of Resources	11,884,688	12,810,168
Net Position:		
Net Investment in Capital Assets	9,021,252	6,695,860
Restricted	37,210,157	36,922,809
Unrestricted (Deficit)	3,730,238	3,201,747
Total Net Position (Deficit)	\$49,961,647	\$46,820,416



Over time, net position can serve as a useful indicator of a government's financial position. At June 30,

Finneytown Local School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

2025, the District's assets and deferred outflows exceeded liabilities and deferred inflows by \$49,961,647.

At year-end, capital assets represented 28% of total assets and deferred outflows. Capital assets include land, construction in progress, buildings and improvements, and equipment. Net investment in capital assets at June 30, 2025, totaled \$9,021,252. 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, \$37,210,157 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

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

Table 2
Changes in Net Position

	Governmental Activities	
	2025	2024
Revenues:		
Program Revenues		
Charges for Services	\$556,643	\$597,405
Operating Grants, Contributions	3,301,414	3,783,042
General Revenues:		
Property Taxes	14,781,718	13,402,292
Grants and Entitlements	6,910,116	6,963,138
Other	2,679,683	2,484,152
Total Revenues	28,229,574	27,230,029
Program Expenses:		
Instruction	11,705,005	11,846,185
Support Services:		
Pupil and Instructional Staff	3,034,742	3,432,447
School Administrative, General		
Administration, Fiscal and Business	2,537,497	2,975,019
Operations and Maintenance	1,601,281	1,791,067
Pupil Transportation	1,557,679	1,196,270
Central	148,967	190,265
Operation of Non-Instructional Services	664,584	644,586
Extracurricular Activities	476,377	459,908
Interest and Fiscal Charges	888,317	924,138
Total Program Expenses	22,614,449	23,459,885
Change in Net Position	5,615,125	3,770,144
Net Position (Deficit) - Beginning of Year, Restated	44,346,522	43,050,272
Net Position (Deficit) - End of Year	\$49,961,647	\$46,820,416

The District revenues are mainly from two sources. Property taxes levied for general, special revenue,

Finneytown Local School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

debt services and capital projects, and grants and entitlements comprised 77% of the District's revenues for governmental activities.

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.

Thus, Ohio districts dependent upon property taxes must periodically return to the voters to maintain a constant level of service in an inflationary environment. Property taxes made up 52% of revenue for governmental activities for the District in fiscal year 2025.

Grant revenues decreased mainly due to receiving less grant money from 2024 to 2025. Total expenses decreased due to changes related to net pension liability and other post-employment benefits liability.

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 governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction	\$11,705,005	\$11,846,185	(\$8,991,178)	(\$9,353,785)
Support Services:				
Pupil and Instructional Staff	3,034,742	3,432,447	(2,661,508)	(2,291,987)
School Administrative, General				
Administration, Fiscal and Business	2,537,497	2,975,019	(2,508,192)	(2,922,800)
Operations and Maintenance	1,601,281	1,791,067	(1,601,281)	(1,738,480)
Pupil Transportation	1,557,679	1,196,270	(1,463,090)	(1,156,954)
Central	148,967	190,265	(148,967)	(190,265)
Operation of Non-Instructional Services	664,584	644,586	(113,394)	(118,919)
Extracurricular Activities	476,377	459,908	(380,465)	(382,110)
Interest and Fiscal Charges	888,317	924,138	(888,317)	(924,138)
Total Expenses	<u>\$22,614,449</u>	<u>\$23,459,885</u>	<u>(\$18,756,392)</u>	<u>(\$19,079,438)</u>

Instruction comprises 52% of governmental program expenses. Support services comprise 39% of governmental program expenses. All other expenses including interest expense comprise 9%. Interest expense was attributable to the outstanding bond and borrowing for capital projects.

Finneytown Local School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The District's Funds

The District has four major governmental funds: the General Fund, the Building Fund, Classroom Facilities Fund and the Capital Projects Fund. Assets of these funds comprised \$66,912,363 (89%) of the total \$75,600,728 governmental funds assets.

General Fund: Fund balance at June 30, 2025 was \$14,575,349, a decrease in fund balance of \$1,406,455 from 2024. The fund balance decreased mostly due an increase in transfers out to Capital Projects Fund when compared to the prior year.

Building Fund: Fund balance at June 30, 2025 was \$8,216,229, an increase in fund balance of \$297,392 from 2024.

Classroom Facilities: Fund balance at June 30, 2025 was \$4,479,230, an increase in fund balance of \$2,219,664 from 2024 due to intergovernmental revenue.

Capital Projects: Fund balance at June 30, 2025 was \$7,700,469, an increase in fund balance of \$4,200,469 from 2024 due to transfers in from the General Fund.

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. The District uses site-based budgeting and the 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, final budget basis estimated revenue was \$21,418,885, compared to original budget estimates of \$21,098,544. Of the \$320,341 difference, most was due to an underestimating taxes and intergovernmental revenue.

The District's ending unobligated actual fund balance for the General Fund was \$10,018,586.

Capital Assets and Debt Administration

Capital Assets

At fiscal year end, the District had \$30,839,230 invested in land, construction in progress, buildings and improvements, and equipment. Table 4 shows fiscal 2025 balances compared to fiscal 2024:

Finneytown Local School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

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

	Governmental Activities	
	2025	2024
Land	\$1,154,812	\$1,154,812
Construction in Progress	2,081,355	954,426
Buildings and Improvements	26,564,151	27,032,659
Equipment	1,038,912	894,629
Total Net Capital Assets	<u>\$30,839,230</u>	<u>\$30,036,526</u>

The increase in capital assets is due to current year depreciation expense and disposals being less than current year additions.

See Note 6 to the basic financial statements for more details on the District's capital assets.

Debt

At fiscal year end, the District had \$26,293,885 in general obligation bonds outstanding. The amount due within one year on these obligations totals \$937,000. Table 5 summarizes total outstanding debt.

Table 5
Outstanding Debt at Year End

	2025	2024
General Obligation Bonds Payable:		
2021 New Money Bonds	\$2,250,000	\$2,595,000
2010 Refunding Bonds	0	575,000
2012 Series HB264 Bonds	307,000	408,000
2014 Series Bonds	380,000	760,000
2020 New Money Bonds	21,890,000	21,990,000
Premium on New Money Bonds	1,466,885	1,525,560
Total Outstanding Debt at Year End	<u>\$26,293,885</u>	<u>\$27,853,560</u>

See Note 7 to the basic financial statements for more details on the District's debt.

For the Future

The District faces opportunities and challenges of many kinds, including a new state funding plan that is not fully funded, a highly active legislative environment, high inflation, economic recessionary fears, significant tax base inflationary growth, student enrollment fluctuations, the construction of new school facilities, and our ability to raise new local revenue while curtailing expenditure growth.

Finneytown Local School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The State of Ohio provides significant revenue to the District through its school funding program. Several years ago, HB110, the Fair School Funding Plan, ushered in a historic restructuring of the State of Ohio's school funding method, designed to create a more equitable, stable and predictable revenue stream. Under that new funding plan:

- School district state core foundation funding includes: the district's state share (base cost), targeted assistance, special education, disadvantaged pupil impact aid (DPIA), English learner, gifted, career-technical education and associated services, and supplemental targeted assistance.
- Each district's base cost is unique and variable, determined according to its capacity to raise funds, as measured by its property value (60%) and local income (40%).
- Students are counted and funded where they are educated rather than their district of residence.
- Funding components are phase-in over time.
- District funding guarantees at least equal to the FY21 net funding base were established.
- EdChoice scholarship caps, eligibility and funding were increased.

HB33, the latest biennial bill, continued the phase-in of the Fair School Funding Plan over the next two fiscal years at a rate of 50% for FY 2024 and 66.67% for FY 2025. The formula was updated to include base cost per-pupil inputs based on 2022 data, and all existing guarantees were maintained. Overall, public school funding increased \$1.54 billion over the biennium for an 11.7% increase. EdChoice vouchers were dramatically expanded to include universal eligibility and a full voucher amount to students with family incomes at or below 450% of the federal poverty level, \$135,00 for a family of four.

