

NORDONIA HILLS CITY



SCHOOL DISTRICT

Northfield, Ohio



“Inspiring every student to value learning, community and excellence.”

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

Nordonia Hills City School District

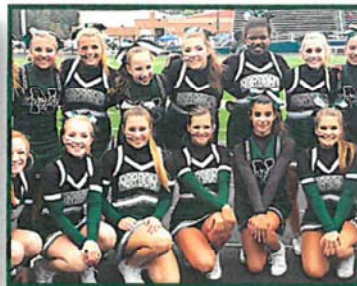
Northfield, Ohio

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017**



Prepared by:

Karen E. Obratil, Treasurer/CFO



Introductory Section

Nordonia Hills City School District
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017
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December 29, 2017

Board of Education Members and
Residents of Nordonia Hills City School District

It is our privilege to present to you the Comprehensive Annual Financial Report (CAFR) of the Nordonia Hills City School District (the “School District”) for the fiscal year ended June 30, 2017. This CAFR, which includes an opinion from the Auditor of the State of Ohio, enables the School District to comply with the Ohio Administrative Code Section 117-2-03 (B), requiring districts to report on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 requiring districts to report on a GAAP basis and to file an unaudited annual report with the Auditor of State within 150 days of fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this CAFR, based upon a comprehensive framework of internal controls that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. All disclosures necessary to enable the reader to gain an understanding of the School District’s financial activities have been included.

The report provides the taxpayers of the School District, bond rating agencies, and other interested parties with comprehensive financial information, enabling them to gain a clear understanding of the School District’s finances. This report is intended to meet the accountability requirements of the School District to the public.

Copies of this report will be on file in the Central Offices as well as on the School District’s website, www.nordoniaschools.org.

Management’s discussion and analysis (MD&A) immediately follows the Independent Auditor’s Report and provides a narrative introduction, overview, and analysis of the basis financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

School District Organization

Nordonia Hills City School District is one of 611 school districts in the State of Ohio and one of 17 school districts in Summit County. The School District is located in the northern tip of historical Summit County, Ohio. The School District serves the picturesque communities of Northfield Center, Northfield Village, Boston Heights, Macedonia and Sagamore Hills. Easy access to the area is provided by Interstates 80, 271 and 480 and State Routes 8 and 82. Major hospitals, Cleveland Hopkins International Airport and over twenty institutions of higher learning are within a thirty-minute drive. The School District’s communities are predominantly suburban-residential with a population exceeding 32,000. The socio-economic make-up ranges from middle to upper income.

Today the municipalities of Macedonia, Northfield Center, Northfield Village and Sagamore Hills occupy the boundaries of what was once known as “Olde Northfield Township” which was established in 1819. It was one of the early communities of the Connecticut Western Reserve known as Town 5, Range 11, and occupied approximately 27 square miles. A complete history of Olde Northfield Township was written by

Bessie Goosman and published in 1973. Olde Northfield Township's population grew to 1,076 where it remained through 1905 when several clusters of developments began to occur. In 1912, the eastern side of the township became the Village of Macedonia and the Township reorganized into a village. In 1932, the western portion of the Olde Northfield Village separated and became Sagamore Hills Township. A few years later in 1935, the middle section located between Macedonia and Sagamore Hills became Northfield Center when another group of residents broke away from what is known today as Northfield Village.

The School District has its roots in a one-room log schoolhouse built in 1827. The first Macedonia school was established in 1833 and located on Valley View Road at the present site of the Pavilion Building. In 1881, identical schools known as the "Old Brick Schools" were built in Macedonia and Northfield. Centralization of schools began in 1908 and students were educated in a variety of locations in the communities until a complete consolidation occurred in 1948. Soon thereafter the area began to grow in population and Lee Eaton Elementary, Ledgeview Elementary, Rushwood Elementary and the Nordonia High School were constructed. The School District evolved into an all-time high student enrollment of 5,700 pupils in 1971, then declined to a low of 2,800 in 1991. Following this period of declining enrollment, the School District has grown thirty percent through 2017.

The School District educates 3,629 pupils in six community schools: Ledgeview Elementary (K-4), Northfield Elementary (K-4), Rushwood Elementary (K-4), Lee Eaton Elementary (5-6), Nordonia Middle School (7-8) and Nordonia High School (9-12). Enrollment is projected to decrease slightly over the next ten years.

The Board of Education (the "Board") of the School District is comprised of five members elected at large by the citizens of the School District. The Board serves as the taxing authority, contracting body, and policy initiator for the operations of the School District. The Board is responsible for the adoption of the tax budget, the annual operating budget, and approves all expenditures of the School District. The Board is a separate and distinct unit of government, and is governed by the Constitution of the State of Ohio and various statutes enacted by the Ohio General Assembly through the State Department of Education. The Board directly approves all personnel-related expenditures.

The Superintendent is the chief executive officer of the School District, responsible to the Board for total educational and support operations. Dr. Joe Clark has served as Superintendent since November 2011.

The Treasurer is the chief financial officer of the School District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the School District, acting as custodian of all School District funds, investing idle funds as permitted by Ohio law and serves as Secretary to the Board. Karen E. Obratil was appointed as Treasurer of the School District on August 1, 2012 and has a total of twenty years of experience.

Reporting Entity

The School District has reviewed its operating entity definition in order to insure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity." In evaluating how to define the School District for financial reporting purposes, management has considered all agencies, departments and organizations making up the School District (the primary government) and its potential component units. The School District is not a component unit and has no component units.

The City of Macedonia, Sagamore Township, Northfield Center, Northfield Village or the City of Boston Heights, Summit County Public Library, Parent Teacher Organization and the Nordonia Hills School Foundation have not been included in the accompanying financial statements. The boards are not appointed by the School District, nor are the organizations fiscally dependent on the School District.

Northeast Ohio Network for Educational Technology (NEOnet), the Ohio Schools Council, the Cuyahoga Valley Career Center and the Stark County Schools Council of Governments are reported as jointly governed organizations and a risk sharing pool. Statutorily, the School District operates under the standards prescribed by the Ohio State Board of Education as provided in division (D) of Section 3301.07 of the Ohio Revised Code, to provide education services prescribed by State and Federal agencies.

Economic Condition and Outlook

The School District is located conveniently between the metropolitan cities of Akron and Cleveland, providing a wealth of opportunity for cultural, social and economic resources for its residents. Three major State universities, The University of Akron, Cleveland State University and Kent State University, are within desirable traveling distance of the community.

The Nardon Hills communities offer an excellent opportunity for business growth and expansion. It is a healthy, stable environment. The City of Macedonia actively stimulates the economy through a diverse group of employers, from small family operated businesses to the major commercial/industrial corporation.

As of June 2017, Ohio's unemployment rate was 5.0 percent, the nation's unemployment rate was 4.4 percent, and the unemployment rate for Summit County was 5.3 percent. Specific unemployment figures for the Nardon Hills City School District are not available. (Source: Ohio Job and Family Services)

On a budgetary-basis, the School District receives approximately 68.6 percent of its total operating revenues from local property tax collections. Therefore, the long-term financial health of the School District is very dependent on its tax base. Tax rates are certified by the Summit County Fiscal Office and approved by the Board.

Employee Relations

The School District currently has approximately 455.9 full-time equivalent employees. Two labor organizations represent School District employees. Certificated employees, including teachers and educational specialists, are represented for collective bargaining purposes by the Nardon Hills Education Association (NHEA). Support employees, including cooks, custodians, maintenance, educational aides and clerical staff, are represented for collective bargaining purposes by the Ohio Association of Public School Employees Local 246 (OAPSE).

Services Provided

The School District provides a wide variety of educational and support services as mandated by the Ohio Revised Code or Board directives. During fiscal year 2017, the School District's fleet of 14 buses and 22 contracted buses traveled 2,228 miles each day providing transportation services to 2,084 public and 345 private and parochial students. The School District contracts with Petermann for pupil transportation services. The Nutrition Services Department served an average of 1,268 meals daily for a total of 220,581 meals annually through the School District school lunchrooms.

In addition to transportation and school lunch support services offered to children in the School District, guidance, special education and health services are available free of charge. Guidance services support the school environment and are designed to help students achieve a well-adjusted social life. Special education services, including school psychology services, are provided to all Federal disability categories ranging from preschool-age students through high school. The School District provides medical support staff through Akron Childrens' Hospital who are committed to meeting the daily health care needs of all students as well as the long-term needs of children with chronic illnesses.

At the center of the School District's services are the instructional programs. The School District offers regular instructional programs daily to students in pre-school to grade twelve. The School District served approximately 392 identified students who need specially designed programs. These students received services through a wide array of special education programs offered in the School District.

Educational Programs

The School District earned one of the top Ohio Department of Education report cards out of school districts in Summit County for fiscal year 2017. For the fifth year in a row, the School District showed above average growth of Overall Value Added throughout the School District; meaning, students learned more than one year of material in one school year.

The Class of 2017 had 62 students awarded the Ohio Diploma with Honors, 77 graduated with distinction (3.75 GPA), one student received the State award of merit Career-Technical Honors, 50 graduated with merit (3.35 GPA) and 56 students received the Superintendent Award by maintaining a 4.0 grade-point average for their first seven semesters of high school. One student was named a National Merit Commended Scholar, placing him among the top five percent of the more than 1.5 million who entered the competition.

For the 14 Advanced Placement classes taught at Nordonia, 227 students took 428 exams to successfully complete their program. Advanced Placement offerings are: biology, calculus AB, calculus BC, chemistry, comparative government and politics, English literature and composition, music theory, European history, physics B, physics C, psychology, statistics, U.S. government and politics and U.S. history.

Participation in performing and visual arts inspires students' creativity, problem solving and critical-thinking skills. All of the Nordonia High School's Choirs (men's, women's, and chorale) received State Superior ratings at the OMEA State contest. This was a first for the choral program. The Nordonia Middle School choir has a 32 percent student participation rate and the school's band program has a 40 percent participation rate. The Lee Eaton Elementary sixth grade choir program has tripled in size since its start in 2014 when there were 34 choir students. Last year, more than 100 sixth graders were involved in the program.

The Nordonia Marching Band was awarded Grand Champion, as well as first place Music and General Effect overall at the Norton Festival of Bands. At the New Philadelphia Festival of Bands, the Nordonia Marching Band was awarded Grand Champion, as well as first place in five categories: Music, general effect, visual effect, percussion, and auxiliary. The Nordonia Marching Band finished in sixth place out of 24 bands in Class AA of the Bands of America Grand National Finals in Indianapolis, Indiana.

More than 60 high school band students performed in 28 performances at this year's OMEA District VI Solo and Ensemble Adjudicated Event. Of the 28 participating entries, 22 earned the highest possible rating of Superior (I).

The Nordonia High School Drama Club presented *Les Miserables* (School Edition), easily one of the club's largest productions to date. The production involved almost 100 students from four different schools on and off the stage. The Drama Club participated in the second annual Dazzle Awards at Playhouse Square. The Dazzle Awards are high school musical awards for Northeast Ohio. The club's production of *Les Miserables* received two nominations: Best Student Orchestra and Best Actor in a Musical.

Thirty-five students from all grade levels participated in YouLEAD, a four-part program sponsored by the Diversity Center of Northeast Ohio. The students participated in four sessions: Diversity 101, cyberbullying, student leadership, and action planning. YouLEAD promotes student leadership relative to the awareness of diversity issues, building leadership skills and promoting the creation of an inclusive school environment.

During fiscal year 2017, the Nordon Hills High School physical education department offered electives, in addition to the standard physical education classes required for graduation. In ninth through twelfth grades, 714 students achieved 60 minutes of activity daily by enrolling in physical education electives: Lifetime Fitness, Recreational Sports and Games, and Dance and Exercise. Out of the 714 students enrolled, 394 (55 percent) enrolled by choice in the electives, which reflects the value that the School District's students put on participating in physical education as part of their school day.

The School District is committed to provide support services to meet the emotional, physical, and social needs of all students. The School District also is committed to enhance learning and remove barriers that inhibit students through collaboration with parents, students, community, and staff. Sixteen percent of the students were identified as gifted; 2.07 percent identified as English Language Learners (ELL) and 10.8 percent identified as students with disabilities. Nordon provides a continuum of special education services for students ages 3 to 22. The School District strives for an integrated learning environment between general education and special education classrooms. All school staff take responsibility for providing an individualized education plan to meet the needs of students to ensure access to the general curriculum.

A well-rounded education includes a wide variety of opportunities. In fiscal year 2017, 698 students filled the rosters of 25 interscholastic sports at Nordon High School. Nordon High School students may participate in football, cheerleading, volleyball, soccer, cross country, golf, tennis, ice hockey, track and field, swimming and diving, gymnastics, wrestling, basketball, bowling, baseball and softball. The average grade-point average of high school students participating in athletics was 3.593. Nordon Middle School students may participate in football, cross country, volleyball, basketball, wrestling, track and cheerleading. The participation rate for athletic teams at the middle school is 41 percent.

Nordon Middle School students can earn high school credit in accelerated math, algebra, high school geometry and Spanish. Eighth-graders take an annual field trip to Washington, D.C. Middle School offers activities and leadership opportunities for students through groups such as Student Council, Power of the Pen, Knighted Gentlemen, Science Olympiad, office aides, student aides, Junior Teen Institute, Drama Club, Charity Club, PTSA, WEB transition program and YMCA Teen Leaders.

Lee Eaton Elementary School offered after-school programs including Young Rembrants, an art program for fifth and sixth grade students and Prevent and Neutralize Drug and Alcohol Abuse (PANDA), a youth-led, adult-guided drug education and prevention program taught by Zach Miley. Other programs included yoga, upward math, student council, and ski club. The school also started a Genius lab that houses a 3-D printer, green-screen technology, ozobots, and Lego RV3 robots that are used by teachers throughout the school year.

The School District, with the support of Special Olympics Area 10, hosted the first annual K-12 Special Olympics track and field day. The event hosted 11 school districts with more than 140 student-athletes who participated in their choice of three events out of a possible 15 events. Through the generous support of a wide array of community members and local organizations, this event provided family members the opportunity to watch their child participate at a school function that was solely focused on the Special Olympic student-athlete.

All high school students are required to have 20 community service hours completed and documented in order to graduate. The class of 2017 completed more than 13,000 hours of community service.

The senior job-shadow program provided a unique opportunity for 222 seniors to experience life outside the walls of the high school. This program allowed community members to interact with seniors and gave seniors a chance to see first-hand what various careers are like. Students completed journals of their experiences, then returned to school at the conclusion of their projects to make presentations.

Leveled literacy intervention was implemented across all elementary levels with instruction provided by Title I and classroom teachers to build at-risk students' literacy skills.

Community

As part of the School District's strategic plan, the Financial Activities Communications Team (FACT) was formed in January of 2013 and consists of residents with financial backgrounds. FACT meets with the School District Treasurer/CFO to review and discuss the financial activities of the School District. Annually, FACT presents a report to the Board providing input on issues that they reviewed.

The Nordonia Hills Schools Foundation provides grants to teachers for educational and instructional programs.

The Nordonia Hills Chamber of Commerce, in conjunction with the School District, hosted its 24th annual Community Expo at Nordonia High School focusing on local area businesses.

In conjunction with the PTSA Council, the School District held its fourth annual Winter Art and Music Festival showcasing art and music from every district building.

The annual Family Always First Night provides an opportunity for families to spend time together without extracurricular or homework activities interfering with family plans.

Long-Term Financial Planning

The School District prepares a five-year financial forecast annually for use as a long range planning tool. The five-year forecast contains projected local and State revenues, spending patterns within each area of the budget, and cash balances in the School District's general operating fund. The five-year forecast provides early warning signals of potential financial problems; specifically when expenditures outpace revenue. The forecast can be found on the School District's website, www.nordoniaschools.org.