The District's real estate market valuation has been steadily improving since 2016. This growth became more pronounced in 2020, growing 17.8% that year. In the 2023 reappraisal, property in the District skyrocketed by 38.5%, with the largest increase in residential property at 42%. With this same dramatic level of increase in many Ohio counties, and property owners across the state vitally worried about massive property tax increases and how to pay for them, the Ohio Legislature has taken up complex property taxpayer relief solution considerations.

Taxpayers in districts, not at the 20 mill floor are already largely protected from property tax spikes in periods of high inflation by House Bill 920, which applies reduction factors effectively limiting tax increases associated with inflation. Finneytown Local is not at the 20-mill floor, and its taxpayers are protected. Hopefully, the Legislature will come up with a solution to help taxpayers in districts at the 20-mill floor without harming districts, like Finneytown Local, that are not.

District enrollment has been in decline for six of the last seven years. Because districts are funded by the state on a per pupil basis, changes in student enrollment can influence the amount of funding received from the state. The District's funding level is protected by the funding formula's FY21 guarantee.

The district's long range facilities outlook has dramatically improved over the last several years. In 2019, the District was accepted into the OFCC's Expedited Local Partnership Program (ELPP), and voters approved a 7.69 mill combination bond issue/classroom facilities levy. In FY23 the District unveiled a newly constructed K-6 elementary building. The District transitioned to the Classroom Facilities Assistance Program (CFAP) in FY23. Construction on a new 7-12 secondary building will begin in 2024. The state's share of the entire \$47.7 million, co-funded, project is 60%.

Finneytown Local School District
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited)

The district's last operating levy was approved in May 2010. Cash balances are still very healthy. The district has experienced general fund operating surpluses in eleven of the last twelve fiscal years. The operating levy should continue to provide adequate funding for at least four more years. With continued careful planning and monitoring of the District's finances, management is confident that the District can continue to provide a quality education for our students and a sustainable 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, contact the Treasurer at Finneytown Local School District, 8791 Brent Drive, Cincinnati, Ohio 45231.

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Finneytown Local School District
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$36,341,623
Restricted Cash and Investments	79,228
Receivables (Net):	
Taxes	14,430,607
Accounts	14,824
Intergovernmental	23,856,236
Prepays	15,753
Net OPEB Asset	1,345,314
Nondepreciable Capital Assets	3,236,167
Depreciable Capital Assets, Net	27,603,063
Total Assets	106,922,815
Deferred Outflows of Resources:	
Pension	4,236,970
OPEB	585,855
Total Deferred Outflows of Resources	4,822,825
Liabilities:	
Accounts Payable	15,656
Accrued Wages and Benefits	2,014,890
Contracts Payable	49,531
Accrued Interest Payable	75,090
Long-Term Liabilities:	
Due Within One Year	2,666,537
Due In More Than One Year	
Net Pension Liability	16,971,705
Net OPEB Liability	665,609
Other Amounts	27,440,287
Total Liabilities	49,899,305
Deferred Inflows of Resources:	
Property Taxes	7,061,198
Revenue in Lieu of Taxes	414,472
Pension	2,415,276
OPEB	1,993,742
Total Deferred Inflows of Resources	11,884,688
Net Position:	
Net Investment in Capital Assets	9,021,252
Restricted for:	
Debt Service	3,040,449
Capital Projects	30,627,515
Locally Funded Programs	1,192,113
Capital Maintenance	617,450
Student Activities	188,625
State Funded Programs	14,494
Food Service Operations	3,779
Net OPEB Asset	1,345,314
Other Purposes	180,418
Unrestricted (Deficit)	3,730,238
Total Net Position (Deficit)	\$49,961,647

See accompanying notes to the basic financial statements.

Finneytown Local School District
Statement of Activities
For the Fiscal Year Ended June 30, 2025

	Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Charges for	Operating Grants	Governmental
	Services and Sales	and Contributions	Activities
	Expenses		
Governmental Activities:			
Instruction:			
Regular	\$7,625,893	\$286,361	\$530,616
Special	3,809,374	173,400	1,499,078
Vocational	31,344	0	992
Adult/Continuing	35,895	0	0
Other	202,499	0	223,380
Support Services:			
Pupil	1,582,309	0	202,966
Instructional Staff	1,452,433	0	170,268
General Administration	28,957	0	0
School Administration	1,571,882	0	27,367
Fiscal	674,637	0	1,938
Business	262,021	0	0
Operations and Maintenance	1,601,281	0	0
Pupil Transportation	1,557,679	0	94,589
Central	148,967	0	0
Operation of Non-Instructional Services	664,584	970	550,220
Extracurricular Activities	476,377	95,912	0
Interest and Fiscal Charges	888,317	0	0
Totals	\$22,614,449	\$556,643	\$3,301,414

General Revenues:

Property Taxes Levied for:

General Purposes	12,719,312
Special Revenue Purposes	112,329
Debt Service Purposes	1,682,398
Capital Projects Purposes	267,679
Grants and Entitlements, Not Restricted	6,910,116
Revenue in Lieu of Taxes	418,648
Investment Earnings	1,833,798
Other Revenues	427,237

Total General Revenues	24,371,517
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Change in Net Position	5,615,125
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Net Position-Beginning of Year, As Previously Reported	46,820,416
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Change in Accounting Principle	(2,473,894)
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Net Position - Beginning of Year, Restated	44,346,522
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Net Position - End of Year	\$49,961,647
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See accompanying notes to the basic financial statements.

Finneytown Local School District
Balance Sheet
Governmental Funds
June 30, 2025

	General	Building	Classroom Facilities	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets:						
Equity in Pooled Cash and Investments	\$10,239,899	\$8,216,229	\$3,748,937	\$7,750,000	\$6,386,558	\$36,341,623
Restricted Cash and Investments	0	0	79,228	0	0	79,228
Receivables (Net):						
Taxes	12,432,903	0	0	0	1,997,704	14,430,607
Accounts	14,824	0	0	0	0	14,824
Intergovernmental	420,334	0	23,133,403	0	302,499	23,856,236
Interfund	862,457	0	0	0	0	862,457
Prepays	14,149	0	0	0	1,604	15,753
Total Assets	23,984,566	8,216,229	26,961,568	7,750,000	8,688,365	75,600,728
Liabilities:						
Accounts Payable	13,034	0	0	0	2,622	15,656
Accrued Wages and Benefits	1,806,817	0	0	0	208,073	2,014,890
Compensated Absences	111,991	0	0	0	0	111,991
Contracts Payable	0	0	0	49,531	0	49,531
Interfund Payable	0	0	0	0	862,457	862,457
Total Liabilities	1,931,842	0	0	49,531	1,073,152	3,054,525
Deferred Inflows of Resources:						
Property Taxes	7,062,903	0	0	0	1,142,704	8,205,607
Grants and Other Taxes	414,472	0	22,482,338	0	100,415	22,997,225
Total Deferred Inflows of Resources	7,477,375	0	22,482,338	0	1,243,119	31,202,832
Fund Balances:						
Nonspendable	14,149	0	0	0	1,604	15,753
Restricted	0	6,077,851	4,479,230	0	7,234,445	17,791,526
Assigned	788,461	2,138,378	0	7,700,469	0	10,627,308
Unassigned (Deficit)	13,772,739	0	0	0	(863,955)	12,908,784
Total Fund Balances	14,575,349	8,216,229	4,479,230	7,700,469	6,372,094	41,343,371
Total Liabilities, Deferred Inflows and Fund Balances	\$23,984,566	\$8,216,229	\$26,961,568	\$7,750,000	\$8,688,365	\$75,600,728

See accompanying notes to the basic financial statements.