The School District uses the five-year forecast to provide a basis for making financial decisions, including the development of the annual budget, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot.

Financial Accomplishments

Financial responsibility ensures that the majority of funding is spent on classroom instruction. Based on the financials for fiscal year 2017, the School District spent nearly 58 percent of its total expenses on instructional costs.

Of 17 school districts in Summit County, Nordonia Hills has the third lowest effective millage tax rate and is one of two districts without a permanent improvement levy.

The School District participates in Federal grant programs providing additional resources for students. In fiscal year 2017, the School District received approximately \$1,213,000 in Federal grant funds. In addition, the School District received \$322,000 as a Federal subsidy for the food service program.

The School District worked in conjunction with NEOnet to secure volume discount pricing on the 1:1 Chromebook initiative. Due to the growth of the 1:1 program, the School District decommissioned several computer labs instead of replacing the devices. This increased classroom space in each building.

The School District implemented an entire network redesign with the assistance of NEOnet at no cost to the School District.

The School District also participates in the Federal eRate program, providing discounts on telecommunications and internet services. In fiscal year 2017, the School District received \$49,000 in reimbursements.

Memberships within the following organizations assist the School District in receiving products and services while sharing the costs with other districts and public entities:

- Stark County Schools Council of Governments (COG) manages the School District's insurance programs (medical, dental, vision and life). There are more than 80 entities representing over 15,000 participants. In fiscal year 2017, insurances increased 2.5 percent for all lines of insurance, except life, and the School District received three premium holidays taken in July, August, and September resulting in an estimated savings of approximately \$1.3 million.
- Ohio School Council for group purchasing of cafeteria food and supplies, waste and recycling and electricity.
- HPS for group purchasing of cafeteria food and supplies, school furnishing and equipment.
- Lake Erie Educational Media Consortium for discounts for library books and resources.

Awards

GFOA Certificate of Achievement Program

The School District received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). The Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR), whose content conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting our fiscal year 2017 CAFR for review.

Acknowledgements

The publication of this report is a significant step toward professionalizing the financial reporting of the School District while enhancing its accountability and transparency to the residents of the Nordonia Hills City School District.

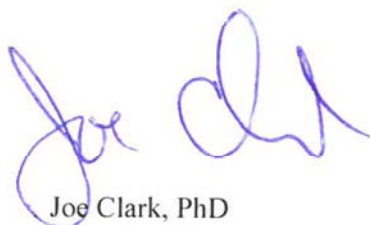
This Comprehensive Annual Financial Report was made possible by the diligence of the staff of the Office of the Treasurer/CFO. Their initiative and conscientious work ensured the integrity of the financial information contained herein and guaranteed this report's successful completion.

Finally, our thanks are extended to the Board for their support in recognizing the importance of continuously improving our financial accountability and transparency to our citizens and their commitment to excellence. It is the School District's mission to "inspire every student to value learning, community and excellence." As pianist Keith Jarrett has said, "The only standards worth having are the highest."

Respectfully submitted,



Karen E. Obratil
Treasurer/CFO



Joe Clark, PhD
Superintendent

Nordonia Hills City School District

Principal Officials

Board of Education

Mr. Chad Lahrmer	President
Mr. Nicholas Berchtold	Vice President
Ms. Judith Matlin	Member
Mrs. Liz McKinley	Member
Mrs. Tammy Strong	Member

Treasurer/CFO

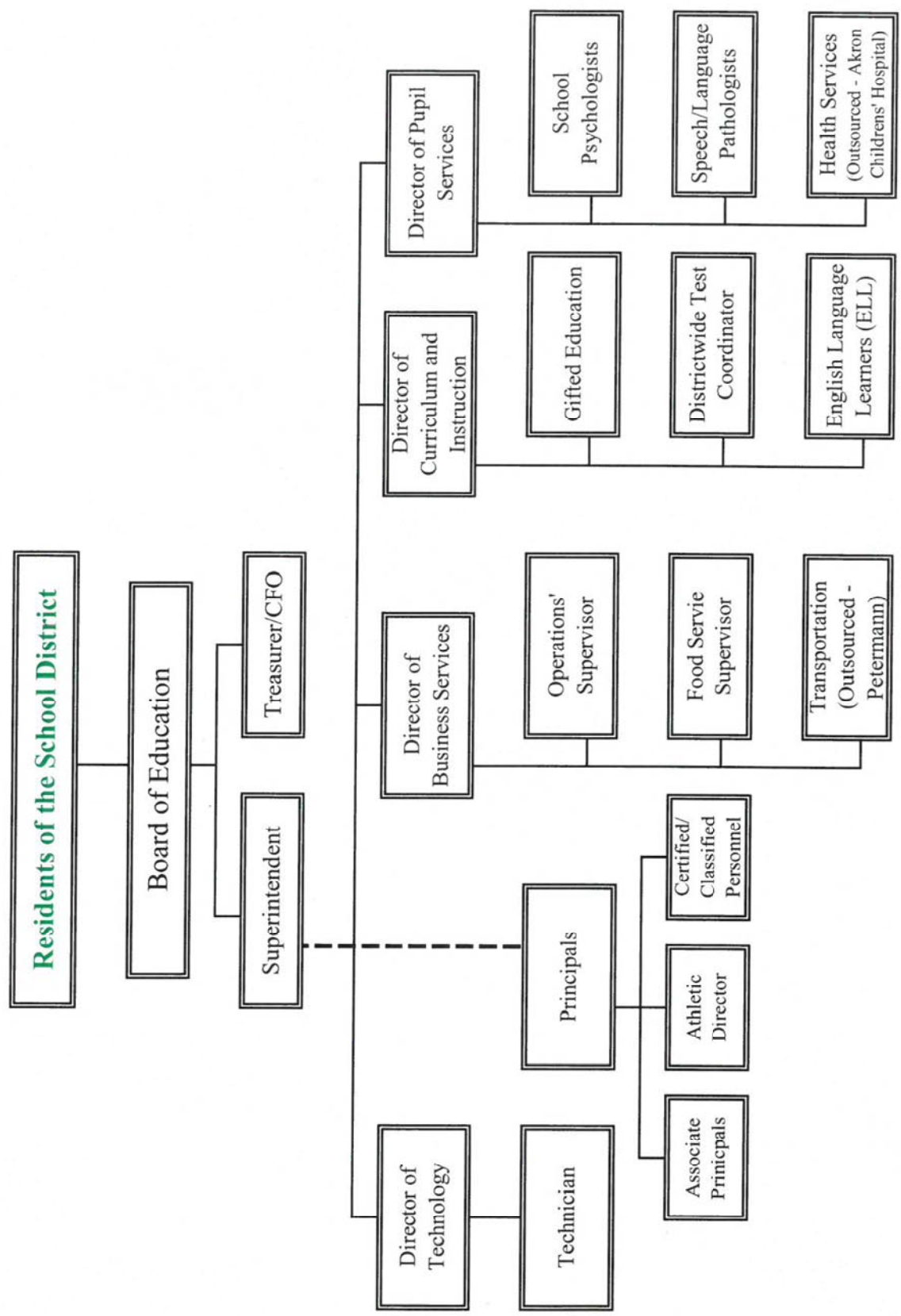
Mrs. Karen E. Obratil

Administration

Dr. Joe Clark	Superintendent
Mr. Matthew Gaugler	Director of Business Services
Mrs. Carrie Hutchinson	Director of Pupil Services
Mr. Todd Stuart	Director of Curriculum & Instruction
Mr. Michael Russ	Director of Technology

Nordonia Hills City School District

Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Nordonia Hills City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



Financial Section



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Nordonia Hills City School District
Summit County
9370 Olde Eight Road
Northfield, Ohio 44067

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Nordonia Hills City School District, Summit County, Ohio (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Districts preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Nordonia Hills City School District, Summit County, Ohio, as of June 30, 2017, and the respective changes in financial position thereof and the budgetary comparison for the General fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* and schedules of net pension liabilities and pension contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

December 29, 2017

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Nordonia Hills City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2017
Unaudited

The discussion and analysis of Nordonia Hills City School District's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the financial statements and notes to those respective statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2017 are as follows:

- The total net position decreased by \$4,623,735. The greatest contribution to this decrease was a decrease in unrestricted net position due to changes in the net pension liability.
- Expenses totaled \$51,748,376, a 7.86 percent increase from the prior fiscal year. Instructional expenses made up 57.97 percent of this total while support services accounted for 32.66 percent. Other expenses rounded out the remaining 9.37 percent.
- The School District's capital assets decreased by \$1,532,377 from the prior fiscal year. This decrease was largely due to depreciation exceeding asset additions.
- Outstanding general obligation bonded debt decreased from \$29,646,181 in fiscal year 2016 to \$26,937,866 in fiscal year 2017.

Using this Annual Financial Report

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

The statement of net position and the statement of activities provide information about the activities of the whole School District, presenting both an aggregate and longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements explain how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Nordonia Hills City School District, the general fund and the bond retirement fund are by far the most significant funds.

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains all the funds used by the School District to provide programs and activities, the view of the School District as a whole considers all financial transactions and asks the question, "How did we do financially during fiscal year 2017?" The statement of net position and the statement of activities answer this question. These statements include all assets and deferred outflows of resources and liabilities and deferred inflows of resources except fiduciary funds using the accrual basis of accounting, similar to the accounting used by most private-sector companies. Accrual accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

Nordonia Hills City School District
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These two statements report the School District's net position and changes in that net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's performance, demographic and socioeconomic factors and the willingness of the community to support the School District.

In the statement of net position and the statement of activities, the School District's activities are all reported as governmental. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation, food service operations and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund and the bond retirement debt service fund.

Governmental Funds

Most of the School District's activities are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are 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 School 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 benefit of parties outside the School District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the School District's programs. These funds use the accrual basis of accounting.

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The School District as a Whole

You may recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2017 compared to fiscal year 2016:

Table 1 Net Position		Governmental Activities		
	2017	2016	Change	
Assets				
Current and Other Assets	\$61,073,842	\$57,206,583	\$3,867,259	
Capital Assets, Net	32,219,224	33,751,601	(1,532,377)	
Total Assets	93,293,066	90,958,184	2,334,882	
Deferred Outflows of Resources				
Deferred Charge on Refunding	596,692	659,064	(62,372)	
Pension	14,042,683	6,954,395	7,088,288	
Total Deferred Outflows of Resources	14,639,375	7,613,459	7,025,916	
Liabilities				
Current and Other Liabilities	4,897,517	3,996,352	(901,165)	
Long-Term Liabilities:				
Due Within One Year	2,696,061	2,415,056	(281,005)	
Due in More than One Year:				
Net Pension Liability	69,640,271	57,065,259	(12,575,012)	
Other Amounts	27,165,565	29,896,462	2,730,897	
Total Liabilities	104,399,414	93,373,129	(11,026,285)	
Deferred Inflows of Resources				
Deferred Gain on Refunding	207,492	0	(207,492)	
Property Taxes	29,893,141	24,672,682	(5,220,459)	
Payments in Lieu of Taxes	1,755,523	1,293,985	(461,538)	
Pension	719,311	3,650,552	2,931,241	
Total Deferred Inflows of Resources	32,575,467	29,617,219	(2,958,248)	
Net Position				
Net Investment in Capital Assets	5,670,558	6,288,133	(617,575)	
Restricted:				
Debt Service	1,412,544	1,958,030	(545,486)	
Capital Projects	740,116	343,234	396,882	
Other Purposes	504,800	614,083	(109,283)	
Unrestricted (Deficit)	(37,370,458)	(33,622,185)	(3,748,273)	
Total Net Position	(\$29,042,440)	(\$24,418,705)	(\$4,623,735)	

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The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2017, and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27." For reasons discussed that follow, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

GASB 68 requires the net pension liability equal the School District's proportionate share of each plan's collective:

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

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

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

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

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2017, the School District's liabilities and deferred inflows resources exceeded assets and deferred outflows of resources by \$29,042,440. This was a decrease from the prior fiscal year, due to a large decrease in unrestricted net position due to the increase in the net pension liability. This increase represents the School District's proportionate share of the unfunded benefits of the State Teachers Retirement System of Ohio (STRS) and School Employees Retirement System of Ohio (SERS) plans. As indicated previously, changes in pension benefits, contributions rates, and return on investments affect the balance of the net pension liability.

Net investment in capital assets reported on the government-wide statements represents \$5,670,558 of total net position for fiscal year 2017. Capital assets include land, buildings and improvements, furniture and equipment, and vehicles, and are used to provide services to students and are not available for future spending. Although the School 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 School District's net position, \$2,657,460, represents resources that are subject to external restrictions on how the funds may be used. Of the total restricted net position, \$1,412,544 is restricted for debt service payments, \$740,116 is restricted for capital projects, and \$504,800 is restricted for other purposes. The remaining deficit of net position of (\$37,370,458) is unrestricted.

Table 2 shows the changes in net position for fiscal years 2017 and 2016.

Table 2
Change in Net Position

	Governmental Activities		
	2017	2016	Change
Revenues			
Program Revenues:			
Charges for Services	\$2,779,193	\$2,379,508	\$399,685
Operating Grants and Contributions	2,723,539	2,648,764	74,775
Capital Grants and Contributions	20,700	0	20,700
Total Program Revenues	<u>5,523,432</u>	<u>5,028,272</u>	<u>495,160</u>
General Revenue:			
Property Taxes	29,100,586	32,572,275	(3,471,689)
Payments in Lieu of Taxes	1,723,253	1,285,013	438,240
Grants and Entitlements, not Restricted	10,577,845	10,557,986	19,859
Unrestricted Contributions and Donations	3,357	3,106	251
Investment Earnings	74,557	158,769	(84,212)
Miscellaneous	121,611	234,451	(112,840)
Total General Revenues	<u>41,601,209</u>	<u>44,811,600</u>	<u>(3,210,391)</u>
Total Revenues	<u>\$47,124,641</u>	<u>\$49,839,872</u>	<u>(\$2,715,231)</u>

(continued)

Nordonia Hills City School District
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Table 2
Change in Net Position (continued)

	Governmental Activities		
	2017	2016	Change
Program Expenses			
Instruction:			
Regular	\$21,336,416	\$20,056,808	(\$1,279,608)
Special	8,386,796	6,446,142	(1,940,654)
Vocational	245,654	145,074	(100,580)
Student Intervention Services	28,330	85,845	57,515
Support Services:			
Pupils	3,653,397	3,374,388	(279,009)
Instructional Staff	1,062,066	959,523	(102,543)
Board of Education	29,157	28,803	(354)
Administration	3,006,711	2,839,587	(167,124)
Fiscal	1,331,423	1,388,959	57,536
Business	296,297	333,196	36,899
Operation and Maintenance of Plant	4,010,472	4,091,712	81,240
Pupil Transportation	3,173,180	2,935,119	(238,061)
Central	339,210	637,809	298,599
Operating of Non-Instructional Services	1,034,359	567,067	(467,292)
Food Service Operations	969,192	1,221,780	252,588
Extracurricular Activities	1,840,343	1,471,574	(368,769)
Interest and Fiscal Charges	1,005,373	1,391,929	386,556
Total Program Expenses	<u>51,748,376</u>	<u>47,975,315</u>	<u>(3,773,061)</u>
Increase (Decrease) in Net Position	(4,623,735)	1,864,557	(6,488,292)
Net Position Beginning of Year	<u>(24,418,705)</u>	<u>(26,283,262)</u>	<u>1,864,557</u>
Net Position End of Year	<u><u>(\$29,042,440)</u></u>	<u><u>(\$24,418,705)</u></u>	<u><u>(\$4,623,735)</u></u>

Governmental Activities

Several revenue sources fund our governmental activities with property taxes and State foundation revenues being the largest contributors. Property tax levies generated \$29,100,586 in fiscal year 2017. General revenues from grants and entitlements, such as the school foundation program, generated \$10,577,845. With the combination of taxes and intergovernmental funding making up a significant portion of all revenues, the School District monitors both of these revenue sources very closely for fluctuations.

Instruction and interest and fiscal charges comprised \$29,997,196 and \$1,005,373, respectively, of governmental program expenses. Regular and special instruction increased significantly from the prior fiscal year. This was due to larger accrual adjustments for the net pension liability in fiscal year 2017. Interest expense decreased slightly from the prior fiscal year due to the continued reduction of bond principal.

The board of education, administration, fiscal, and business classifications reflect expenses associated with establishing and administering school operation policies, financial operations and activities concerned with purchasing, receiving and maintaining goods and services for the School District. Combined, these costs totaled \$4,663,588.

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Costs associated with the operation and maintenance of plant represent those expenses necessary for the care and upkeep of School District's buildings, grounds and equipment. Current year expenses made up \$4,010,472 of all governmental expenses.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements for fiscal year 2017 compared to 2016.

Table 3
Governmental Activities

	Total Cost of Services 2017	Net Cost of Services 2017	Total Cost of Services 2016	Net Cost of Services 2016
Instruction:				
Regular	\$21,336,416	(\$20,452,139)	\$20,056,808	(\$19,291,546)
Special	8,386,796	(7,372,742)	6,446,142	(5,591,000)
Vocational	245,654	(224,909)	145,074	(141,390)
Student Intervention Services	28,330	(27,550)	85,845	(84,095)
Support Services:				
Pupils	3,653,397	(3,387,451)	3,374,388	(3,173,115)
Instructional Staff	1,062,066	(974,223)	959,523	(883,297)
Board of Education	29,157	(28,354)	28,803	(28,216)
Administration	3,006,711	(2,928,362)	2,839,587	(2,781,648)
Fiscal	1,331,423	(1,297,046)	1,388,959	(1,361,686)
Business	296,297	(288,554)	333,196	(326,456)
Operation and Maintenance of Plant	4,010,472	(3,891,437)	4,091,712	(4,018,254)
Pupil Transportation	3,173,180	(2,831,014)	2,935,119	(2,571,216)
Central	339,210	(320,798)	637,809	(616,769)
Operating of Non-Instructional Services	1,034,359	(346,321)	567,067	126,301
Food Service Operations	969,192	95,620	1,221,780	(93,160)
Extracurricular Activities	1,840,343	(944,291)	1,471,574	(719,567)
Interest and Fiscal Charges	1,005,373	(1,005,373)	1,391,929	(1,391,929)
Total Expenses	\$51,748,376	(\$46,224,944)	\$47,975,315	(\$42,947,043)

As one can see, the vast majority of program expenses are not covered by program revenues. Instead, the reliance upon general revenues, including local tax revenues and payments in lieu of taxes for governmental activities, is crucial.

School District's Funds

The School District's major funds are accounted for using the modified accrual basis of accounting. The total revenues and other financing sources for governmental funds were \$56,845,411 and total expenditures and other financing uses were \$60,203,776, for an overall decrease in fund balance of \$3,358,365. The general fund reported a decrease of \$3,204,693, with revenues of \$40,010,184 and expenditures and other financing uses of \$43,214,877. Revenues were \$3,131,434 lower than the prior fiscal year, mainly due to a decrease in property tax revenues. Expenditures were \$1,376,032 higher than the prior fiscal year, mainly due to increases in special instruction and extracurricular activities. The bond retirement debt service fund had a decrease of \$601,876, with revenues and other financing sources of \$12,737,785 and expenditures and other financing uses of \$13,339,661.

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General Fund Budgeting Highlights

The School 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 fiscal year 2017, the School District amended its general fund budget and, in total, these amendments were insignificant. Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenue and other financing sources estimate was \$43,422,946, which was higher than the original budget basis revenue and other financing sources estimate of \$41,351,271. Much of this \$2,071,675 difference was due to final property tax settlements. This estimate must be adjusted during the year as the settlements are finalized. Also, the original estimate for property taxes, provided by the Summit County Fiscal Officer, contains amounts for homestead and rollback reimbursements. Later in the fiscal year, when this amount is known, it is removed from the tax estimate and included in the estimate for intergovernmental revenue. Actual revenue was consistent with the final estimate.

The original budget basis expenditures and other financing uses estimate of \$44,090,996 was revised during the fiscal year. The final budget basis expenditures and other financing uses estimate was \$43,144,495, which was \$946,501 lower than the original budget. This was due to the general fund having lower costs than originally anticipated across the board. Actual expenditures were slightly lower than the final estimate, due to the School District's procedure of budgeting conservatively.

Capital Assets and Debt Administration

Capital Assets

Table 4 shows fiscal year 2017 values compared to 2016.

Table 4
 Capital Assets at June 30
 (Net of Depreciation)

	Governmental Activities		
	2017	2016	Change
Land	\$155,558	\$155,558	\$0
Buildings and Improvements	30,826,660	32,003,316	(1,176,656)
Furniture and Equipment	1,194,197	1,492,887	(298,690)
Vehicles	42,809	99,840	(57,031)
Totals	\$32,219,224	\$33,751,601	(\$1,532,377)

All capital assets, except land, are reported net of depreciation. The only additions to capital assets during the fiscal year were to furniture and equipment and vehicles; however, depreciation and deletions overall exceeded additions, particularly in building and improvements, causing the decrease in capital assets from the prior fiscal year. For more information on capital assets refer to Note 9 of the basic financial statements.

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Debt Administration

Table 5 summarizes the School District's outstanding debt for fiscal years 2017 and 2016.

Table 5
 Outstanding Debt at Year End

	Governmental Activities		
	2017	2016	Change
General Obligation Bonds:			
2006 School Refunding Bonds	\$0	\$12,073,688	(\$12,073,688)
2009 Athletic Facilities Bonds	0	223,397	(223,397)
2013 Energy Conservation Bonds	615,896	656,949	(41,053)
2015 School Improvement Refunding Bonds	11,684,222	11,825,307	(141,085)
2015 Athletic Facilities Refunding Bonds	4,832,748	4,866,840	(34,092)
2017 School Improvement Refunding Bonds	9,805,000	0	9,805,000
Totals	<u>\$26,937,866</u>	<u>\$29,646,181</u>	<u>(\$2,708,315)</u>

During fiscal year 2001, the School District issued \$38,499,963 in bonds, the proceeds of which were used to finance several new construction projects, as well as improvements to existing facilities. Later in 2006, the School District refunded a portion of these bonds with a like amount to realize current and future savings. During fiscal year 2009, the School District issued \$5,999,998 in bonds, the proceeds of which were used to finance the construction of a new athletic facility. During fiscal year 2014, the School District issued \$729,744 in bonds, the proceeds of which were used to finance the installation, modification and remodeling of buildings to conserve energy. During fiscal year 2015, the School District issued \$10,485,000 in bonds to partially refund the 2006 refunding bonds, as well as \$4,490,000 in bonds to refund the serial bond portion of the 2009 athletic facilities bonds. During fiscal year 2017, the School District issued \$9,805,000 in bonds to refund the serial portion of the 2006 refunding bonds. See Note 13 to the basic financial statements for the repayment schedules of the bonded debt.

The School District's overall legal debt margin was \$63,167,905 with an unvoted debt margin of \$968,168 as of June 30, 2017.

Current Issues Affecting Financial Condition

The Board of Education and administration closely monitor the revenues and expenditures in tandem with the five-year financial forecast. The School District, like many other districts across Ohio, is financially challenged and subject to the State's biennial budget process. At the local level, taxpayers must approve additional levies to pay for unfunded mandates, as well as continue the programs they have come to expect as normal operations. The administration remains vigilant in monitoring the finances and prudently plans to provide the financial resources to meet the students' needs over the next several years.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Karen Obratil, Treasurer/CFO, at Nordonia Hills City School District, 9370 Olde Eight Road, Northfield, Ohio 44067.

Nordonia Hills City School District

Statement of Net Position

June 30, 2017

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$23,700,139
Accounts Receivable	8,759
Intergovernmental Receivable	929,910
Accrued Interest Receivable	21,369
Inventory Held for Resale	7,883
Materials and Supplies Inventory	25,736
Property Taxes Receivable	34,561,423
Payments in Lieu of Taxes Receivable	1,755,523
Prepaid Items	63,100
Nondepreciable Capital Assets	155,558
Depreciable Capital Assets, Net	32,063,666
<i>Total Assets</i>	<i>93,293,066</i>
Deferred Outflows of Resources	
Deferred Charge on Refunding	596,692
Pension	14,042,683
<i>Total Deferred Outflows of Resources</i>	<i>14,639,375</i>
Liabilities	
Accounts Payable	112,966
Accrued Wages and Benefits	3,417,273
Intergovernmental Payable	1,222,329
Accrued Interest Payable	77,067
Matured Compensated Absences Payable	67,882
Long-Term Liabilities:	
Due Within One Year	2,696,061
Due In More Than One Year:	
Net Pension Liability (See Note 10)	69,640,271
Other Amounts	27,165,565
<i>Total Liabilities</i>	<i>104,399,414</i>
Deferred Inflows of Resources	
Deferred Gain on Refunding	207,492
Property Taxes	29,893,141
Payments in Lieu of Taxes	1,755,523
Pension	719,311
<i>Total Deferred Inflows of Resources</i>	<i>32,575,467</i>
Net Position	
Net Investment in Capital Assets	5,670,558
Restricted for:	
Debt Service	1,412,544
Capital Projects	740,116
Student Activities	192,850
Instruction	218,371
Non-Instructional Services	60,335
Unclaimed Monies	33,244
Unrestricted (Deficit)	(37,370,458)
<i>Total Net Position</i>	<i>(\$29,042,440)</i>

See accompanying notes to the basic financial statements

Nordonia Hills City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2017

	Program Revenues			Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants, Contributions and Interest		
Governmental Activities					
Instruction:					
Regular	\$21,336,416	\$560,033	\$324,244	\$0	(\$20,452,139)
Special	8,386,796	198,768	815,286	0	(7,372,742)
Vocational	245,654	5,529	15,216	0	(224,909)
Student Intervention Services	28,330	780	0	0	(27,550)
Support Services:					
Pupils	3,653,397	88,538	177,408	0	(3,387,451)
Instructional Staff	1,062,066	24,430	63,413	0	(974,223)
Board of Education	29,157	803	0	0	(28,354)
Administration	3,006,711	78,349	0	0	(2,928,362)
Fiscal	1,331,423	34,377	0	0	(1,297,046)
Business	296,297	7,743	0	0	(288,554)
Operation and Maintenance of Plant	4,010,472	98,335	0	20,700	(3,891,437)
Pupil Transportation	3,173,180	81,927	260,239	0	(2,831,014)
Central	339,210	7,612	10,800	0	(320,798)
Operation of Non-Instructional Services	1,034,359	0	688,038	0	(346,321)
Food Service Operations	969,192	720,936	343,876	0	95,620
Extracurricular Activities	1,840,343	871,033	25,019	0	(944,291)
Interest and Fiscal Charges	1,005,373	0	0	0	(1,005,373)
Totals	\$51,748,376	\$2,779,193	\$2,723,539	\$20,700	(46,224,944)

General Revenues

Property Taxes Levied for:	
General Purposes	26,549,659
Debt Service	2,550,927
Payments in Lieu of Taxes	1,723,253
Grants and Entitlements not Restricted to Specific Programs	10,577,845
Unrestricted Contributions and Donations	3,357
Investment Earnings	74,557
Miscellaneous	121,611
Total General Revenues	41,601,209
Change in Net Position	(4,623,735)
<i>Net Position Beginning of Year</i>	<u>(24,418,705)</u>
<i>Net Position End of Year</i>	<u><u>(\$29,042,440)</u></u>

See accompanying notes to the basic financial statements

Nordonia Hills City School District

Balance Sheet

Governmental Funds

June 30, 2017

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$21,486,316	\$1,087,656	\$1,092,923	\$23,666,895
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	33,244	0	0	33,244
Accounts Receivable	8,151	0	608	8,759
Intergovernmental Receivable	601,252	0	328,658	929,910
Accrued Interest Receivable	21,369	0	0	21,369
Interfund Receivable	115,789	0	0	115,789
Inventory Held for Resale	0	0	7,883	7,883
Materials and Supplies Inventory	21,851	0	3,885	25,736
Property Taxes Receivable	31,552,163	3,009,260	0	34,561,423
Payments in Lieu of Taxes Receivable	1,755,523	0	0	1,755,523
Prepaid Items	61,793	0	1,307	63,100
<i>Total Assets</i>	<u>\$55,657,451</u>	<u>\$4,096,916</u>	<u>\$1,435,264</u>	<u>\$61,189,631</u>
Liabilities				
Accounts Payable	\$91,052	\$0	\$21,914	\$112,966
Accrued Wages and Benefits	3,345,057	0	72,216	3,417,273
Intergovernmental Payable	1,186,973	0	35,356	1,222,329
Interfund Payable	0	0	115,789	115,789
Matured Compensated Absences Payable	67,882	0	0	67,882
<i>Total Liabilities</i>	<u>4,690,964</u>	<u>0</u>	<u>245,275</u>	<u>4,936,239</u>
Deferred Inflows of Resources				
Property Taxes	27,285,836	2,607,305	0	29,893,141
Payments in Lieu of Taxes	1,755,523	0	0	1,755,523
Unavailable Revenue	1,418,400	110,910	166,485	1,695,795
<i>Total Deferred Inflows of Resources</i>	<u>30,459,759</u>	<u>2,718,215</u>	<u>166,485</u>	<u>33,344,459</u>
Fund Balances				
Nonspendable	116,888	0	5,192	122,080
Restricted	0	1,378,701	1,045,510	2,424,211
Committed	0	0	7,160	7,160
Assigned	4,761,158	0	0	4,761,158
Unassigned (Deficit)	15,628,682	0	(34,358)	15,594,324
<i>Total Fund Balances</i>	<u>20,506,728</u>	<u>1,378,701</u>	<u>1,023,504</u>	<u>22,908,933</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$55,657,451</u>	<u>\$4,096,916</u>	<u>\$1,435,264</u>	<u>\$61,189,631</u>

See accompanying notes to the basic financial statements

Nordonia Hills City School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2017

Total Governmental Fund Balances \$22,908,933

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. 32,219,224

Other long-term assets are not available to pay for current period expenditures and therefore are unavailable revenues in the funds:

Delinquent Property Taxes	1,505,260	
Intergovernmental	166,485	
Tuition and Fees	24,050	
Total	1,695,795	1,695,795

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (77,067)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(26,937,866)	
Compensated Absences	(2,923,760)	
Total	(29,861,626)	(29,861,626)

Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds. 596,692

Deferred inflows of resources represent deferred gains on refundings, which are not reported in the funds. (207,492)

The net pension liability is not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:

Deferred Outflows - Pension	14,042,683	
Net Pension Liability	(69,640,271)	
Deferred Inflows - Pension	(719,311)	
Total	(56,316,899)	(56,316,899)

Net Position of Governmental Activities (\$29,042,440)