Finneytown Local School District
Reconciliation of Total Governmental Fund Balance to
Net Position of Governmental Activities
June 30, 2025

Total Governmental Fund Balance		\$41,343,371
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		30,839,230
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Delinquent Property Taxes	1,144,409	
Intergovernmental	<u>22,582,753</u>	
		23,727,162
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.		
		(75,090)
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		(3,700,948)
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	4,236,970	
Deferred inflows of resources related to pensions	(2,415,276)	
Deferred outflows of resources related to OPEB	585,855	
Deferred inflows of resources related to OPEB	<u>(1,993,742)</u>	
Deferred outflows of resources related to pensions		413,807
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	1,345,314	
Net Pension Liability	(16,971,705)	
Net OPEB Liability	(665,609)	
Other Amounts	<u>(26,293,885)</u>	
		<u>(42,585,885)</u>
Net Position of Governmental Activities		<u>\$49,961,647</u>

See accompanying notes to the basic financial statements.

Finneytown Local School District
Statement of Revenues, Expenditures
and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General	Building	Classroom Facilities	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property and Other Taxes	\$12,370,992	\$0	\$0	\$0	\$2,055,540	\$14,426,532
Tuition and Fees	450,676	0	0	0	2,123	452,799
Investment Earnings	1,279,275	398,674	156,464	0	1,043	1,835,456
Intergovernmental	8,056,558	0	2,944,221	0	2,151,082	13,151,861
Extracurricular Activities	0	0	0	0	102,874	102,874
Charges for Services	23,801	0	0	0	970	24,771
Revenue in Lieu of Taxes	418,619	0	0	0	30	418,649
Other Revenues	285,835	0	0	0	117,598	403,433
Total Revenues	22,885,756	398,674	3,100,685	0	4,431,260	30,816,375
Expenditures:						
Current:						
Instruction:						
Regular	7,087,624	0	0	0	437,454	7,525,078
Special	3,221,397	0	0	0	753,418	3,974,815
Vocational	31,344	0	0	0	0	31,344
Adult/Continuing	35,895	0	0	0	0	35,895
Other	31,410	0	0	0	152,308	183,718
Support Services:						
Pupil	1,547,090	0	0	0	25,364	1,572,454
Instructional Staff	1,226,035	0	0	0	86,675	1,312,710
General Administration	29,301	0	0	0	0	29,301
School Administration	1,604,076	0	0	0	60,000	1,664,076
Fiscal	738,965	0	0	0	26,897	765,862
Business	318,788	0	0	0	0	318,788
Operations and Maintenance	1,497,025	64,295	0	0	44,419	1,605,739
Pupil Transportation	1,556,656	0	0	0	1,000	1,557,656
Central	178,827	0	0	0	0	178,827
Operation of Non-Instructional Services:						
Extracurricular Activities	92,060	0	0	0	638,647	730,707
Capital Outlay	397,481	0	0	0	139,129	536,610
Debt Service:						
Principal Retirement	0	36,987	1,029,312	49,531	785,881	1,901,711
Interest and Fiscal Charges	101,000	0	0	0	1,400,000	1,501,000
	16,946	0	0	0	933,148	950,094
Total Expenditures	19,711,920	101,282	1,029,312	49,531	5,484,340	26,376,385
Excess of Revenues Over (Under) Expenditure:	3,173,836	297,392	2,071,373	(49,531)	(1,053,080)	4,439,990
Other Financing Sources (Uses):						
Transfers In	0	0	148,291	4,250,000	182,000	4,580,291
Transfers (Out)	(4,580,291)	0	0	0	0	(4,580,291)
Total Other Financing Sources (Uses)	(4,580,291)	0	148,291	4,250,000	182,000	0
Net Change in Fund Balance	(1,406,455)	297,392	2,219,664	4,200,469	(871,080)	4,439,990
Fund Balance - Beginning of Year, as Previously Presented	15,981,804	7,918,837	2,259,566	0	10,743,174	36,903,381
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	0	0	0	3,500,000	(3,500,000)	0
Fund Balance - Beginning of Year, as Adjusted	15,981,804	7,918,837	2,259,566	3,500,000	7,243,174	36,903,381
Fund Balance - End of Year	\$14,575,349	\$8,216,229	\$4,479,230	\$7,700,469	\$6,372,094	\$41,343,371
See accompanying notes to the basic financial statements						

Finneytown Local School District
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	\$4,439,990
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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	2,195,005	
Depreciation Expense	<u>(1,392,301)</u>	
		802,704

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

District pension contributions for pension	1,782,766	
Pension Expense	(854,807)	
District pension contributions for OPEB	43,711	
OPEB Expense	<u>427,737</u>	
		1,399,407

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

Delinquent Property Taxes	355,188	
Interest	(1,657)	
Intergovernmental	<u>(2,940,332)</u>	
		(2,586,801)

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

1,501,000

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

3,102

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	(2,952)	
Amortization of Bond Premium	<u>58,675</u>	
		55,723

Change in Net Position of Governmental Activities	<u><u>\$5,615,125</u></u>
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See accompanying notes to the basic financial statements.

Finneytown Local School District
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2025

	Custodial Fund
Assets:	
Equity in Pooled Cash and Investments	\$4,099
Total Assets	4,099
Net Position:	
Restricted for Individuals, Organizations, and Other Governments	4,099
Total Net Position	\$4,099

See accompanying notes to the basic financial statements.

Finneytown Local School District
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2025

	Custodial Fund
Additions:	
Collections for Springfest	\$0
Total Additions	0
Deductions:	
Distributions to Springfest	0
Total Deductions	0
Change in Net Position	0
Net Position - Beginning of Year	4,099
Net Position - End of Year	\$4,099

See accompanying notes to the basic financial statements.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 1 - Description Of The District And Reporting Entity

The Finneytown Local School District (the "District") is a political body incorporated for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Finneytown Local School District is a local district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education (5 members) and is responsible for the provision of public education to residents of the District. The district's total average daily membership was 1,151.50 students in fiscal year 2025. The District employed 122 certificated employees and 37 non-certificated employees. The District operated two schools – Finneytown Elementary (grades K-6) and the Finneytown Secondary Campus (grades 7-12).

Management believes the financial statements included in this report represent all of the funds of the District for which the Board of Education is financially accountable.

Reporting Entity

In accordance with Governmental Accounting Standards Board [GASB] Statement 14, the financial reporting entity consists of a primary government. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

There are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds and account groups of those organizational entities for which its elected governing body is financially accountable. The District's major operations include education, pupil transportation, food service, and maintenance of District facilities. The District contracts with an outside organization for food service and pupil transportation services.

The following activities are included within the reporting entity:

Within the District boundaries, St. Vivian Elementary School and Central Baptist Academy, are operated as private schools. Current State legislation provides funding to parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial schools. For financial reporting purposes, activity is reflected in a special revenue fund.

The District is associated with four jointly governed organizations. These organizations include:

Jointly Governed Organizations:

Great Oaks Career Campuses
Hamilton Clermont Cooperative Information Technology Center
Unified Purchasing Cooperative of the Ohio River Valley
Greater Cincinnati Insurance Consortium

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Note 2 - Summary Of Significant Accounting Policies

Measurement Focus

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

Government-wide Financial Statements

The government-wide statements are prepared using the economic resources measurement focus.

All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the statement of Net Positions. Fiduciary Funds are not included in entity-wide statements.

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, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, 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 and current liabilities 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.

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 fiduciary.

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 deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The District has four major governmental funds:

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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 is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Building Fund – A fund used to account for the receipts and expenditures related to all special bond funds in the district. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring capital facilities including real property.

Classroom Facilities – A fund provided to account for monies received and expended in connection with contracts entered into by the school district and the Ohio School Facilities Commission for the building and equipping of classroom facilities.

Capital Projects Fund – A fund provided to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects fund exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

The other governmental funds of the District account for grants, other resources and debt service of the District, whose uses are restricted to a particular purpose.

Fiduciary Funds

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The government-wide financial statements and the financial statements of the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified 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 revenue, 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. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current fiscal year or 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

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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 investment earnings.

Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position 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 pension and OPEB are reported on the government-wide statement of net position for pension. For more pension and OPEB related information, see 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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes, revenue in lieu of taxes, grants and other taxes (which includes tax incremental financing 'TIF'), and pension and OPEB. Property taxes 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. TIF's (revenue in lieu of taxes and other taxes) 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 related to pension and OPEB plans are reported on the governmental-wide statement of net position. For more pension and OPEB related information, see Notes 8 and 9.