See accompanying notes to the basic financial statements

Nordonia Hills City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2017

	General	Bond Retirement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$25,817,845	\$2,475,224	\$0	\$28,293,069
Payments in Lieu of Taxes	1,723,253	0	0	1,723,253
Intergovernmental	10,631,015	395,016	2,389,910	13,415,941
Interest	74,443	0	118	74,561
Tuition and Fees	1,154,409	0	2,348	1,156,757
Charges for Services	40,236	0	720,936	761,172
Extracurricular Activities	390,538	0	395,088	785,626
Contributions and Donations	8,563	0	70,725	79,288
Rentals	48,563	0	3,025	51,588
Miscellaneous	121,319	0	292	121,611
<i>Total Revenues</i>	<u>40,010,184</u>	<u>2,870,240</u>	<u>3,582,442</u>	<u>46,462,866</u>
Expenditures				
Current:				
Instruction:				
Regular	18,596,129	0	309,951	18,906,080
Special	7,193,896	0	537,650	7,731,546
Vocational	189,556	0	0	189,556
Student Intervention Services	28,330	0	0	28,330
Support Services:				
Pupils	3,196,121	0	186,876	3,382,997
Instructional Staff	878,967	0	66,263	945,230
Board of Education	29,157	0	0	29,157
Administration	2,843,045	0	4,800	2,847,845
Fiscal	1,242,257	50,150	0	1,292,407
Business	291,832	0	0	291,832
Operation and Maintenance of Plant	3,567,732	0	19,226	3,586,958
Pupil Transportation	2,974,453	0	137,807	3,112,260
Central	276,365	0	10,800	287,165
Operation of Non-Instructional Services	0	0	789,126	789,126
Food Service Operations	0	0	1,041,862	1,041,862
Extracurricular Activities	1,329,492	0	422,450	1,751,942
Capital Outlay	0	0	122,427	122,427
Debt Service:				
Principal Retirement	0	611,314	0	611,314
Interest and Fiscal Charges	0	949,810	0	949,810
Capital Appreciation Bonds Interest	0	1,669,738	0	1,669,738
Payment to Refunded Bond Escrow Agent	0	253,649	0	253,649
Issuance Costs	0	60,000	0	60,000
<i>Total Expenditures</i>	<u>42,637,332</u>	<u>3,594,661</u>	<u>3,649,238</u>	<u>49,881,231</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,627,148)</u>	<u>(724,421)</u>	<u>(66,796)</u>	<u>(3,418,365)</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	0	9,805,000	0	9,805,000
Payment to Refunded Bond Escrow Agent	0	(9,745,000)	0	(9,745,000)
Transfers In	0	62,545	515,000	577,545
Transfers Out	(577,545)	0	0	(577,545)
<i>Total Other Financing Sources (Uses)</i>	<u>(577,545)</u>	<u>122,545</u>	<u>515,000</u>	<u>60,000</u>
<i>Net Change in Fund Balances</i>	<u>(3,204,693)</u>	<u>(601,876)</u>	<u>448,204</u>	<u>(3,358,365)</u>
<i>Fund Balances Beginning of Year</i>	<u>23,711,421</u>	<u>1,980,577</u>	<u>575,300</u>	<u>26,267,298</u>
<i>Fund Balances End of Year</i>	<u>\$20,506,728</u>	<u>\$1,378,701</u>	<u>\$1,023,504</u>	<u>\$22,908,933</u>

See accompanying notes to the basic financial statements

Nordonia Hills City School District
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2017*

Net Change in Fund Balances - Total Governmental Funds (\$3,358,365)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital Outlay	108,843	
Current Year Depreciation	(1,579,946)	
Total		(1,471,103)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (61,274)

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

Delinquent Property Taxes	807,517	
Intergovernmental	(169,792)	
Tuition and Fees	24,050	
Total		661,775

Repayment of bond principal and capital appreciation bond interest are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal Retirement	611,314	
Payment to Refunded Bond Escrow Agent	9,998,649	
Capital Appreciation Bonds Interest	1,669,738	
Total		12,279,701

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.

Accrued Interest	(19,313)	
Annual Accretion	(146,089)	
Amortization of Accounting Loss	(62,372)	
Amortization of Accounting Gain	2,034	
Amortization of Bond Premium	170,177	
Total		(55,563)

Proceeds of debt are other financing sources in the governmental funds, but increase liabilities in the governmental activities. (9,805,000)

Some items reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (258,423)

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows. 3,555,438

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities (6,110,921)

Change in Net Position of Governmental Activities (\$4,623,735)

See accompanying notes to the basic financial statements

Nordonia Hills City School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$28,197,736	\$29,696,760	\$29,696,759	(\$1)
Payments in Lieu of Taxes	1,723,253	1,723,253	1,723,253	0
Intergovernmental	9,891,777	10,387,349	10,387,349	0
Interest	114,275	120,000	148,832	28,832
Tuition and Fees	832,137	873,827	831,710	(42,117)
Charges for Services	38,316	40,236	40,236	0
Extracurricular Activities	313,874	329,599	307,797	(21,802)
Contributions and Donations	3,197	3,357	3,357	0
Rentals	48,830	51,276	50,346	(930)
Miscellaneous	90,738	95,284	95,163	(121)
<i>Total Revenues</i>	41,254,133	43,320,941	43,284,802	(36,139)
Expenditures				
Current:				
Instruction:				
Regular	18,881,666	18,476,330	18,463,772	12,558
Special	7,322,236	7,165,051	7,056,728	108,323
Vocational	180,947	177,062	177,054	8
Student Intervention Services	28,951	28,330	28,330	0
Support Services:				
Pupils	3,290,099	3,219,471	3,215,035	4,436
Instructional Staff	916,690	897,012	887,206	9,806
Board of Education	30,368	29,716	29,183	533
Administration	2,941,946	2,878,792	2,874,769	4,023
Fiscal	1,279,737	1,252,265	1,249,508	2,757
Business	304,869	298,324	295,501	2,823
Operation and Maintenance of Plant	3,711,538	3,631,863	3,629,657	2,206
Pupil Transportation	3,066,340	3,000,515	2,999,077	1,438
Central	281,356	275,316	274,798	518
Extracurricular Activities	1,264,038	1,236,903	1,231,718	5,185
<i>Total Expenditures</i>	43,500,781	42,566,950	42,412,336	154,614
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,246,648)	753,991	872,466	118,475
Other Financing Sources (Uses)				
Advances In	97,138	102,005	102,006	1
Transfers Out	(590,215)	(577,545)	(577,545)	0
<i>Total Other Financing Sources (Uses)</i>	(493,077)	(475,540)	(475,539)	1
<i>Net Change in Fund Balance</i>	(2,739,725)	278,451	396,927	118,476
<i>Fund Balance Beginning of Year</i>	20,123,883	20,123,883	20,123,883	0
Prior Year Encumbrances Appropriated	289,994	289,994	289,994	0
<i>Fund Balance End of Year</i>	\$17,674,152	\$20,692,328	\$20,810,804	\$118,476

See accompanying notes to the basic financial statements

Nordonia Hills City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2017

Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$99,483</u>
Liabilities	
Due to Students	<u>\$99,483</u>

See accompanying notes to the basic financial statements

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 1 – Description of the School District and Reporting Entity

The Nordonia Hills City School District (School District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government. Each member is elected to a four-year term. The School District provides educational services as mandated by State and/or Federal agencies. The Board controls the School District's six instructional/support facilities staffed by 198 non-certificated employees and 240.9 certificated teaching and support personnel, plus 17 administrators that provide services to 3,629 students and other community members.

Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the Nordonia Hills City School District, this includes the agencies and departments that provide the following services: general operations, food service, preschool, and student related activities of the School District.

Non-Public Schools Within the School District boundaries, there are various non-public schools. Current State legislature provides funding to these non-public schools. These monies are received and disbursed on behalf of the non-public school by the Treasurer/CFO of the School Districts, as directed by the non-public school. These transactions are reported in a special revenue fund and as a governmental activity of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The School District does not have any component units.

The School District is associated with three jointly governed organizations and one shared risk pool. These organizations include the Northeast Ohio Network for Educational Technology, the Ohio Schools Council, the Cuyahoga Valley Career Center, and the Stark County Schools Council of Governments Health Benefits Plan. Information regarding these organizations is presented in Notes 14 and 16 to the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

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

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Basis of Presentation

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

Government-wide Financial Statements The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. These statements usually distinguish between those activities of the School District that are governmental and those that are considered business-type. The School District, however, has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental activity is self-financing or draws from the general revenues of the School District.

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

Fund Accounting

The School District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are divided into two categories: governmental and fiduciary.

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

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

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Bond Retirement Fund The bond retirement fund is used to account for and report the accumulation of property tax revenues restricted for the payment of general obligation bonds issued for school building and athletic facility improvements.

The other governmental funds of the School District account for grants and other resources whose uses are restricted, committed, or assigned to a particular purpose.

Fiduciary Fund Types 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 agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District's only fiduciary fund is an agency fund. The agency fund accounts for student activities managed by the student body.

Measurement Focus

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

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

Basis of Accounting

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

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

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). 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 School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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 represent 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 School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension are explained in Note 10.

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 until that time. For the School District, deferred inflows of resources include property taxes, payments in lieu of taxes, pension, unavailable revenue, and gain on refunding. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants and tuition and fees. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 10)

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expenditure with a like amount reported as intergovernmental revenue. Unused donated commodities are reported as inventory held for resale.

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

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Interest in the pool is presented as “equity in pooled cash and cash equivalents” on the basic financial statements.

During fiscal year 2017, investments were limited to STAR Ohio, repurchase agreements reported at cost, commercial paper reported at amortized cost, and federal home loan bank notes, federal farm credit bank notes, and federal national mortgage association notes reported at fair value.

The School District’s commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase of less than one year.

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

For the fiscal year 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest. Interest revenue credited to the general fund during the fiscal year 2017 amounted to \$74,443, which included \$7,025 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are reported as cash equivalents.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2017, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of expendable supplies held for consumption and purchased and donated food held for resale.

Deferred Charge/Gain on Refunding

On the government-wide financial statements, the difference between the reacquisition price (funds required to refund the old debt) and the net carrying amount of the old debt, the gain/loss on refunding, is being amortized as a component of interest expense. This deferred amount is amortized over the life of the old debt or the life of the new debt, whichever is shorter, using the effective interest method and is presented as deferred outflows of resources or deferred inflows of resources on the statement of net position.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Capital Assets

All capital assets of the School District are classified as general capital assets. General capital assets are capital assets which are associated with and generally arise from governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The School District was able to estimate the historical cost for the initial reporting of capital assets by back trending (i.e., estimating the current replacement cost of the assets to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10 - 50 Years
Furniture and Equipment	5 - 20 Years
Vehicles	5 - 10 Years

Interfund Balances

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

The entire compensated absences liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employee who has accumulated unpaid leave is paid.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the governmental fund financial statements when due.

Bond Premiums

On the government-wide financial statements, bond premiums are deferred and amortized for the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bond premiums are presented as an increase of the face amount of the bonds payable. On governmental fund statements, bond premiums are reported in the year the bonds are issued.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The amounts are assigned by the School District Board of Education. In the general fund, assigned amounts represent intended uses established by policies of the School District Board of Education or by State statute. State statute authorizes the Treasurer to assign fund balance for purchases on order, provided such amounts have been lawfully appropriated. The Board of Education has also assigned fund balance for support services.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Unassigned Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The School 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.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or the laws of other governments, or imposed by law through constitutional provisions. Restricted assets in the general fund include the amounts for unclaimed monies.

Estimates

The preparation of the 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.

Internal Activity

Transfers between governmental funds are eliminated on the government-wide financial statements. Internal events that are allocations of overhead expenses from one function to another or within the same function are eliminated on the statement of activities. Interfund payments for services provided and used are not eliminated.

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.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Budgetary Data

All funds, other than agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriations 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 for all funds. Budgetary modifications at this level require a resolution of the Board of Education. The Treasurer has been given authority to allocate Board appropriations to the function and object levels within each fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District's Treasurer. The amounts reported in the budgetary statement as the original and final budgeted amounts reflect the amounts in the amended certificate in effect when the original and final appropriations were passed.

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

Pensions

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

Note 3 – Changes in Accounting Principles

For fiscal year 2017, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. GASB Statement No. 77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the School District's 2017 financial statements; however, there were no material abatements.

The School District also implemented GASB's *Implementation Guide No. 2016-1*. These changes were incorporated in the School District's fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 4 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School 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 as follows:

Fund Balances	General	Bond Retirement	Other Governmental Funds	Total
<u>Nonspendable:</u>				
Unclaimed Monies	\$33,244	\$0	\$0	\$33,244
Inventory	21,851	0	3,885	25,736
Prepays	61,793	0	1,307	63,100
<i>Total Nonspendable</i>	<u>116,888</u>	<u>0</u>	<u>5,192</u>	<u>122,080</u>
<u>Restricted for:</u>				
Debt Service	0	1,378,701	0	1,378,701
Capital Projects	0	0	740,116	740,116
Student Activities	0	0	192,850	192,850
Auxiliary Services	0	0	38,659	38,659
Instructional Services	0	0	30,877	30,877
Other Purposes	0	0	43,008	43,008
<i>Total Restricted</i>	<u>0</u>	<u>1,378,701</u>	<u>1,045,510</u>	<u>2,424,211</u>
<u>Committed to:</u>				
High School Book Store	0	0	7,160	7,160
<u>Assigned to:</u>				
Support Services	128,749	0	0	128,749
Fiscal Year 2018 Appropriations	3,995,440	0	0	3,995,440
<u>Purchases on Order:</u>				
Instructional Services	502,512	0	0	502,512
Support Services	126,783	0	0	126,783
Extracurricular Activities	7,674	0	0	7,674
<i>Total Assigned</i>	<u>4,761,158</u>	<u>0</u>	<u>0</u>	<u>4,761,158</u>
Unassigned (Deficit)	<u>15,628,682</u>	<u>0</u>	<u>(34,358)</u>	<u>15,594,324</u>
Total Fund Balances	<u><u>\$20,506,728</u></u>	<u><u>\$1,378,701</u></u>	<u><u>\$1,023,504</u></u>	<u><u>\$22,908,933</u></u>

Note 5 – Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - 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.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

The major differences between the budget basis and GAAP basis are:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Advances In are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
3. Investments are reported at fair value (GAAP) rather than cost (budget basis).
4. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
5. Budgetary revenues and expenditures of the public school support fund are reclassified to the general fund for GAAP reporting.
6. Encumbrances are treated as expenditures (budget basis) rather than as a restricted, committed, or assigned fund balance (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

Net Change in Fund Balance	
GAAP Basis	(\$3,204,693)
Net Adjustment for Revenue Accruals	3,090,532
Advances In	102,006
Beginning Fair Value Adjustment	45,404
Ending Fair Value Adjustment	28,707
Net Adjustment for Expenditure Accruals	1,059,331
Perspective Difference:	
Public School Support	3,746
Adjustment for Encumbrances	<u>(728,106)</u>
Budget Basis	<u><u>\$396,927</u></u>

Note 6 – Deposits and Investments

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

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Interim monies held by the School 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 previously;
4. Bonds and other obligations of the State of Ohio;
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);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the School District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year end, \$2,111,131 of the School District's bank balance of \$7,717,603 was uninsured and uncollateralized. Although the securities were held by the pledging institutions' trust department and all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

The School District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the School District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred and five percent of the deposits being secured. Effective July 1, 2017, the Ohio Pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions can elect to participate in the OPCS and will collateralize at one hundred and two percent or a rate set by the Treasurer of State. Financial institutions opting not to participate in OPCS will collateralize utilizing the specific pledge method at one hundred and five percent.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Investments

Investments are reported at fair value. As of June 30, 2017, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Standard & Poor's Rating	Percent of Total Investments
Net Asset Value Per Share:				
STAR Ohio	\$1,030,239	45.5 Days	AAAm	N/A
Cost:				
Repurchase Agreements	6,866,768	1 Day	AA+	41.19 %
Amortized Cost:				
Commercial Paper	3,406,741	Less than one year	A-1	20.44
Fair Value - Level Two Inputs:				
Federal Home Loan Bank Notes	1,198,698	Less than two years	AA+	7.19
Federal Farm Credit Bank Notes	199,828	Less than one year	AA+	1.20
Federal National Mortgage Association Notes	3,968,484	Less than five years	AA+	23.81
Total Investments	\$16,670,758			

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 preceding chart identifies the School District's recurring fair value measurements as of June 30, 2017. All of the School District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers, and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

Interest Rate Risk The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District and that investment must be purchased with the expectation that it will be held to maturity.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the School 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 securities underlying the repurchase agreements are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty. The School District has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that requires the securities shall be delivered into the custody of the treasurer or governing board or an agent designated by the treasurer or governing board.