Expenses/Expenditures

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. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Equity in Pooled Cash and Investments

Cash received by the District is pooled for investment purposes. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through District records. Interest in the pool is presented as "Equity in Pooled Cash and Investments" on the financial statements.

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

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

Following Ohio statutes, the District allocates interest earnings to funds as prescribed by Board resolution and required by law. Interest revenue during fiscal year 2025 amounted to \$1,279,275 in the general fund, \$398,674 in the building fund, \$156,464 in the classroom facilities fund, and \$1,043 in other governmental funds.

Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of two thousand dollars (\$2,000) for all funds except federal grant funds. The capitalization threshold for federal grant funds is \$5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets are depreciated, except land. 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>
Land Improvements	20 years
Buildings	40 years
Building Improvements	20 years
Equipment	5 - 20 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

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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	15-25 days per year depending on length of service	10-20 days per year depending upon length of service
Maximum Accumulation	Not Applicable	Two times annual award; Payout option: up to 10 unused days/year	Three times annual award
Vested	Not Applicable	Provided at beginning of year	As Earned
Termination Entitlement	Not Applicable	Paid upon termination	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	230 days	245 or 260 days	230 days
Vested	As Earned; 7 years if hired after 7/1/13	After 7 years	After 7 years
Termination Entitlement	¼ paid upon retirement; ½ paid if 1 st year retirement eligible	Severance based upon 32.43% of final contract salary; 62.16% if 1 st year retirement eligible	¼ paid upon retirement; ½ paid if 1 st year retirement eligible

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, 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

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Net Positions

Net Positions represent the difference between assets, deferred outflows of resources, 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 Positions are 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 Positions are available.

Interfund Activity

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

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 (inventory) 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. Commitments may be established, modified, or rescinded only through formal action of the Board of Education, typically by resolution.

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

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For the Fiscal Year Ended June 30, 2025

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 expenses 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.

Note 3 - 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 statement of Net Positions and 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

Finneytown Local School District
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For the Fiscal Year Ended June 30, 2025

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.
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.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and amended by GASB Statement No. 40 "Deposit and Investment Risk Disclosures".

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, \$250,000 of the District's bank balance of \$808,672 was covered by the FDIC and \$558,672 was collateralized by the OPCS.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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.

Investments

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

	Value	Fair Value Hierarchy	Weighted Average Maturity (Years)
Federal Home Loan Mortgage Corporation	\$1,809,257	Level 2	0.39
STAR Ohio	34,505,142	N/A	0.08
Money Market Funds	2,969	N/A	0.00
Total Fair Value	<u>\$36,317,368</u>		
Portfolio Weighted Average Maturity			0.10

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above tables identify the School District's recurring fair value measurement as of June 30, 2025. Star Ohio is reported at its net asset value (Net Asset value per share).

Interest rate risk

It is the District's policy to manage its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio, by matching investment maturities to scheduled obligations and by maintaining desired liquidity objectives.

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 are rated at the time of purchase in the highest classification established by at least two (2) nationally recognized statistical rating organizations. The District's investments in Federal Home Loan Bank, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Federal Farm Credit Bank were rated AA+ by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. Commercial Paper is rated A-1 by Standard & Poor's and P-1 by Moody's. Money Market Funds, Negotiable CD's, and U.S. Treasury Notes are not rated. The District's investments in STAR Ohio was rated AAAM by Standard & Poor's.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Concentration of credit risk

The District's investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested less than 1% in Money Market Funds, 4.9% in Federal Home Loan Mortgage Corp., and 95.0% in STAR Ohio.

Custodial credit risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District requires that all purchased securities are either insured and registered in the name of the District or at least registered in the name of the District.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Note 4 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the District. Real property taxes collected in 2025 were levied in April on assessed values as of the January 1, 2024 lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. A re-evaluation of real property is required to be completed no less than every six years, with a statistical update ever third year.

Public utility property taxes collected in 2025 were levied in April on assessed values as of the December 31, 2024 lien date. Public utility property taxes are assessed on real property at 35 percent of true value. Tangible personal property taxes have been phased out and are no longer collected in the state of Ohio.

Real property taxes are payable annually or semi-annually. In 2025, if paid annually, payment was due by January 20th. If paid semi-annually, the first payment (at least 1/2 amount billed) was due January 20th with the remainder due on June 20th. Payments by multi-county tangible personal property taxpayers are due September 20th. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30th; if paid semiannually, the first payment is due April 30th, with the remainder payable by September 20th.

The County Auditor remits portions of the taxes collected to all taxing districts with periodic settlements of real and public utility property taxes in February and August. The District records billed but uncollected property taxes as receivables at their estimated net realizable value.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal 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. 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 revenue for that portion not intended to finance current year operations.

On a full accrual basis, collectible delinquent property taxes in the amount of \$1,144,409 have been

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred. The assessed values upon which the fiscal year 2025 taxes were collected are:

	Amount
Agricultural/Residential and Other Real Estate	\$313,203,350
Public Utility Personal	16,556,890
Total	<u>\$329,760,240</u>

Note 5 – Receivables

Receivables at June 30, 2025, consisted of taxes, accounts, interfund, and intergovernmental. 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.

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	\$1,154,812	\$0	\$0	\$1,154,812
Construction in Progress	954,426	1,126,929	0	2,081,355
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	43,293,196	767,840	0	44,061,036
Equipment	3,891,839	300,236	0	4,192,075
Totals at Historical Cost	<u>49,294,273</u>	<u>2,195,005</u>	<u>0</u>	<u>51,489,278</u>
Less Accumulated Depreciation:				
Buildings and Improvements	16,260,537	1,236,348	0	17,496,885
Equipment	2,997,210	155,953	0	3,153,163
Total Accumulated Depreciation	<u>19,257,747</u>	<u>1,392,301</u>	<u>0</u>	<u>20,650,048</u>
Governmental Activities Capital Assets, Net	<u>\$30,036,526</u>	<u>\$802,704</u>	<u>\$0</u>	<u>\$30,839,230</u>

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Finneytown Local School District
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	\$680,058
Special	140,361
Vocational	26,275
Support Services:	
Pupils	78,073
Instructional Staff	233,869
School Administration	83,412
Fiscal	11
Business	4
Operations & Maintenance	111,043
Pupil Transportation	23
Central	1
Operation of Non-Instructional Services	30,539
Extracurricular Activities	8,632
Total Depreciation Expense	<u>\$1,392,301</u>

Note 7 - Long-Term Liabilities

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

	Interest Rate	Restated Beginning Balance	Additions	Deductions	Ending Balance	Due In One Year
Governmental Activities:						
Bonds Payable:						
2010 Series Refunding	3.48%	\$575,000	\$0	\$575,000	\$0	\$0
2012 Series HB 264 Bonds	4.47%	408,000	0	101,000	307,000	102,000
2014 School Improvement Bonds	0.35%	760,000	0	380,000	380,000	380,000
2020 New Money Bonds		21,990,000	0	100,000	21,890,000	100,000
Premium on New Money Bonds		1,525,560	0	58,675	1,466,885	0
2021 New Money Bonds		2,595,000	0	345,000	2,250,000	355,000
Subtotal Bonds		27,853,560	0	1,559,675	26,293,885	937,000
Compensated Absences		3,767,932	45,007 *	0	3,812,939	1,729,537
Subtotal Bonds and Other Amounts		31,621,492	45,007	1,559,675	30,106,824	2,666,537
Net Pension Liability		17,689,809	0	718,104	16,971,705	0
Net OPEB Liability		1,047,673	0	382,064	665,609	0
Total Long-Term Obligations		<u>\$50,358,974</u>	<u>\$45,007</u>	<u>\$2,659,843</u>	<u>\$47,744,138</u>	<u>\$2,666,537</u>

*-net change

On August 3, 2010, the District current refunded \$3,960,000 in School Improvement Bonds that were originally issued for the purpose of new construction, improvements, renovations and additions to school facilities. The refunding lowered the interest cost from 5.80% to 3.48%. Of the \$3,960,000 issued, \$3,760,000 represented serial bonds and \$200,000 were capital appreciation bonds. The capital appreciation bonds for the 2010 issue mature on December 1, 2020. At maturity, all compounded interest is paid and the bond holder receives the face value of the bond. As the value of the bond increases, the

Finneytown Local School District
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For the Fiscal Year Ended June 30, 2025

accretion is reflected as principal liability. The maturity amount of the bonds is \$520,000. During fiscal year 2021, the capital appreciation bonds were paid off.

In August 2012, the District received authorization from the Ohio Schools Facility Commission to participate in the School Energy Conservation Financing Program pursuant to ORC 133.06. and authorization from the Ohio Department of Education to participate in Ohio's Qualified Zone Academy Bond (QZAB) Program pursuant to H.R. 2014, the Taxpayer Relief Act of 1997. The District subsequently issued \$1,510,000 in Energy Conservation Improvement Bonds through a private placement on October 2, 2012. The bonds mature on December 1, 2027. The District will repay debt and interest payments from the General Fund via the reduced energy cost, increased operational efficiency and QZAB interest subsidy.

On November 6, 2012, District voters approved a 15-year, 1.98 mill bond issue providing \$4,700,000 to improve building security, replace failing roofs and HVAC (heating, ventilation and air conditioning) systems, and to replace deteriorating parking lots and driveways. School Improvement Bond Anticipation Notes in the amount of \$4,700,000 were issued on January 15, 2013, with a October 30, 2013 maturity date. On October 29, 2013, the district issued \$4,500,000 in School Improvement Bonds through a private placement. These bonds were issued under Ohio's Qualified Zone Academy Bond (QZAB) Program, pursuant to H.R. 2014, the Taxpayer Relief Act of 1997. The QZAB School Improvement Bonds mature on December 16, 2025. Collection of bond fund tax receipts began in January 2013.

On March 31, 2020, the District issued School Improvement General Obligation Bonds in the amount of \$22,900,000. These bonds were used to redeem short-term BANS maturing on April 15, 2020 and serve as a long term funding source for the \$24,252,661 new K-6 elementary building and new synthetic turf field in the district's stadium. These bonds mature on December 1, 2049.

On November 17, 2020 the School District issued its \$3,620,000 School Improvement Unlimited Tax General Obligation Bonds, Series 2020 to pay the cost of constructing school facilities. The bonds mature on December 1, 2030 subject to mandatory sinking fund redemption payments and bear interest at a rate of 1.75% per annum. The bonds were privately placed with a single investor. The bonds are unlimited tax general obligation bonds, the School District has pledged its full faith and credit, including an ad valorem property tax without limit as to rate or amount.

Except for the Energy Conservation Bonds previously noted, all other 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 or the Termination Benefits Fund (Fund 035).

The District's Board of Education has approved a Retirement Assistance Plan. Participation is open to employees that agree to retire at the end of the school year in which they first become eligible (as determined by the retirement system). Employees that qualify will receive a severance per diem stipend of fifty percent (50%) of accumulated unused sick leave. Administrative employees that qualify receive 62.16% of their final contract salary. The year end liability is paid out in two installments. Employees not qualifying for the Retirement Assistance Program receive twenty-five percent (25%) of accumulated sick leave paid in September. Administrative employees that do not qualify receive 32.43% of their final contract salary. This liability is included in the Compensated Absences portion of the table above.

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.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Principal and interest requirements to retire general obligation debt outstanding at year end are as follows:

Fiscal Year Ending June 30	General Obligation Bonds		
	Principal	Interest	Total
2026	\$937,000	\$923,334	\$1,860,334
2027	572,000	906,656	1,478,656
2028	623,000	889,227	1,512,227
2029	530,000	874,756	1,404,756
2030	545,000	861,525	1,406,525
2031-2035	3,605,000	3,980,894	7,585,894
2036-2040	4,815,000	3,141,300	7,956,300
2041-2045	5,955,000	2,062,900	8,017,900
2046-2050	7,245,000	747,100	7,992,100
Total	<u>\$24,827,000</u>	<u>\$14,387,692</u>	<u>\$39,214,692</u>

In July 2010, Standard & Poor's increased the district's bond rating from "A" to "AA". In December 2012, Standard & Poor's assigned its "SP-1+" short-term rating to the district's school improvement bond anticipation notes and reaffirmed its long-term rating on the district's outstanding General Obligation Bonds.

Note 8 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

The net pension/OPEB liability (asset) 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

Finneytown Local School District
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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.

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.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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 \$377,110 for fiscal year 2025. Of this amount \$19,481 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.

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.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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 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 \$1,405,656 for fiscal year 2025. Of this amount \$234,276 is reported as accrued wages and benefits.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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	0.06498890%	0.07092510%	
Prior Measurement Date	<u>0.06142500%</u>	<u>0.06638404%</u>	
Change in Proportionate Share	<u>0.00356390%</u>	<u>0.00454106%</u>	
Proportionate Share of the Net Pension Liability	\$3,324,570	\$13,647,135	\$16,971,705
Pension Expense	\$252,088	\$602,720	\$854,807

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

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$126,929	\$859,412	\$986,341
Changes of assumptions	29,741	628,935	658,676
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	139,830	669,357	809,187
Contributions subsequent to the measurement date	<u>377,110</u>	<u>1,405,656</u>	<u>1,782,766</u>
Total Deferred Outflows of Resources	<u>\$673,610</u>	<u>\$3,563,360</u>	<u>\$4,236,970</u>
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$0	\$7,474	\$7,474
Changes of assumptions	0	473,407	473,407
Net difference between projected and actual earnings on pension plan investments	207,950	1,173,376	1,381,326
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	<u>172,918</u>	<u>380,151</u>	<u>553,069</u>
Total Deferred Inflows of Resources	<u>\$380,868</u>	<u>\$2,034,408</u>	<u>\$2,415,276</u>

\$1,782,766 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:

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	(\$215,584)	(\$807,707)	(\$1,023,291)
2027	182,683	1,317,349	1,500,032
2028	9,681	(281,654)	(271,973)
2029	(61,148)	(104,692)	(165,840)
Total	(\$84,368)	\$123,296	\$38,928

Actuarial Assumptions - SERS

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

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

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

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

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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:

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.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$5,086,132	\$3,324,570	\$1,841,430

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.

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:

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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	100.00%	

* Final target weights reflected at October 1, 2022.

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

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	\$22,015,221	\$13,647,135	\$6,569,173

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

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For the Fiscal Year Ended June 30, 2025

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

Finneytown Local School District
Notes to the Basic Financial Statements
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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 \$43,711.

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 \$43,711 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:

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	SERS	STRS	Total
Proportion of the Net OPEB Liability/Asset:			
Current Measurement Date	0.06535220%	0.07092510%	
Prior Measurement Date	0.06359380%	0.06638404%	
Change in Proportionate Share	0.00175840%	0.00454106%	
Proportionate Share of the:			
Net OPEB Liability	\$665,609	\$0	\$665,609
Net OPEB (Asset)	\$0	(\$1,345,314)	(\$1,345,314)
OPEB Expense	(\$120,163)	(\$307,574)	(\$427,737)

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

	SERS	STRS	Total
<u>Deferred Outflows of Resources</u>			
Differences between expected and actual experience	\$0	\$58,484	\$58,484
Changes of assumptions	285,679	165,589	451,268
Net difference between projected and actual earnings on OPEB plan investments	3,250	0	3,250
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	18,839	10,303	29,142
Contributions subsequent to the measurement date	43,711	0	43,711
Total Deferred Outflows of Resources	\$351,479	\$234,376	\$585,855
<u>Deferred Inflows of Resources</u>			
Differences between expected and actual experience	\$717,700	\$144,981	\$862,681
Changes of assumptions	305,756	606,728	912,484
Net difference between projected and actual earnings on OPEB plan investments	0	57,764	57,764
Changes in proportionate share and difference between employer contributions and proportionate share of contributions	131,170	29,643	160,813
Total Deferred Inflows of Resources	\$1,154,626	\$839,116	\$1,993,742

\$43,711 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:

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

Fiscal Year Ending June 30:	SERS	STRS	Total
2026	(\$211,019)	(\$210,548)	(\$421,567)
2027	(162,888)	(93,170)	(256,058)
2028	(118,581)	(118,027)	(236,608)
2029	(95,332)	(109,864)	(205,196)
2030	(94,354)	(89,335)	(183,689)
Thereafter	(164,684)	16,204	(148,480)
Total	(\$846,858)	(\$604,740)	(\$1,451,598)

Actuarial Assumptions – SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2024, compared with June 30, 2023, are presented below:

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	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 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.