Credit Risk Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. The School District has no investment policy that addresses credit risk.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Concentration of Credit Risk This type of risk is defined by the Governmental Accounting Standards Board as having investments of five percent or more in the securities of a single issuer. The School District's investment policy requires diversification of the portfolio but does not indicate specific percentage allocations.

Note 7 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2017 represents collections of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed value listed as of January 1, 2016, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2017 represents collections of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2017 became a lien December 31, 2015, were levied after April 1, 2016 and are collected in calendar year 2017 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Summit County. The County Fiscal Officer periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the counties by June 30, 2017, are available to finance fiscal year 2017 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes, which are measurable as of June 30, 2017, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amount available as an advance at June 30, 2017, was \$2,871,977 in the general fund and \$291,045 in the bond retirement debt service fund. The amount available as an advance at June 30, 2016, was \$6,750,891 in the general fund and \$680,369 in the bond retirement debt service fund. The difference was in the timing and collection by the County Fiscal Officer.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

The assessed values upon which the fiscal year 2017 taxes were collected are:

	2016 Second- Half Collections		2017 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$895,866,620	96.33 %	\$926,779,690	95.63 %
Public Utility Personal Property	34,148,290	3.67	42,394,450	4.37
	<u>\$930,014,910</u>	<u>100.00 %</u>	<u>\$969,174,140</u>	<u>100.00 %</u>
Tax rate per \$1,000 of assessed valuation	\$68.77		\$68.79	

During fiscal year 2017, the debt service payments increased in the School District. This caused the tax rate to increase so that the bond levy would meet its collection amount.

Note 8 – Receivables

Receivables at June 30, 2017, consisted of taxes, payments in lieu of taxes, accounts (tuition and excess costs), and intergovernmental grants and disbursements. 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. All receivables except for delinquent property taxes are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	Amounts
School Finance Payment Report Adjustment	\$393,341
Title I Grant	151,065
Title VI-B Grant	122,631
Bureau of Workers' Compensation Reimbursement	105,740
School Employees Retirement System	84,210
Title II-A Grant	23,686
Hy-Ko Tax Agreement	22,200
Limited English Proficiency Grant	19,747
Medicaid Reimbursement	7,290
Total	<u>\$929,910</u>

Payments in Lieu of Taxes

The School District is party to Tax Increment Financing (TIF) agreements. Municipalities, townships, and counties can enter into TIF agreements which lock in real property at its unimproved value for up to 30 years in a defined TIF district. Some TIF agreements also require the TIF government to allocate service payments to school districts and other governments to help offset the property taxes these governments would have received had the improvements to real property not been exempted. The service payments that the School District receives as part of TIF agreements are presented on the financial statements as Payments in Lieu of Taxes.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 9 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$155,558	\$0	\$0	\$155,558
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	55,396,261	0	0	55,396,261
Furniture and Equipment	3,162,627	103,843	(121,943)	3,144,527
Vehicles	1,512,687	5,000	(80,093)	1,437,594
<i>Total Capital Assets, being depreciated</i>	<u>60,071,575</u>	<u>108,843</u>	<u>(202,036)</u>	<u>59,978,382</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(23,392,945)	(1,176,656)	0	(24,569,601)
Furniture and Equipment	(1,669,740)	(341,259)	60,669	(1,950,330)
Vehicles	(1,412,847)	(62,031)	80,093	(1,394,785)
<i>Total Accumulated Depreciation</i>	<u>(26,475,532)</u>	<u>(1,579,946) *</u>	<u>140,762</u>	<u>(27,914,716)</u>
Total Capital Assets, being depreciated, net	<u>33,596,043</u>	<u>(1,471,103)</u>	<u>(61,274)</u>	<u>32,063,666</u>
Governmental Activities Capital Assets, Net	<u>\$33,751,601</u>	<u>(\$1,471,103)</u>	<u>(\$61,274)</u>	<u>\$32,219,224</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$866,319
Special	47,506
Vocational	29,947
Support Services:	
Pupils	14,994
Instructional Staff	48,556
Administration	14,501
Business	3,906
Operation and Maintenance of Plant	333,346
Pupil Transportation	60,920
Central	52,045
Operation of Non-Instructional Services	4,347
Food Service Operations	48,899
Extracurricular Activities	54,660
Total Depreciation Expense	<u>\$1,579,946</u>

Note 10 – Defined Benefit Pension Plans

Net Pension Liability

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

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

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

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

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

Plan Description – School Employees Retirement System (SERS)

Plan Description – School 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, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

Benefit	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.

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One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2017, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

The School District's contractually required contribution to SERS was \$978,847 for fiscal year 2017. Of this amount \$73,846 is reported as an intergovernmental payable.

Plan Description – State Teachers Retirement System (STRS)

Plan Description – School 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 East Broad Street, Columbus, Ohio 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 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 goes to the DC Plan 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

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payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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. 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. For the fiscal year ended June 30, 2017, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The statutory member contribution rate was increased one percent to 14 percent on July 1, 2016. The fiscal year 2017 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was \$2,576,591 for fiscal year 2017. Of this amount \$404,572 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net Pension Liability			
Prior Measurement Date	0.20492030%	0.16417188%	
Proportion of the Net Pension Liability			
Current Measurement Date	<u>0.21377550%</u>	<u>0.16130569%</u>	
Change in Proportionate Share	<u>0.00885520%</u>	<u>-0.00286619%</u>	
Proportionate Share of the Net Pension Liability	\$15,646,394	\$53,993,877	\$69,640,271
Pension Expense	\$1,808,026	\$4,302,895	\$6,110,921

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For the Fiscal Year Ended June 30, 2017

At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$211,034	\$2,181,612	\$2,392,646
Changes of assumptions	1,044,482	0	1,044,482
Net difference between projected and actual earnings on pension plan investments	1,290,600	4,482,942	5,773,542
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	466,633	809,942	1,276,575
School District contributions subsequent to the measurement date	<u>978,847</u>	<u>2,576,591</u>	<u>3,555,438</u>
Total Deferred Outflows of Resources	<u>\$3,991,596</u>	<u>\$10,051,087</u>	<u>\$14,042,683</u>
Deferred Inflows of Resources			
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>\$0</u>	<u>\$719,311</u>	<u>\$719,311</u>

\$3,555,438 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2018	\$817,906	\$1,145,352	\$1,963,258
2019	816,976	1,145,352	1,962,328
2020	1,006,874	2,865,585	3,872,459
2021	<u>370,993</u>	<u>1,598,896</u>	<u>1,969,889</u>
Total	<u>\$3,012,749</u>	<u>\$6,755,185</u>	<u>\$9,767,934</u>

Actuarial Assumptions – SERS

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

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

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, 2016, compared with June 30, 2015, are presented as follows:

Method	June 30, 2016	June 30, 2015
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	3 percent	3 percent
Actuarial Cost Method	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation
	Entry Age Normal	Entry Age Normal

For 2016, the mortality assumptions are that mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. For 2015, the mortality assumptions were based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	100.00 %	

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Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. A discount rate of 7.75 percent was used in the prior measurement period. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 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.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 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 (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$20,714,851	\$15,646,394	\$11,403,885

Actuarial Assumptions – STRS

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.75 percent, net of investment expenses, including inflation
Cost-of-Living Adjustments (COLA)	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

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

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

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:

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Asset Class	Target Allocation	Long-Term Expected Rate of Return *
Domestic Equity	31.00 %	8.00 %
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	1.00	3.00
Total	100.00 %	

* 10 year annualized geometric nominal returns include the real rate of return and inflation of 2.5 percent, and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions of future plan members, are excluded. 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, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the School 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 (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
School District's proportionate share of the net pension liability	\$71,753,475	\$53,993,877	\$39,012,609

Changes Between Measurement Date and Report Date

In March 2017, the STRS Board adopted certain assumption changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to School District's net pension liability is expected to be significant.

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Note 11 – Postemployment Benefits

School Employees Retirement System

Health Care Plan Description – The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrator and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2017, no allocation of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2017, this amount was \$23,500. 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 2017, the School District's surcharge obligation was \$118,683.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, is the total amount assigned to the Health Care Fund. The School District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$118,683, \$107,412, and \$137,145, respectively. The full amount has been contributed for fiscal years 2016 and 2015.

State Teachers Retirement System (STRS)

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

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Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio 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 Ohio. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended June 30, 2017, June 30, 2016 and June 30, 2015, STRS Ohio did not allocate any employer contributions to post-employment health care.

Note 12 – Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn 5 to 20 days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers and administrators, who are not on a 12 month contract, do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 260 days. Upon retirement, payment is made for one-third of the total sick leave accumulation, up to a maximum, as specified by each negotiated agreement.

Health Insurance Benefits

The School District provides employee medical/surgical benefits through Stark County Schools Council of Governments' shared risk pool. Rates are set through an annual calculation process. The School District pays a monthly contribution to a common fund from which claim payments are made for all participating school districts. The employees share the cost of the monthly premium with the Board. The premium varies with employee depending on the terms of the union contract. Dental and vision insurance are also provided by the School District to all employees through the Stark County Schools Council of Governments. Upon termination, all School District claims would be paid without regard to the School District's account balance.

Life Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through a major life insurance company in the amount of \$30,000 for all noncertified employees up to a maximum of \$50,000 for certified employees, and double the annual salary rounded to the nearest thousand for administrators including the superintendent.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 13 – Long-Term Obligations

The original issue date, interest rate, original issue amount and date of maturity of each of the School District’s long-term obligations is as follows:

Debt Issue	Interest Rate	Original Issue Amount	Date of Maturity
General Obligation Bonds:			
2006 Refunding Bonds	4.05%	\$23,959,987	December 1, 2025
2009 Athletic Facilities Bonds	3-5	5,999,998	December 1, 2030
2013 Energy Conservation Bonds	3.39	729,744	December 1, 2028
2015 School Improvement Refunding Bonds	4.6	10,485,000	December 1, 2025
2015 Athletic Facilities Refunding Bonds	4.24	4,490,000	December 1, 2030
2017 School Improvement Refunding Bonds	2.38	9,805,000	December 1, 2025

The changes in the School District’s long-term obligations during the year consist of the following:

	Principal Outstanding 6/30/16	Additions	Reductions	Principal Outstanding 6/30/17	Amount Due in One Year
General Obligation Bonds:					
2006 Refunding Bonds:					
Serial Bonds	\$9,805,000	\$0	(\$9,805,000)	\$0	\$0
Premium	403,175	0	(403,175)	0	0
Capital Appreciation Bonds	520,863	0	(520,863)	0	0
Accretion on Capital Appreciation Bonds	1,344,650	119,486	(1,464,136)	0	0
2009 Athletic Facilities Bonds:					
Capital Appreciation Bonds	44,398	0	(44,398)	0	0
Accretion on Capital Appreciation Bonds	178,999	26,603	(205,602)	0	0
2013 Energy Conservation Bonds:					
Serial Bonds	656,949	0	(41,053)	615,896	42,445
2015 School Improvement Refunding Bonds:					
Serial Bonds	10,485,000	0	0	10,485,000	1,920,000
Premium	1,340,307	0	(141,085)	1,199,222	0
2015 Athletic Facilities Refunding Bonds:					
Serial Bonds	4,445,000	0	(5,000)	4,440,000	240,000
Premium	421,840	0	(29,092)	392,748	0
2017 School Improvement Refunding Bonds:					
Term Bonds	0	9,805,000	0	9,805,000	210,000
Total General Obligation Bonds	29,646,181	9,951,089	(12,659,404)	26,937,866	2,412,445
Other Long-Term Obligations:					
Net Pension Liability:					
SERS	11,692,952	3,953,442	0	15,646,394	0
STRS	45,372,307	8,621,570	0	53,993,877	0
Total Net Pension Liability	57,065,259	12,575,012	0	69,640,271	0
Compensated Absences	2,665,337	343,119	(84,696)	2,923,760	283,616
Total Other Long-Term Obligations	59,730,596	12,918,131	(84,696)	72,564,031	283,616
Total Governmental Activities Long-Term Liabilities	\$89,376,777	\$22,869,220	(\$12,744,100)	\$99,501,897	\$2,696,061

Nordonia Hills City School District
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All general obligation bonds will be paid from property taxes. There is no repayment schedule for the net pension liability; however, employer pension contributions are made from the general fund and the food service and reducing class size special revenue funds. For additional information related to the net pension liability see Note 10. The compensated absences are to be paid from the general fund and the food service and reducing class size special revenue funds.

On February 22, 2006, the School District issued \$23,959,987 in general obligation bonds which include serial and capital appreciation bonds. The final amount of the 2006 capital appreciation bonds, after the accretion of interest, will be \$8,235,099. The bond proceeds consisted of bond principal and \$1,945,455 of premium. The accretion recorded for fiscal year 2017 was \$119,486. During fiscal year 2017, the remaining serial portion of the bonds were refunded. The capital appreciation bonds were fully repaid during fiscal year 2017.

On March 26, 2009, the School District issued \$5,999,998 in bonded debt to finance an athletic facility. The bonds consisted of serial and capital appreciation bonds of \$5,900,000 and \$99,998, respectively. The final amount, after the accretion of interest, of the capital appreciation bonds will be \$898,108. The accretion recorded for fiscal year 2017 was \$26,603. During fiscal year 2017, the bonds were fully repaid.

On September 11, 2013, the School District issued \$729,744 in energy conservation bonds which were used for the modification and remodeling of School District buildings to conserve energy. These bonds will be paid from the bond retirements debt service fund and will mature in fiscal year 2029.

On August 8, 2014, the School District issued \$10,485,000 in serial school improvement bonds to advance refund \$10,890,000 of outstanding 2006 bonds in order to take advantage of lower interest rates. The bonds were issued for a 21 year period with a final maturity at December 1, 2025. The refunding bonds were sold at a premium of \$1,598,963. Net proceeds of \$11,937,668 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the 2006 bonds. As a result, \$10,890,000 of these bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the School District's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School District's financial statements. On June 30, 2017, \$10,890,000 of the defeased bonds are still outstanding.

On March 12, 2015, the School District issued \$4,490,000 in serial athletic facilities bonds to advance refund \$4,490,000 of outstanding 2009 athletic facilities bonds in order to take advantage of lower interest rates. The bonds were issued for a 16 year period with a final maturity at December 1, 2030. The refunding bonds were sold at a premium of \$458,205. Net proceeds of \$4,849,104 were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the 2009 bonds. As a result, \$4,490,000 of these bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the School District's financial statements. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the School District's financial statements. At June 30, 2017, \$4,490,000 of the defeased bonds are still outstanding.

On April 4, 2017, the School District issued \$9,805,000 in term school improvement refunding bonds to refund \$9,805,000 of outstanding 2006 refunding bonds in order to take advantage of lower interest rates. The bonds were issued for a nine year period with a final maturity at December 1, 2025.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Net proceeds of \$9,998,649 (including \$253,649 of issuer equity contributions and after \$60,000 in issuance costs) were placed in an irrevocable trust with an escrow agent to provide for the redemption of the defeased bonds. As a result, \$9,805,000 of the 2006 refunding bonds is considered defeased and the liability for the refunded portion of these bonds has been removed from the School District's financial statements. The defeased bonds were redeemed on May 9, 2017.

The School District decreased its total debt service payments by \$1,758,406 as a result of the refunding. The School District also incurred an economic gain (difference between the present value of the old and new debt service payments) of \$1,510,853 and incurred an accounting gain of \$209,526 (difference between amount paid to bond escrow agent and the refunding amount), which is shown in the following table:

	Governmental
Refunded Serial Bonds:	
2006 Refunding Bonds	\$9,805,000
Premium on Bonds	403,175
Total Refunded Serial Bonds	10,208,175
Amount Paid to Refunded Bond Escrow Agent:	
2006 Refunding Bonds	(9,998,649)
2017 Refunding Accounting Gain	\$209,526

An analysis of the refunding issues follows:

	Refunding Bonds
Outstanding at June 30, 2016	\$9,805,000
Amount Refunded	(9,805,000)
Outstanding Principal at June 30, 2017	\$0

The School District's overall debt margin was \$63,167,905 with an unvoted debt margin of \$968,168 at June 30, 2017. Principal and interest requirements to retire general obligation bonds and capital appreciation bonds outstanding at June 30, 2017, are as follows:

	General Obligation Bonds					
	Serial		Term		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$2,202,445	\$641,477	\$210,000	\$230,860	\$2,412,445	\$872,337
2019	2,288,883	539,581	135,000	226,755	2,423,883	766,336
2020	2,385,371	433,522	140,000	223,482	2,525,371	657,004
2021	2,501,909	322,618	140,000	220,150	2,641,909	542,768
2022	2,613,499	206,540	145,000	216,759	2,758,499	423,299
2023-2027	1,888,303	547,198	9,035,000	374,789	10,923,303	921,987
2028-2031	1,660,486	138,102	0	0	1,660,486	138,102
Total	\$15,540,896	\$2,829,038	\$9,805,000	\$1,492,795	\$25,345,896	\$4,321,833

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 14 – Jointly Governed Organizations

Northeast Ohio Network for Educational Technology

The Northeast Ohio Network for Educational Technology (NEOnet) is the Information Technology Center (ITC) used by the School District. NEOnet is organized as a council of governments providing data management and computer services to school districts in Cuyahoga, Lake, Medina, Portage, and Summit counties. NEOnet employs its own fiscal officer. The purpose of NEOnet is to develop and employ a computer system efficiently and effectively for the needs of the member Boards of Education. All districts in NEOnet are required to pay fees, charges, and assessments as charged. The Assembly is made up of Superintendents from all of the participating districts and governs NEOnet. NEOnet's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. The Assembly elects a Board of Directors consisting of nine members and is the managerial body of NEOnet and meets at least five times a year. Payments to NEOnet are made from the general fund. During fiscal year 2017, the School District contributed \$187,535 to NEOnet. Financial information can be obtained by contacting the NEOnet Fiscal Officer at 700 Graham Road, Cuyahoga Falls, Ohio 44221.

Cuyahoga Valley Career Center

The Cuyahoga Valley Career Center is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special education needs of the students. The Board of Education is comprised of representatives from the board of each participating school district. The Board is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. Nordonia Hills City School District students may attend the career center. Each school district's control is limited to its representation on the Board. During fiscal year 2017, the School District did not make any payments to the Career Center.

Ohio Schools Council

The Ohio Schools Council (Council) is a jointly governed organization among 231 school districts. The jointly governed organization was created by school districts for the purpose of saving money through volume purchases. Each district supports the Council by paying an annual participation fee. Each school district member's superintendent serves as a representative of the Assembly. The Council's Board exercises total control over the operations of the organization including budgeting, appropriating, contracting and designating management. Each participant's degree of control is limited to its representation on the Board. The Assembly elects five of the Council's Board members and the remaining four are representatives of the Greater Cleveland School Superintendents' Association. The Council operates under a nine-member Board of Directors (the Board). The Board is the policy making authority of the Council. The Board meets monthly September to June. The Board appoints an Executive Director who is responsible for receiving and disbursing funds, investing available funds, preparing financial reports for the Board and Assembly and carrying out such other responsibilities as designated by the Board. In fiscal year 2017, the School District paid \$4,804 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director at the Ohio Schools Council at 6393 Oak Tree Boulevard, Independence, Ohio 44131.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

The School District participates in an electricity purchase program. This program allows the School District to purchase electricity with other schools as a group from First Energy Solutions. Kilowatt-hours of electric energy metered by the Electric Utility for Nordonia is billed to the School District based on a pricing schedule determined by the Ohio Schools Council, the Ohio School Board Association, the Ohio Association of School Business Officials and the Buckeye Association of School Administrators (collectively called the “P4S” or “Power4Schools”).

Note 15 – Contingencies

Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

Grants

The School District received financial assistance from Federal and State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2017, if applicable, cannot be determined at this time.

School Foundation

School 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. As of the date of this report, additional ODE adjustments for fiscal year 2017 financial statements are not determinable. Management believes this may result in either an additional receivable to, or a liability of, the School District.

Note 16 – Shared Risk Pool

The School District is a member of the Stark County Schools Council of Governments (Council) Health Benefits Plan. The Health Benefits Plan is a shared risk pool created pursuant to State statute for the purposes of administering from each participating school district (usually the superintendent or designee). The assembly elects officers for one year terms to serve on the Board of Directors. The assembly exercises control over the operation of the Council. All Council revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. Each school district reserves the right to terminate the plan in whole or in part, at any time. If it is terminated, no further contributions will be made, but the benefits under the insurance contract shall be paid in accordance with the terms of the contract.

Note 17 – Accountability

At June 30, 2017, the School District had a deficit fund balance in the food service special revenue fund in the amount of \$29,166. The deficit resulted from adjustments for accrued liabilities. The general fund is liable for any deficit in the funds and provides transfers when cash is required, not when accruals occur.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Note 18 – Risk Management

Workers' Compensation

The School District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Property and Liability

The School District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2017, the School District contracted with Ohio School Plan for various types of insurance as follows:

Type of Coverage	Coverage Amount
Property	\$137,583,149
Flood and Earthquake	1,000,000
Crime	245,000
General Liability	5,000,000
Employee Benefits Liability	7,000,000
Employer's Liability	5,000,000
School Leaders Professional Liability	5,000,000
Sexual Misconduct and Molestation	5,000,000
Law Enforcement	5,000,000
Violent Event Response	1,000,000
Automobile	5,000,000
Boiler and Machinery	100,000,000
Cyber Coverage	20,000,000
Pollution Liability	5,000,000

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

Note 19 – Interfund Activity

Interfund Balances

Interfund balances at June 30, 2017, consisted of the following:

	Interfund Balances	
	June 30, 2017	
	Receivables	Payables
General	\$115,789	\$0
Other Governmental Funds:		
Title VI-B	0	107,233
Title I	0	8,556
Total Other Governmental Funds	0	115,789
Total Governmental Funds	\$115,789	\$115,789

The advances from the general fund to the other governmental funds were made to support the activities of those funds. The balances are anticipated to be repaid within one year.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

Interfund Transfers

Interfund transfers made during fiscal year 2017 consisted of transfers from the general fund to the bond retirement fund and other governmental funds in the amounts of \$62,545 and \$515,000, respectively.

The transfers from the general fund to the bond retirement debt service fund were made for debt service payments. The transfers from general to other governmental funds were made to support the operations of those funds.

Note 20 – Set-Asides

The School 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 fiscal year end or offset by similarly restricted resources received during the year must be held in cash at fiscal year-end and carried forward to be used for the same purpose in future years.

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

	Capital Improvement
Set-aside Balances as of June 30, 2016	\$0
Current Year Set-aside Requirement	636,911
Qualifying Disbursements	(1,255,882)
Totals	(\$618,971)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0
Set-aside Balance as of June 30, 2017	\$0

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement for future years. This negative balance is therefore not presented as being carried forward to future years.

Note 21 – Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year or soon thereafter were as follows:

General	\$728,106
Other Governmental Funds	99,873
Total	\$827,979

**Required Supplementary
Information**

Nordonia Hills City School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Four Fiscal Years (1) **

	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.21377550%	0.20492030%	0.20203300%	0.20203300%
School District's Proportionate Share of the Net Pension Liability	\$15,646,394	\$11,692,952	\$10,224,775	\$12,014,254
School District's Covered Payroll	\$6,667,579	\$6,235,536	\$6,230,817	\$4,538,107
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	234.66%	187.52%	164.10%	264.74%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.98%	69.16%	71.70%	65.52%

(1) Although this schedule is intended to show information for ten years, information prior to fiscal year 2014 is not available. An additional column will be added each year.

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

Nordonia Hills City School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Four Fiscal Years (1) **

	2017	2016	2015	2014
School District's Proportion of the Net Pension Liability	0.16130569%	0.16417188%	0.15948273%	0.15948273%
School District's Proportionate Share of the Net Pension Liability	\$53,993,877	\$45,372,307	\$38,791,720	\$46,208,442
School District's Covered Payroll	\$18,223,643	\$17,171,343	\$15,994,071	\$17,009,954
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	296.28%	264.23%	242.54%	271.66%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.80%	72.10%	74.70%	69.30%

(1) Although this schedule is intended to show information for ten years, information prior to fiscal year 2014 is not available. An additional column will be added each year.

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

Nordonia Hills City School District, Ohio
Required Supplementary Information
Schedule of School District Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$978,847	\$933,461	\$821,844	\$816,237
Contributions in Relation to the Contractually Required Contribution	<u>(978,847)</u>	<u>(933,461)</u>	<u>(821,844)</u>	<u>(816,237)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$6,991,764	\$6,667,579	\$6,235,536	\$6,230,817
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	13.18%	13.10%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$594,492	\$561,336	\$657,171	\$749,657	\$642,855	\$612,804
<u>(594,492)</u>	<u>(561,336)</u>	<u>(657,171)</u>	<u>(749,657)</u>	<u>(642,855)</u>	<u>(612,804)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,538,107	\$4,419,969	\$5,564,530	\$5,865,861	\$7,072,112	\$6,690,000
13.10%	12.70%	11.81%	12.78%	9.09%	9.16%

Nordonia Hills City School District, Ohio
Required Supplementary Information
Schedule of School District Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$2,576,591	\$2,551,310	\$2,403,988	\$2,079,229
Contributions in Relation to the Contractually Required Contribution	<u>(2,576,591)</u>	<u>(2,551,310)</u>	<u>(2,403,988)</u>	<u>(2,079,229)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$18,404,221	\$18,223,643	\$17,171,343	\$15,994,071
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	13.00%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$2,211,294	\$2,237,670	\$2,146,476	\$2,248,179	\$2,289,109	\$2,291,685
<u>(2,211,294)</u>	<u>(2,237,670)</u>	<u>(2,146,476)</u>	<u>(2,248,179)</u>	<u>(2,289,109)</u>	<u>(2,291,685)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$17,009,954	\$17,212,846	\$16,511,354	\$17,293,685	\$17,608,531	\$17,628,346
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

Nordonia Hills City School District, Ohio

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2017

Changes in Assumptions – SERS

Amounts reported for fiscal year 2017 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2016 and prior are presented as follows:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016 and Prior</u>
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

**Combining and Individual
Fund Statements and Schedules**

Combining and Individual Fund Statements and Schedules

Combining Statements – Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Following is a description of the School District's nonmajor special revenue funds:

Food Service Fund – To account for and report restricted grants and charges for services related to the food service operations of the School District.

Other Grants Fund – To account for and report restricted donations to the School District for miscellaneous purposes.

High School Bookstore Fund – To account for and report committed funds received from and for the use of the activities of the high school bookstore.

District Managed Activities Fund – To account for and report gate receipts and other restricted revenues from athletic events and all costs (except supplemental coaching contracts) of the School District's Athletic Program and transportation of the band to and from athletic events.

Auxiliary Services Fund – To account for and report services to non-public schools within the School District which are provided for in State law. Restricted funds are primarily for educational supplies, materials, and testing.

Data Communication Fund – To account for and report restricted grant monies appropriated for Ohio Educational Computer Network Connections.

Miscellaneous State Grants Fund – To account for and report restricted grant monies from the State appropriated for miscellaneous purposes.

Title VI-B Fund – To account for and report restricted Federal revenues that assist states in identification of handicapped children and provide full educational opportunities to handicapped children at the preschool, elementary and secondary levels. It also accounts for Federal monies used to implement a variety of programs intended to provide instruction for early childhood education.

Limited English Proficiency Fund – To account for and report restricted monies used for elementary and secondary school programs with the purpose of meeting the educational needs of students with limited English proficiency.

Title I Fund – To account for and report restricted Federal monies used to assist the School District in meeting the special needs of educationally deprived children.

Reducing Class Size Fund – To account for and report restricted grant monies to hire additional classroom teachers so the number of students per teacher will be reduced.

Public School Support Fund – To account for and report school site sales revenue and expenditure for field trips, assemblies and other activity costs. This fund is included with the general fund for GAAP reporting as it does not have a restricted or committed revenue source.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Nonmajor Capital Projects Funds

The Capital Projects Funds are used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds or for assets that will be held in trust. Following is a description of the nonmajor capital projects funds:

Permanent Improvement Fund – To account for and report all restricted transactions related to the acquiring, construction, or improving of such permanent improvements as are authorized by Chapter 5705, Revised Code.

Building Fund – To account for and report restricted monies used for the building, restoration or improvement of the School District property.

Nordonia Hills City School District

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$352,807	\$740,116	\$1,092,923
Accounts Receivable	608	0	608
Intergovernmental Receivable	328,658	0	328,658
Inventory Held for Resale	7,883	0	7,883
Materials and Supplies Inventory	3,885	0	3,885
Prepaid Items	1,307	0	1,307
<i>Total Assets</i>	<u>\$695,148</u>	<u>\$740,116</u>	<u>\$1,435,264</u>
Liabilities			
Accounts Payable	\$21,914	\$0	\$21,914
Accrued Wages and Benefits	72,216	0	72,216
Intergovernmental Payable	35,356	0	35,356
Interfund Payable	115,789	0	115,789
<i>Total Liabilities</i>	<u>245,275</u>	<u>0</u>	<u>245,275</u>
Deferred Inflows of Resources			
Unavailable Revenue	166,485	0	166,485
Fund Balances			
Nonspendable	5,192	0	5,192
Restricted	305,394	740,116	1,045,510
Committed	7,160	0	7,160
Unassigned (Deficit)	(34,358)	0	(34,358)
<i>Total Fund Balances</i>	<u>283,388</u>	<u>740,116</u>	<u>1,023,504</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$695,148</u>	<u>\$740,116</u>	<u>\$1,435,264</u>

Nordonia Hills City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$2,389,910	\$0	\$2,389,910
Interest	118	0	118
Tuition and Fees	2,348	0	2,348
Charges for Services	720,936	0	720,936
Extracurricular Activities	395,088	0	395,088
Contributions and Donations	50,025	20,700	70,725
Rentals	75	2,950	3,025
Miscellaneous	292	0	292
<i>Total Revenues</i>	<u>3,558,792</u>	<u>23,650</u>	<u>3,582,442</u>
Expenditures			
Current:			
Instruction:			
Regular	309,951	0	309,951
Special	537,650	0	537,650
Support Services:			
Pupils	186,876	0	186,876
Instructional Staff	66,263	0	66,263
Administration	4,800	0	4,800
Operation and Maintenance of Plant	14,885	4,341	19,226
Pupil Transportation	137,807	0	137,807
Central	10,800	0	10,800
Operation of Non-Instructional Services	789,126	0	789,126
Food Service Operations	1,041,862	0	1,041,862
Extracurricular Activities	422,450	0	422,450
Capital Outlay	0	122,427	122,427
<i>Total Expenditures</i>	<u>3,522,470</u>	<u>126,768</u>	<u>3,649,238</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	36,322	(103,118)	(66,796)
Other Financing Sources			
Transfers In	15,000	500,000	515,000
<i>Net Change in Fund Balances</i>	51,322	396,882	448,204
<i>Fund Balances Beginning of Year</i>	<u>232,066</u>	<u>343,234</u>	<u>575,300</u>
<i>Fund Balances End of Year</i>	<u>\$283,388</u>	<u>\$740,116</u>	<u>\$1,023,504</u>