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Notes to the Basic Financial Statements
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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.

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	\$887,566	\$665,609	\$489,234

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	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	\$449,927	\$665,609	\$949,106

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:

	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.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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:

<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	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 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.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	<u>1% Decrease</u> <u>(6.00%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.00%)</u>	<u>1% Increase</u> <u>(8.00%)</u>
District's proportionate share of the net OPEB asset	(\$1,093,829)	(\$1,345,314)	(\$1,564,160)

	<u>1% Decrease</u>	<u>Current</u> <u>Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB asset	(\$1,578,943)	(\$1,345,314)	(\$1,064,344)

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 – Contingencies

Foundation Funding

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. The final adjustment was not material and is not reflected in the accompanying financial statements.

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 not a party to legal proceedings.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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 fiscal year 2025, the District contracted with Liberty Mutual Insurance for property, boiler and machinery insurance and for general liability insurance.

The District maintains blanket building and contents insurance coverage on its assets with a \$74,962,572 limit of liability and a \$5,000 deductible. Vehicles have a \$500 deductible for comprehensive, \$500 deductible for collision and a \$1,000,000 single limited liability. Settlement amounts have not exceeded insurance coverage for any of the past three fiscal years.

The District maintains general liability insurance with limits of \$1,000,000 each occurrence, \$3,000,000 aggregate. The District also has \$1,000,000 umbrella liability coverage over both general and automobile liability limits.

The District maintains a cyber insurance program for breach costs, cyber liability, eCrime loss, cyber extortion loss, first party loss and legal defense with a \$1,000,000 limit and a \$10,000 deductible. The Treasurer has a separate bond through Ohio Casualty Insurance Company in the amount of \$20,000.

For fiscal year 2025 the District provided employee medical/surgical benefits through the Greater Cincinnati Insurance Consortium.

Note 12 – Jointly Governed Organizations

Great Oaks Career Campuses - Great Oaks Career Campuses (Great Oaks) is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative each of the participating school districts' elected board. Great Oaks possesses its own budgeting and taxing authority. To obtain financial information, contact the Treasurer at Great Oaks Career Campuses, 3254 East Kemper Road, Cincinnati, Ohio 45241.

Hamilton Clermont Cooperative Information Technology Center – The District is a participant in the Hamilton Clermont Cooperative Information Technology Center (HCC), a regional Information Technology Center (ITC) established by the state of Ohio. HCC is a member of the Ohio Educational Computer Network. HCC provides data and Internet services for public and non-public schools in the Greater Cincinnati Metropolitan Area. The governing board of HCC consists of the superintendents and treasurers of the participating members. To obtain financial information, contact the Director at HCC, 1007 Cottonwood Dr, Loveland, Ohio 45140.

Unified Purchasing Cooperative of the Ohio River Valley - The Unified Purchasing Cooperative of the Ohio River Valley is a jointly governed organization among a two-county consortium of school districts. The Unified Purchasing Cooperative was organized to benefit member districts with a more economically sound purchasing mechanism for general school, office, and cafeteria supplies. The Unified Purchasing Cooperative organization is governed by representatives from each of the governments that create the organization, but there is no ongoing financial interest or responsibility by the participating governments.

Greater Cincinnati Insurance Consortium – The District is a member of the Greater Cincinnati Insurance Consortium (GCIC) which is a group insurance consortium. The Consortium is a jointly governed organization with member governmental entities and provides a wide range of group insurance benefits to each member schools employees and dependents and designated beneficiaries. The purpose of the

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

consortium is to establish and maintain a fund to provide and/or purchase health insurance, dental insurance, life insurance and other insurance benefits to employees, their dependents and designated beneficiaries. The consortium is governed by a Board of Directors made up from one representative of each school district/service center. Financial information can be obtained from the Greater Cincinnati Insurance Consortium at 11083 Hamilton Avenue, Cincinnati, Ohio 45231.

Note 13 - Set-Aside Calculations

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

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

	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2024	\$0
Current Year Set Aside Requirements	288,677
Qualified Disbursements	(574,627)
Current Year Offsets	0
Set Aside Reserve Balance as of June 30, 2025	<u>(\$285,950)</u>
Restricted Cash as of June 30, 2025	<u>\$0</u>
Carried Forward to FY 2026	\$0

For fiscal year ended June 30, 2025, the School District was required to set aside funds in the budget reserve set-aside in the amount of \$0. The available offset remaining for future years is \$7,016,797.

Note 14 – 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 funds and all other governmental funds are presented below:

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Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

<u>Fund Balances</u>	<u>General</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nondisposable:						
Prepays	\$14,149	\$0	\$0	\$0	\$1,604	\$15,753
Total Nondisposable	14,149	0	0	0	1,604	15,753
Restricted for:						
Student Activity	0	0	0	0	43,657	43,657
Wellness Committee	0	0	0	0	418	418
Other Grant funds	0	0	0	0	1,195,840	1,195,840
Athletic	0	0	0	0	144,968	144,968
Auxiliary Services	0	0	0	0	16,269	16,269
Classrooms Facilities Maintenance	0	0	0	0	596,594	596,594
Termination Benefits	0	0	0	0	180,000	180,000
Food Service	0	0	0	0	3,779	3,779
Debt Service	0	0	0	0	2,997,372	2,997,372
Classroom Facilities	0	0	4,479,230	0	0	4,479,230
Building	0	6,077,851	0	0	0	6,077,851
Permanent Improvement	0	0	0	0	2,055,548	2,055,548
Total Restricted	0	6,077,851	4,479,230	0	7,234,445	17,791,526
Assigned to:						
Budgetary	758,163	0	0	0	0	758,163
Public School Support	30,298	0	0	0	0	30,298
Building/Capital Improvements	0	2,138,378	0	0	0	2,138,378
Capital Project Master Plan	0	0	0	7,700,469	0	7,700,469
Total Assigned	788,461	2,138,378	0	7,700,469	0	10,627,308
Unassigned (Deficit)	13,772,739	0	0	0	(863,955)	12,908,784
Total Fund Balance	\$14,575,349	\$8,216,229	\$4,479,230	\$7,700,469	\$6,372,094	\$41,343,371

Note 15 – Accountability

The following individual funds had a deficit balance at year end:

<u>Fund</u>	<u>Amount</u>
Other Governmental Funds:	
Special Education	\$67,381
Title I	29,550
Drug-Free School Grant	1,880
ESSER	763,540

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

Note 16 - Interfund Transactions

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

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$862,457	\$0	\$0	\$4,580,291
Classroom Facilities	0	0	148,291	0
Capital Projects	0	0	4,250,000	0
Other Governmental Funds	0	862,457	182,000	0
Total All Funds	<u>\$862,457</u>	<u>\$862,457</u>	<u>\$4,580,291</u>	<u>\$4,580,291</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.

Note 17 – Construction And 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:

Building Fund	6,805,575
Classroom Facilities	26,116,551
All Other Governmental Funds	612,771

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 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.

Finneytown Local School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025

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
	<u>Activities</u>
Net Position-Beginning of Year, as Previously Presented	\$46,820,416
Change in Accounting Principal- Adoption of GASB 101	<u>(2,473,894)</u>
Net Position-Beginning of Year, as Restated or Adjusted	<u><u>\$44,346,522</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

Finneytown Local 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	0.06498890%	\$3,324,570	\$2,576,643	129.03%	78.52%
2024	0.06142500%	3,394,048	2,588,214	131.13%	76.06%
2023	0.06844570%	3,702,076	2,541,807	145.65%	75.82%
2022	0.06686870%	2,467,261	2,183,386	113.00%	82.86%
2021	0.06892540%	4,558,871	2,545,136	179.12%	68.55%
2020	0.07211830%	4,314,964	2,337,556	184.59%	70.85%
2019	0.06615500%	3,788,819	2,327,230	162.80%	71.36%
2018	0.08052140%	4,810,976	2,692,636	178.67%	69.50%
2017	0.08877980%	6,497,862	2,757,171	235.67%	62.98%
2016	0.08803340%	5,023,271	2,871,624	174.93%	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.