Nordonia Hills City School District

Combining Balance Sheet

Nonmajor Special Revenue Funds

June 30, 2017

	Food Service	Other Grants	High School Bookstore	District Managed Activities	Auxiliary Services
Assets					
Equity in Pooled Cash and Cash Equivalents	\$47,469	\$42,810	\$7,160	\$193,152	\$53,986
Accounts Receivable	3	0	0	605	0
Intergovernmental Receivable	11,219	0	0	0	0
Inventory Held for Resale	7,883	0	0	0	0
Materials and Supplies Inventory	3,885	0	0	0	0
Prepaid Items	1,307	0	0	0	0
<i>Total Assets</i>	<u>\$71,766</u>	<u>\$42,810</u>	<u>\$7,160</u>	<u>\$193,757</u>	<u>\$53,986</u>
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$907	\$15,327
Accrued Wages and Benefits	70,276	0	0	0	0
Intergovernmental Payable	30,656	0	0	0	0
Interfund Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>100,932</u>	<u>0</u>	<u>0</u>	<u>907</u>	<u>15,327</u>
Deferred Inflows of Resources					
Unavailable Revenue	0	0	0	0	0
Fund Balances					
Nonspendable	5,192	0	0	0	0
Restricted	0	42,810	0	192,850	38,659
Committed	0	0	7,160	0	0
Unassigned (Deficit)	<u>(34,358)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Fund Balances (Deficit)</i>	<u>(29,166)</u>	<u>42,810</u>	<u>7,160</u>	<u>192,850</u>	<u>38,659</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$71,766</u>	<u>\$42,810</u>	<u>\$7,160</u>	<u>\$193,757</u>	<u>\$53,986</u>

Title VI-B	Limited English Proficiency	Title I	Reducing Class Size	Total Nonmajor Special Revenue Funds
\$0	\$7,987	\$0	\$243	\$352,807
0	0	0	0	608
122,631	19,747	151,065	23,996	328,658
0	0	0	0	7,883
0	0	0	0	3,885
0	0	0	0	1,307
<u>\$122,631</u>	<u>\$27,734</u>	<u>\$151,065</u>	<u>\$24,239</u>	<u>\$695,148</u>
\$665	\$0	\$5,015	\$0	\$21,914
0	0	0	1,940	72,216
4,400	0	0	300	35,356
107,233	0	8,556	0	115,789
<u>112,298</u>	<u>0</u>	<u>13,571</u>	<u>2,240</u>	<u>245,275</u>
<u>2,560</u>	<u>19,747</u>	<u>122,377</u>	<u>21,801</u>	<u>166,485</u>
0	0	0	0	5,192
7,773	7,987	15,117	198	305,394
0	0	0	0	7,160
0	0	0	0	(34,358)
<u>7,773</u>	<u>7,987</u>	<u>15,117</u>	<u>198</u>	<u>283,388</u>
<u>\$122,631</u>	<u>\$27,734</u>	<u>\$151,065</u>	<u>\$24,239</u>	<u>\$695,148</u>

Nordonia Hills City School District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2017

	Food Service	Other Grants	High School Bookstore	District Managed Activities	Auxiliary Services
Revenues					
Intergovernmental	\$343,872	\$0	\$0	\$0	\$645,777
Interest	4	0	0	0	114
Tuition and Fees	0	0	2,298	50	0
Charges for Services	720,936	0	0	0	0
Extracurricular Activities	0	0	0	395,088	0
Contributions and Donations	0	50,025	0	0	0
Rentals	0	0	0	75	0
Miscellaneous	0	0	0	292	0
<i>Total Revenues</i>	<u>1,064,812</u>	<u>50,025</u>	<u>2,298</u>	<u>395,505</u>	<u>645,891</u>
Expenditures					
Current:					
Instruction:					
Regular	0	12,858	1,385	0	0
Special	0	3,806	0	0	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	0	0	0
Administration	0	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0	14,885
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services	0	13,000	0	0	723,454
Food Service Operations	1,041,862	0	0	0	0
Extracurricular Activities	0	19,454	0	402,996	0
<i>Total Expenditures</i>	<u>1,041,862</u>	<u>49,118</u>	<u>1,385</u>	<u>402,996</u>	<u>738,339</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	22,950	907	913	(7,491)	(92,448)
Other Financing Sources					
Transfers In	0	0	0	15,000	0
<i>Net Change in Fund Balances</i>	22,950	907	913	7,509	(92,448)
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(52,116)</u>	<u>41,903</u>	<u>6,247</u>	<u>185,341</u>	<u>131,107</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$29,166)</u></u>	<u><u>\$42,810</u></u>	<u><u>\$7,160</u></u>	<u><u>\$192,850</u></u>	<u><u>\$38,659</u></u>

Data Communication	Miscellaneous State Grants	Title VI-B	Limited English Proficiency	Title I	Reducing Class Size	Total Nonmajor Special Revenue Funds
\$10,800	\$25,000	\$974,028	\$8,643	\$328,125	\$53,665	\$2,389,910
0	0	0	0	0	0	118
0	0	0	0	0	0	2,348
0	0	0	0	0	0	720,936
0	0	0	0	0	0	395,088
0	0	0	0	0	0	50,025
0	0	0	0	0	0	75
0	0	0	0	0	0	292
<u>10,800</u>	<u>25,000</u>	<u>974,028</u>	<u>8,643</u>	<u>328,125</u>	<u>53,665</u>	<u>3,558,792</u>
0	0	7,200	6,573	281,935	0	309,951
0	25,199	508,645	0	0	0	537,650
0	0	186,876	0	0	0	186,876
0	0	5,659	2,265	17,338	41,001	66,263
0	0	0	0	4,800	0	4,800
0	0	0	0	0	0	14,885
0	0	137,807	0	0	0	137,807
10,800	0	0	0	0	0	10,800
0	0	30,570	0	13,336	8,766	789,126
0	0	0	0	0	0	1,041,862
0	0	0	0	0	0	422,450
<u>10,800</u>	<u>25,199</u>	<u>876,757</u>	<u>8,838</u>	<u>317,409</u>	<u>49,767</u>	<u>3,522,470</u>
0	(199)	97,271	(195)	10,716	3,898	36,322
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>15,000</u>
0	(199)	97,271	(195)	10,716	3,898	51,322
<u>0</u>	<u>199</u>	<u>(89,498)</u>	<u>8,182</u>	<u>4,401</u>	<u>(3,700)</u>	<u>232,066</u>
<u>\$0</u>	<u>\$0</u>	<u>\$7,773</u>	<u>\$7,987</u>	<u>\$15,117</u>	<u>\$198</u>	<u>\$283,388</u>

Nordonia Hills City School District

Combining Balance Sheet

Nonmajor Capital Projects Funds

June 30, 2017

	<u>Permanent Improvement</u>	<u>Building</u>	<u>Total Nonmajor Capital Projects Funds</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$500,703</u>	<u>\$239,413</u>	<u>\$740,116</u>
Fund Balances			
Restricted	<u>\$500,703</u>	<u>\$239,413</u>	<u>\$740,116</u>

Nordonia Hills City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2017

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues			
Contributions and Donations	\$0	\$20,700	\$20,700
Rentals	0	2,950	2,950
<i>Total Revenues</i>	<u>0</u>	<u>23,650</u>	<u>23,650</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant	4,341	0	4,341
Capital Outlay	0	122,427	122,427
<i>Total Expenditures</i>	<u>4,341</u>	<u>122,427</u>	<u>126,768</u>
<i>Excess of Revenues Under Expenditures</i>	(4,341)	(98,777)	(103,118)
Other Financing Sources			
Transfers In	500,000	0	500,000
<i>Net Change in Fund Balances</i>	495,659	(98,777)	396,882
<i>Fund Balances Beginning of Year</i>	<u>5,044</u>	<u>338,190</u>	<u>343,234</u>
<i>Fund Balances End of Year</i>	<u><u>\$500,703</u></u>	<u><u>\$239,413</u></u>	<u><u>\$740,116</u></u>

Combining Statement - Fiduciary Fund

Agency Fund

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 agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations or other governments and therefore not available to support the School District's own programs. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results or operations. A description of the School District's agency fund follows:

Student Managed Activities Fund – This fund reflects resources that belong to the student bodies of the various schools, accounting for sales and other revenue generating activities.

Nordonia Hills City School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2017

	Balance 06/30/16	Additions	Deductions	Balance 06/30/17
<i>Student Managed Activities</i>				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$108,648	\$229,754	\$238,919	\$99,483
Liabilities				
Due to Students	\$108,648	\$229,754	\$238,919	\$99,483

**Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balance/Fund Equity – Budget (Non-GAAP Basis) and Actual**

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property Taxes	\$28,197,736	\$29,696,760	\$29,696,759	(\$1)
Payments in Lieu of Taxes	1,723,253	1,723,253	1,723,253	0
Intergovernmental	9,891,777	10,387,349	10,387,349	0
Interest	114,275	120,000	148,832	28,832
Tuition and Fees	832,137	873,827	831,710	(42,117)
Charges for Services	38,316	40,236	40,236	0
Extracurricular Activities	313,874	329,599	307,797	(21,802)
Contributions and Donations	3,197	3,357	3,357	0
Rentals	48,830	51,276	50,346	(930)
Miscellaneous	90,738	95,284	95,163	(121)
Total Revenues	41,254,133	43,320,941	43,284,802	(36,139)
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	12,696,873	12,424,305	12,422,997	1,308
Fringe Benefits	4,182,260	4,092,480	4,091,989	491
Purchased Services	926,232	906,349	905,816	533
Materials and Supplies	847,317	829,128	827,664	1,464
Capital Outlay	2,495	2,441	2,441	0
Other	226,489	221,627	212,865	8,762
Total Regular	18,881,666	18,476,330	18,463,772	12,558
Special				
Salaries	3,846,546	3,763,973	3,762,274	1,699
Fringe Benefits	1,611,933	1,577,330	1,575,805	1,525
Purchased Services	1,791,674	1,753,212	1,648,149	105,063
Materials and Supplies	51,847	50,734	50,698	36
Capital Outlay	20,236	19,802	19,802	0
Total Special	7,322,236	7,165,051	7,056,728	108,323
Vocational				
Salaries	142,396	139,339	139,334	5
Fringe Benefits	38,336	37,513	37,510	3
Materials and Supplies	215	210	210	0
Total Vocational	180,947	177,062	177,054	8
Student Intervention Services				
Purchased Services	28,951	28,330	28,330	0
Total Instruction	\$26,413,800	\$25,846,773	\$25,725,884	\$120,889

(continued)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Support Services:				
Pupils				
Salaries	\$1,873,811	\$1,833,586	\$1,830,197	\$3,389
Fringe Benefits	663,100	648,865	648,246	619
Purchased Services	700,108	685,079	684,651	428
Materials and Supplies	53,080	51,941	51,941	0
Total Pupils	3,290,099	3,219,471	3,215,035	4,436
Instructional Staff				
Salaries	531,765	520,350	513,671	6,679
Fringe Benefits	196,553	192,334	192,078	256
Purchased Services	109,127	106,784	103,917	2,867
Materials and Supplies	51,530	50,424	50,420	4
Capital Outlay	17,218	16,848	16,848	0
Other	10,497	10,272	10,272	0
Total Instructional Staff	916,690	897,012	887,206	9,806
Board of Education				
Salaries	10,219	10,000	9,500	500
Fringe Benefits	2,383	2,332	2,299	33
Purchased Services	2,587	2,531	2,531	0
Materials and Supplies	4,842	4,738	4,738	0
Other	10,337	10,115	10,115	0
Total Board of Education	30,368	29,716	29,183	533
Administration				
Salaries	1,824,056	1,784,899	1,784,209	690
Fringe Benefits	791,863	774,864	774,689	175
Purchased Services	268,289	262,530	259,524	3,006
Materials and Supplies	28,010	27,409	27,257	152
Capital Outlay	6,074	5,944	5,944	0
Other	23,654	23,146	23,146	0
Total Administration	2,941,946	2,878,792	2,874,769	4,023
Fiscal				
Salaries	401,551	392,931	392,563	368
Fringe Benefits	198,823	194,555	194,123	432
Purchased Services	58,456	57,201	56,859	342
Materials and Supplies	7,899	7,729	7,490	239
Capital Outlay	1,539	1,506	1,506	0
Other	611,469	598,343	596,967	1,376
Total Fiscal	\$1,279,737	\$1,252,265	\$1,249,508	\$2,757

(continued)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Business				
Salaries	\$146,240	\$143,101	\$143,006	\$95
Fringe Benefits	51,827	50,714	50,678	36
Purchased Services	97,151	95,065	92,373	2,692
Materials and Supplies	2,283	2,234	2,234	0
Capital Outlay	2,385	2,334	2,334	0
Other	4,983	4,876	4,876	0
Total Business	304,869	298,324	295,501	2,823
Operation and Maintenance of Plant				
Salaries	1,475,946	1,444,262	1,447,114	(2,852)
Fringe Benefits	590,141	577,473	577,409	64
Purchased Services	1,344,643	1,315,778	1,311,914	3,864
Materials and Supplies	223,701	218,899	217,841	1,058
Capital Outlay	53,601	52,450	52,378	72
Other	23,506	23,001	23,001	0
Total Operation and Maintenance of Plant	3,711,538	3,631,863	3,629,657	2,206
Pupil Transportation				
Fringe Benefits	409	400	154	246
Purchased Services	2,912,538	2,850,015	2,849,047	968
Materials and Supplies	153,393	150,100	149,876	224
Total Pupil Transportation	3,066,340	3,000,515	2,999,077	1,438
Central				
Purchased Services	199,747	195,459	194,941	518
Materials and Supplies	65,367	63,964	63,964	0
Capital Outlay	16,242	15,893	15,893	0
Total Central	281,356	275,316	274,798	518
Total Support Services	15,822,943	15,483,274	15,454,734	28,540
Extracurricular Activities:				
Academic and Subject Oriented Activities				
Salaries	54,422	53,254	53,176	78
Fringe Benefits	10,871	10,638	10,243	395
Purchased Services	51,485	50,490	50,490	0
Materials and Supplies	5,798	5,674	5,674	0
Capital Outlay	1,073	1,050	1,050	0
Other	22,558	21,964	21,274	690
Total Academic and Subject Oriented Activities	\$146,207	\$143,070	\$141,907	\$1,163

(continued)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (continued)
For the Fiscal Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sport Oriented Activities				
Salaries	\$542,035	\$530,399	\$530,119	\$280
Fringe Benefits	130,985	128,173	127,985	188
Purchased Services	34,178	33,444	33,444	0
Materials and Supplies	5,087	4,978	4,978	0
Capital Outlay	327,282	320,256	320,230	26
Other	11,824	11,570	8,731	2,839
Total Sport Oriented Activities	1,051,391	1,028,820	1,025,487	3,333
School and Public Service Co-Curricular Activities				
Salaries	56,352	55,142	54,940	202
Fringe Benefits	10,088	9,871	9,384	487
Total School and Public Service Co-Curricular Activities	66,440	65,013	64,324	689
Total Extracurricular Activities	1,264,038	1,236,903	1,231,718	5,185
Total Expenditures	43,500,781	42,566,950	42,412,336	154,614
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(2,246,648)</i>	<i>753,991</i>	<i>872,466</i>	<i>118,475</i>
Other Financing Sources (Uses)				
Advances In	97,138	102,005	102,006	1
Transfers Out	(590,215)	(577,545)	(577,545)	0
Total Other Financing Sources (Uses)	(493,077)	(475,540)	(475,539)	1
Net Change in Fund Balance	(2,739,725)	278,451	396,927	118,476
Fund Balance Beginning of Year	20,123,883	20,123,883	20,123,883	0
Prior Year Encumbrances Appropriated	289,994	289,994	289,994	0
Fund Balance End of Year	\$17,674,152	\$20,692,328	\$20,810,804	\$118,476