Finneytown Local 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	\$377,110	(\$377,110)	\$0	\$2,693,643	14.00%
2024	360,730	(360,730)	0	2,576,643	14.00%
2023	362,350	(362,350)	0	2,588,214	14.00%
2022	355,853	(355,853)	0	2,541,807	14.00%
2021	305,674	(305,674)	0	2,183,386	14.00%
2020	356,319	(356,319)	0	2,545,136	14.00%
2019	315,570	(315,570)	0	2,337,556	13.50%
2018	314,176	(314,176)	0	2,327,230	13.50%
2017	376,969	(376,969)	0	2,692,636	14.00%
2016	386,004	(386,004)	0	2,757,171	14.00%

See accompanying notes to the required supplementary information.

Finneytown Local 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	0.07092510%	\$13,647,135	\$9,208,114	148.21%	82.55%
2024	0.06638404%	14,295,762	10,209,600	140.02%	80.02%
2023	0.06869128%	15,270,159	7,907,143	193.12%	78.88%
2022	0.06986971%	8,933,470	9,499,200	94.04%	87.78%
2021	0.07069996%	17,106,875	8,568,857	199.64%	75.48%
2020	0.07270026%	16,077,226	8,608,714	186.76%	77.40%
2019	0.07515436%	16,524,757	8,795,571	187.88%	77.30%
2018	0.07675170%	18,232,531	8,577,600	212.56%	75.30%
2017	0.07548912%	25,268,484	8,062,029	313.43%	66.80%
2016	0.07290720%	20,149,418	7,435,371	270.99%	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.

Finneytown Local 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	\$1,405,656	(\$1,405,656)	\$0	\$10,040,400	14.00%
2024	1,289,136	(1,289,136)	0	9,208,114	14.00%
2023	1,429,344	(1,429,344)	0	10,209,600	14.00%
2022	1,107,000	(1,107,000)	0	7,907,143	14.00%
2021	1,329,888	(1,329,888)	0	9,499,200	14.00%
2020	1,199,640	(1,199,640)	0	8,568,857	14.00%
2019	1,205,220	(1,205,220)	0	8,608,714	14.00%
2018	1,231,380	(1,231,380)	0	8,795,571	14.00%
2017	1,200,864	(1,200,864)	0	8,577,600	14.00%
2016	1,128,684	(1,128,684)	0	8,062,029	14.00%

See accompanying notes to the required supplementary information.

Finneytown Local 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	0.06535220%	\$665,609	\$2,576,643	25.83%	44.50%
2024	0.06359380%	1,047,673	2,588,214	40.48%	30.02%
2023	0.06742260%	946,620	2,541,807	37.24%	30.34%
2022	0.06774880%	1,282,202	2,183,386	58.73%	24.08%
2021	0.07058380%	1,534,017	2,545,136	60.27%	18.17%
2020	0.07247850%	1,822,682	2,337,556	77.97%	15.57%
2019	0.06664270%	1,848,849	2,327,230	79.44%	13.57%
2018	0.08226440%	2,207,760	2,692,636	81.99%	12.46%
2017	0.08985675%	2,561,250	2,757,171	92.89%	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.

Finneytown Local 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	\$43,711	(\$43,711)	\$0	\$2,693,643	1.62%
2024	41,966	(41,966)	0	2,576,643	1.63%
2023	48,577	(48,577)	0	2,588,214	1.88%
2022	30,918	(30,918)	0	2,541,807	1.22%
2021	37,975	(37,975)	0	2,183,386	1.74%
2020	40,899	(40,899)	0	2,545,136	1.61%
2019	49,232	(49,232)	0	2,337,556	2.11%
2018	45,545	(45,545)	0	2,327,230	1.96%
2017	47,398	(47,398)	0	2,692,636	1.76%
2016	44,986	(44,986)	0	2,757,171	1.63%

(1) Includes surcharge.

See accompanying notes to the required supplementary information.

Finneytown Local 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	0.07092510%	(\$1,345,314)	\$9,208,114	(14.61%)	158.01%
2024	0.06638404%	(1,291,078)	10,209,600	(12.65%)	168.52%
2023	0.06869128%	(1,778,646)	7,907,143	(22.49%)	230.73%
2022	0.06986971%	(1,473,146)	9,499,200	(15.51%)	174.73%
2021	0.07069996%	(1,242,551)	8,568,857	(14.50%)	182.13%
2020	0.07270026%	(1,204,091)	8,608,714	(13.99%)	174.74%
2019	0.07515436%	(1,207,654)	8,795,571	(13.73%)	176.00%
2018	0.07675170%	2,994,568	8,577,600	34.91%	47.10%
2017	0.07548912%	4,037,177	8,062,029	50.08%	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.

Finneytown Local 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	\$10,040,400	0.00%
2024	0	0	0	9,208,114	0.00%
2023	0	0	0	10,209,600	0.00%
2022	0	0	0	7,907,143	0.00%
2021	0	0	0	9,499,200	0.00%
2020	0	0	0	8,568,857	0.00%
2019	0	0	0	8,608,714	0.00%
2018	0	0	0	8,795,571	0.00%
2017	0	0	0	8,577,600	0.00%
2016	0	0	0	8,062,029	0.00%

See accompanying notes to the required supplementary information.

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$10,892,003	\$11,057,378	\$11,330,992	\$273,614
Revenue in lieu of taxes	402,401	408,510	418,619	10,109
Tuition and Fees	394,324	400,311	410,217	9,906
Investment Earnings	1,229,713	1,248,384	1,279,275	30,891
Intergovernmental	7,797,178	7,915,564	8,111,434	195,870
Charges for Services	22,879	23,226	23,801	575
Other Revenues	360,046	365,512	374,557	9,045
Total Revenues	21,098,544	21,418,885	21,948,895	530,010
Expenditures:				
Current:				
Instruction:				
Regular	6,292,532	7,335,928	7,417,221	(81,293)
Special	2,997,733	3,494,803	3,533,530	(38,727)
Vocational	26,591	31,000	31,344	(344)
Other	69,470	80,990	81,887	(897)
Support Services:				
Pupil	1,334,046	1,555,251	1,572,485	(17,234)
Instructional Staff	983,573	1,146,664	1,159,371	(12,707)
General Administration	24,858	28,980	29,301	(321)
School Administration	1,441,811	1,680,885	1,699,512	(18,627)
Fiscal	611,965	713,438	721,344	(7,906)
Business	283,224	330,187	333,846	(3,659)
Operations and Maintenance	1,286,180	1,499,448	1,516,064	(16,616)
Pupil Transportation	1,320,103	1,538,996	1,556,050	(17,054)
Central	160,671	187,312	189,388	(2,076)
Operation of Non-Instructional Services	95,317	111,122	112,353	(1,231)
Extracurricular Activities	346,949	404,479	408,961	(4,482)
Debt Service:				
Principal Retirement	101,000	99,893	101,000	(1,107)
Interest and Fiscal Charges	(938)	16,760	16,946	(186)
Total Expenditures	17,375,085	20,256,136	20,480,603	(224,467)
Excess of Revenues Over (Under) Expenditures	3,723,459	1,162,749	1,468,292	305,543
Other financing sources (uses):				
Proceeds from Sale of Capital Assets	4,594	4,664	4,779	115
Advances (Out)	(731,681)	(853,004)	(862,457)	(9,453)
Transfers (Out)	(3,885,772)	(4,530,091)	(4,580,291)	(50,200)
Total Other Financing Sources (Uses)	(4,612,859)	(5,378,431)	(5,437,969)	(59,538)
Net Change in Fund Balance	(889,400)	(4,215,682)	(3,969,677)	246,005
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	13,988,263	13,988,263	13,988,263	0
Fund Balance - End of Year	\$13,098,863	\$9,772,581	\$10,018,586	\$246,005

See accompanying notes to the Required Supplementary Information.

Finneytown Local School District
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 the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. Any budgetary modification at this level may only be made by resolution of the Board of Education.

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

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 the Board during the year.

While the District is reporting financial position, results of operations and changes in fund balance/retained earnings 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 Combined Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and 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 a
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

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

Finneytown Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

Net Change in Fund Balance

	General
GAAP Basis	(\$1,406,455)
Revenue Accruals	(936,861)
Expenditure Accruals	(768,683)
Proceeds of Capital Assets	4,779
Advances (Out)	(862,457)
	<u>(\$3,969,677)</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%,
- (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.

Finneytown Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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.

Finneytown Local School District
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.

Finneytown Local School District
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.

Finneytown Local School District
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.

Finneytown Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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%
 - 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%

Finneytown Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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,
- (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.

Finneytown Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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.

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.

Finneytown Local School District
Notes to the Required Supplementary Information
For The Fiscal Year Ended June 30, 2025

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.

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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**FINNEYTOWN LOCAL SCHOOL DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Special Education Cluster:			
Special Education-Grants to States	84.027	3M20	844,111
Special Education-Preschool Grants	84.173	3C50	<u>7,854</u>
Total Special Education Cluster			<u>851,965</u>
Title I Grants to Local Educational Agencies	84.010	3M00	413,176
English Language Acquisition State Grants	84.365	3Y70	21,110
Supporting Effective Instruction State Grants	84.367	3Y60	56,899
Student Support and Academic Enrichment Program	84.424	3HI0	40,353
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief Fund	84.425U	3HS0	925,932
Total U.S. Department of Education			<u>2,309,435</u>
Total Expenditures of Federal Awards			<u>\$2,309,435</u>

The accompanying notes are an integral part of this schedule.

**FINNEYTOWN LOCAL SCHOOL DISTRICT
HAMILTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
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 Finneytown Local 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 or changes in net position of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

OHIO AUDITOR OF STATE KEITH FABER

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

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

Finneytown Local School District
Hamilton County
8791 Brent Drive
Cincinnati, Ohio 45231

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Finneytown Local School District, Hamilton 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 19, 2026. We also noted the District adopted new accounting guidance in Governmental Accounting Standards Board Statement 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2025-001 and 2025-002 that we consider to be material weaknesses.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2025-002.

District's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying schedule of findings. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 19, 2026

OHIO AUDITOR OF STATE KEITH FABER

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

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

Finneytown Local School District
Hamilton County
8791 Brent Drive
Cincinnati, Ohio 45231

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Finneytown Local School District's, Hamilton County, Ohio (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2025. The Finneytown Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

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.

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

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 19, 2026

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**FINNEYTOWN LOCAL SCHOOL DISTRICT
HAMILTON 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)?	Yes
(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)?	Yes
(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):	AL 84.425U American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ESSER)
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

FINDING NUMBER 2025-001

Material Weakness

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparisons and to allow the Board to make informed decisions regarding budgetary matters.

The appropriation resolution and subsequent amendments establish the legal spending authority of the District and the appropriation ledger provides the process by which the District controls spending. It is therefore necessary that the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

FINDING NUMBER 2025-001
(Continued)

The original certificate and amendments establish the amounts available for expenditures by the District and the receipts ledger provides the process by which the District controls what is available. It is therefore necessary that the amounts estimated by the County Budget Commission are accurately posted to the receipts ledger.

On June 30, 2025, the budgeted amounts posted to the District's accounting system varied from the Certificate of Estimated Resources certified by the County Budget Commission as follows:

Fund	Estimated Receipts Per Certificate of Estimated Resources	Estimated Receipts Amount Posted to Accounting System	Variance
General Fund (001)	\$21,423,550	\$21,953,674	(\$530,124)
Debt Retirement (002)	1,919,315	1,808,418	110,897
Permanent Improvement (003)	267,523	265,332	2,191
Building (004)	154,250	297,057	(142,807)
Uniform School Supplies (009)	28,000	40,928	(12,928)
Classroom Facilities (010)	9,003,531	3,929,157	5,074,374
Public School Support (018)	25,000	28,093	(3,093)
Other Grants (019)	172,188	164,567	7,621
Classroom Facilities Management (034)	100,466	101,751	(1,285)
Capital Projects (070)	1,000,000	4,250,000	(3,250,000)
Student Managed Student Activity (200)	16,000	16,879	(879)
District Managed Student Activity (300)	140,000	124,289	15,711
Auxiliary Services (401)	290,000	318,757	(28,757)
Data Communications for School Buildings (451)	3,600	3,982	(382)
IDEA, Part B, Special Education (516)	1,004,179	847,372	156,807
Title III – Language Instruction for English Learners and Immigrant Students (551)	23,104	21,110	1,994
Title I – Disadvantaged Children/Targeted Assistance (572)	479,780	413,176	66,604
Student Support and Academic Enrichment Program (584)	68,292	40,353	27,939
Improving Teacher Quality (590)	87,421	62,546	24,875

At June 30, 2025, the budgeted appropriations posted to the District's accounting system varied from the appropriations approved by the Board as follows:

FINDING NUMBER 2025-001
(Continued)

Fund	Appropriations Approved by the Board	Amount Posted to Accounting System	Variance
General Fund (001)	\$25,639,231	\$25,923,342	\$(284,111)
Building (004)	6,898,647	6,906,857	(8,210)
Uniform School Supplies (009)	26,770	24,169	2,601
Public School Support (018)	22,878	22,678	200
Other Grants (019)	453,516	454,098	(582)
Student Managed Student Activity (200)	10,050	10,333	(283)
District Managed Student Activity (300)	143,119	149,434	(6,315)
Auxiliary Services (401)	362,366	361,300	1,066

The District did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by the Board were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) were not properly posted to the accounting system.

Failure to accurately post the estimated resources and appropriations to the accounting system could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the District should establish and implement control procedures to help ensure accurate posting to the accounting system, on a timely basis, estimated resources as certified by the County Budget Commission and appropriations approved by the Board. The District should then monitor budget versus actual reports to help ensure the certificate of estimated resources and appropriations have been accurately posted to the accounting system.

Officials' Response:

See Corrective Action Plan

FINDING NUMBER 2025-002

Noncompliance/Material Weakness

Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure therefrom, as certified by the county budget commission, or in case of appeal, by the board of tax appeals. No appropriation measure shall become effective until the county auditor files with the appropriating authority a certificate that the total appropriations from each fund, taken together with all other outstanding appropriations, do not exceed such official estimate or amended official estimate. For purposes of this section of the Ohio Revised Code, estimated revenue is commonly referred to as "estimated resources" because it includes unencumbered fund balances.

At June 30, 2025 the District's appropriations exceeded the amount certified as available by the budget commission in the Classroom Facilities, Auxiliary Service and Data Communication funds by \$(17,214,013), \$(25,627) and \$(382), respectively.

FINDING NUMBER 2025-002
(Continued)

Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the District's compliance monitoring policies and procedures could result in overspending and negative cash fund balances.

The District should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the District should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed by the Board to reduce the appropriations.

Officials' Response:

See Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
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None



FINNEYTOWN

LOCAL SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

June 30, 2025

Finding Number: 2025-01
Planned Corrective Action: The District will ensure approved budgetary amounts are entered into the accounting system.
Anticipated Completion Date: June 30, 2026
Responsible Contact Person: Anita E. Ruffin, Treasurer

Finding Number: 2025-02
Planned Corrective Action: The District will ensure that all funds received and expended in each fund are properly reflected in the latest Certificate of Estimated Resources and that appropriations do not exceed estimated resources.
Anticipated Completion Date: June 30, 2026
Responsible Contact Person: Anita E. Ruffin, Treasurer

OHIO AUDITOR OF STATE KEITH FABER



FINNEYTOWN LOCAL SCHOOL DISTRICT

HAMILTON 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