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Bond Retirement Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$2,864,548	\$2,864,548	\$0
Intergovernmental	395,016	395,016	0
<i>Total Revenues</i>	<u>3,259,564</u>	<u>3,259,564</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Fiscal			
Other	50,150	50,150	0
Debt Service:			
Principal Retirement	611,314	611,314	0
Interest and Fiscal Charges	949,810	949,810	0
Capital Appreciation Bond Interest	1,669,738	1,669,738	0
Issuance Costs	60,000	60,000	0
Payment to Refunded Bond Escrow Agent	253,649	253,649	0
Total Debt Service	<u>3,544,511</u>	<u>3,544,511</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,594,661</u>	<u>3,594,661</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(335,097)</u>	<u>(335,097)</u>	<u>0</u>
Other Financing Sources (Uses)			
Refunding Bonds Issued	9,805,000	9,805,000	0
Payment to Refunded Bond Escrow Agent	(9,745,000)	(9,745,000)	0
Transfers In	62,545	62,545	0
<i>Total Other Financing Sources (Uses)</i>	<u>122,545</u>	<u>122,545</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(212,552)	(212,552)	0
<i>Fund Balance Beginning of Year</i>	<u>1,300,208</u>	<u>1,300,208</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,087,656</u></u>	<u><u>\$1,087,656</u></u>	<u><u>\$0</u></u>

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Food Service Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$328,416	\$327,847	(\$569)
Interest	15	4	(11)
Charges for Services	722,006	720,933	(1,073)
<i>Total Revenues</i>	<u>1,050,437</u>	<u>1,048,784</u>	<u>(1,653)</u>
Expenditures			
Current:			
Food Service Operations:			
Salaries	453,292	453,292	0
Fringe Benefits	202,865	202,859	6
Purchased Services	12,605	10,723	1,882
Materials and Supplies	374,801	373,147	1,654
Capital Outlay	1,230	1,230	0
Other	3,812	3,217	595
<i>Total Expenditures</i>	<u>1,048,605</u>	<u>1,044,468</u>	<u>4,137</u>
<i>Net Change in Fund Balance</i>	1,832	4,316	2,484
<i>Fund Balance Beginning of Year</i>	<u>43,153</u>	<u>43,153</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$44,985</u></u>	<u><u>\$47,469</u></u>	<u><u>\$2,484</u></u>

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Grants Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$50,025	\$50,025	\$0
Expenditures			
Current:			
Instruction:			
Regular			
Purchased Services	500	500	0
Materials and Supplies	13,896	11,593	2,303
Capital Outlay	1,250	1,201	49
Total Regular	15,646	13,294	2,352
Special			
Materials and Supplies	4,262	3,806	456
Total Instruction	19,908	17,100	2,808
Operation of Non-Instructional Services:			
Community Services			
Other	14,000	13,000	1,000
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Purchased Services	500	386	114
School and Public Service Co-Curricular Activities			
Purchased Services	16,692	16,685	7
Materials and Supplies	1,883	1,883	0
Other	696	500	196
Total School and Public Service Co-Curricular Activities	19,271	19,068	203
Total Extracurricular Activities	19,771	19,454	431
<i>Total Expenditures</i>	53,679	49,554	4,239
<i>Net Change in Fund Balance</i>	(3,654)	471	4,125
<i>Fund Balance Beginning of Year</i>	39,946	39,946	0
Prior Year Encumbrances Appropriated	1,957	1,957	0
<i>Fund Balance End of Year</i>	\$38,249	\$42,374	\$4,125

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
High School Bookstore Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$2,298	\$2,298	\$0
Expenditures			
Current:			
Instruction:			
Regular			
Materials and Supplies	1,400	1,385	15
<i>Net Change in Fund Balance</i>	898	913	15
<i>Fund Balance Beginning of Year</i>	6,247	6,247	0
<i>Fund Balance End of Year</i>	\$7,145	\$7,160	\$15

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
District Managed Activities Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$50	\$50	\$0
Extracurricular Activities	395,153	395,088	(65)
Rentals	75	75	0
Miscellaneous	1,097	1,097	0
<i>Total Revenues</i>	<u>396,375</u>	<u>396,310</u>	<u>(65)</u>
Expenditures			
Current:			
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Materials and Supplies	215	118	97
Other	1,224	1,224	0
Total Academic and Subject Oriented Activities	<u>1,439</u>	<u>1,342</u>	<u>97</u>
Sport Oriented Activities			
Salaries	8,475	8,475	0
Fringe Benefits	493	456	37
Purchased Services	140,557	130,644	9,913
Materials and Supplies	8,386	8,386	0
Capital Outlay	7,170	7,170	0
Other	265,208	246,660	18,548
Total Sport Oriented Activities	<u>430,289</u>	<u>401,791</u>	<u>28,498</u>
School and Public Service Co-Curricular Activities			
Fringe Benefits	1	1	0
Purchased Services	2,299	2,235	64
Materials and Supplies	3,450	2,939	511
Other	15,500	12,006	3,494
Total School and Public Service Co-CurricularActivities	<u>21,250</u>	<u>17,181</u>	<u>4,069</u>
<i>Total Expenditures</i>	<u>452,978</u>	<u>420,314</u>	<u>32,664</u>
<i>Excess of Revenues Under Expenditures</i>	(56,603)	(24,004)	32,599
Other Financing Sources			
Transfers In	15,000	15,000	0
<i>Net Change in Fund Balance</i>	(41,603)	(9,004)	32,599
<i>Fund Balance Beginning of Year</i>	176,098	176,098	0
Prior Year Encumbrances Appropriated	17,564	17,564	0
<i>Fund Balance End of Year</i>	<u>\$152,059</u>	<u>\$184,658</u>	<u>\$32,599</u>

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Auxiliary Services Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$645,777	\$645,777	\$0
Interest	114	114	0
<i>Total Revenues</i>	<u>645,891</u>	<u>645,891</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant			
Purchased Services	14,885	14,885	0
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	392,550	392,550	0
Materials and Supplies	229,621	229,621	0
Capital Outlay	115,967	115,967	0
Other	25,236	25,236	0
Total Operation of Non-Instructional Services	<u>763,374</u>	<u>763,374</u>	<u>0</u>
<i>Total Expenditures</i>	<u>778,259</u>	<u>778,259</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(132,368)	(132,368)	0
<i>Fund Balance Beginning of Year</i>	100,167	100,167	0
Prior Year Encumbrances Appropriated	<u>32,201</u>	<u>32,201</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Data Communication Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$10,800	\$10,800	\$0
Expenditures			
Current:			
Support Services:			
Central			
Purchased Services	10,800	10,800	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$25,000	\$25,000	\$0
Expenditures			
Current:			
Instruction:			
Special			
Purchased Services	24,869	24,869	0
Materials and Supplies	330	330	0
<i>Total Expenditures</i>	25,199	25,199	0
<i>Net Change in Fund Balance</i>	(199)	(199)	0
<i>Fund Balance Beginning of Year</i>	199	199	0
<i>Fund Balance End of Year</i>	\$0	\$0	\$0

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title VI-B Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$976,588	\$853,957	(\$122,631)
Expenditures			
Current:			
Instruction:			
Regular			
Salaries	9,000	9,000	0
Special			
Purchased Services	534,761	532,403	2,358
Total Instruction	543,761	541,403	2,358
Support Services:			
Pupils			
Purchased Services	186,876	186,876	0
Instructional Staff			
Purchased Services	6,407	6,159	248
Pupil Transportation			
Purchased Services	163,907	163,907	0
Total Support Services	357,190	356,942	248
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	30,571	30,570	1
<i>Total Expenditures</i>	931,522	928,915	2,607
<i>Excess of Revenues Over (Under) Expenditures</i>	45,066	(74,958)	(120,024)
Other Financing Uses			
Advances Out	(96,239)	(96,239)	0
<i>Net Change in Fund Balance</i>	(51,173)	(171,197)	(120,024)
<i>Fund Balance Beginning of Year</i>	0	0	0
Prior Year Encumbrances Appropriated	51,173	51,173	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$120,024)	(\$120,024)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Limited English Proficiency Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$28,390	\$8,643	(\$19,747)
Expenditures			
Current:			
Instruction:			
Regular			
Salaries	14,793	3,232	11,561
Fringe Benefits	2,200	0	2,200
Materials and Supplies	3,500	3,341	159
Total Instruction	20,493	6,573	13,920
Support Services:			
Instructional Staff			
Purchased Services	5,500	2,265	3,235
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	1,000	0	1,000
Materials and Supplies	1,397	0	1,397
Total Operation of Non-Instructional Services	2,397	0	2,397
<i>Total Expenditures</i>	28,390	8,838	19,552
<i>Net Change in Fund Balance</i>	0	(195)	(195)
<i>Fund Balance Beginning of Year</i>	8,182	8,182	0
<i>Fund Balance End of Year</i>	\$8,182	\$7,987	(\$195)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title I Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$450,502	\$299,437	(\$151,065)
Expenditures			
Current:			
Instruction:			
Regular			
Salaries	94,400	30,804	63,596
Fringe Benefits	17,001	7,165	9,836
Purchased Services	274,100	228,235	45,865
Materials and Supplies	12,900	12,895	5
Capital Outlay	16,600	16,126	474
Total Instruction	415,001	295,225	119,776
Support Services:			
Instructional Staff			
Salaries	9,500	9,500	0
Purchased Services	9,000	7,838	1,162
Total Instructional Staff	18,500	17,338	1,162
Administration			
Purchased Services	5,000	5,000	0
Total Support Services	23,500	22,338	1,162
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	14,902	13,245	1,657
Materials and Supplies	1,500	1,500	0
Total Operation of Non-Instructional Services	16,402	14,745	1,657
<i>Total Expenditures</i>	454,903	332,308	122,595
<i>Net Change in Fund Balance</i>	(4,401)	(32,871)	(28,470)
<i>Fund Balance Beginning of Year</i>	4,401	4,401	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$28,470)	(\$28,470)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Reducing Class Size Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$75,156	\$51,470	(\$23,686)
Expenditures			
Current:			
Support Services:			
Instructional Staff			
Salaries	48,019	34,612	13,407
Fringe Benefits	6,800	3,257	3,543
Purchased Services	9,000	2,878	6,122
Materials and Supplies	1,000	144	856
Total Support Services	64,819	40,891	23,928
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	8,766	8,766	0
<i>Total Expenditures</i>	73,585	49,657	23,928
<i>Excess of Revenues Over Expenditures</i>	1,571	1,813	242
Other Financing Uses			
Advances Out	(5,767)	(5,767)	0
<i>Net Change in Fund Balance</i>	(4,196)	(3,954)	242
<i>Fund Balance Beginning of Year</i>	3,987	3,987	0
Prior Year Encumbrances Appropriated	210	210	0
<i>Fund Balance End of Year</i>	\$1	\$243	\$242

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$82,741	\$82,741	\$0
Contributions and Donations	5,206	5,206	0
Miscellaneous	22,028	22,028	0
<i>Total Revenues</i>	<u>109,975</u>	<u>109,975</u>	<u>0</u>
Expenditures			
Current:			
Support Services:			
Instructional Staff			
Other	66	66	0
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Purchased Services	6,615	6,292	323
Materials and Supplies	73,208	70,924	2,284
Capital Outlay	28,289	27,886	403
Other	1,127	1,127	0
Total Extracurricular Activities	<u>109,239</u>	<u>106,229</u>	<u>3,010</u>
<i>Total Expenditures</i>	<u>109,305</u>	<u>106,295</u>	<u>3,010</u>
<i>Net Change in Fund Balance</i>	670	3,680	3,010
<i>Fund Balance Beginning of Year</i>	119,136	119,136	0
Prior Year Encumbrances Appropriated	<u>1,076</u>	<u>1,076</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$120,882</u>	<u>\$123,892</u>	<u>\$3,010</u>

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0
Expenditures			
Current:			
Instruction:			
Operation and Maintenance of Plant			
Capital Outlay	4,365	4,341	24
<i>Excess of Revenues Under Expenditures</i>	(4,365)	(4,341)	24
Other Financing Sources			
Transfers In	500,000	500,000	0
<i>Net Change in Fund Balance</i>	495,635	495,659	24
<i>Fund Balance Beginning of Year</i>	5,044	5,044	0
<i>Fund Balance End of Year</i>	<u>\$500,679</u>	<u>\$500,703</u>	<u>\$24</u>

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$20,700	\$20,700	\$0
Rentals	2,950	2,950	0
<i>Total Revenues</i>	<u>23,650</u>	<u>23,650</u>	<u>0</u>
Expenditures			
Capital Outlay:			
Site Improvement Services			
Capital Outlay	62,160	56,268	5,892
Building Acquisition and Construction Services			
Capital Outlay	69,151	69,151	0
<i>Total Expenditures</i>	<u>131,311</u>	<u>125,419</u>	<u>5,892</u>
<i>Net Change in Fund Balance</i>	(107,661)	(101,769)	5,892
<i>Fund Balance Beginning of Year</i>	291,639	291,639	0
Prior Year Encumbrances Appropriated	46,551	46,551	0
<i>Fund Balance End of Year</i>	<u><u>\$230,529</u></u>	<u><u>\$236,421</u></u>	<u><u>\$5,892</u></u>

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Statistical Section

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial position has changed over time.	S2 - S11
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the School District's ability to generate its most significant local revenue source, the property tax.	S12 - S21
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S23 - S27
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S28 - S29
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S30 - S39

Sources: Unless otherwise noted, the information in these schedules is derived from annual financial reports for the relevant year.

Nordonia Hills City School District

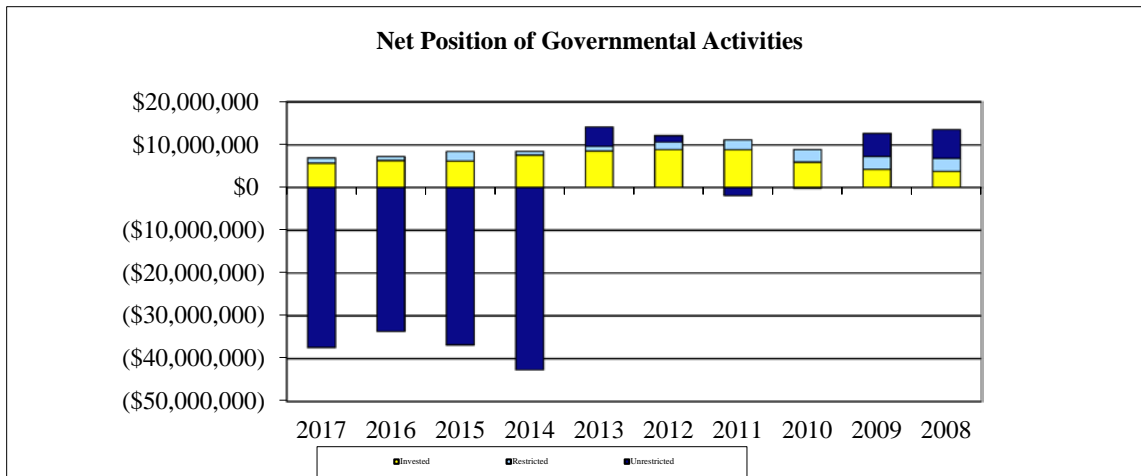
Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2017	2016	2015	2014 (1)
Governmental Activities:				
Net Investment in Capital Assets	\$5,670,558	\$6,288,133	\$6,204,815	\$7,581,884
Restricted for:				
Debt Service	1,412,544	1,958,030	2,096,504	1,739,717
Capital Projects	740,116	343,234	1,717,079	398,112
Other Purposes	504,800	614,083	478,775	442,212
Unrestricted (Deficit)	<u>(37,370,458)</u>	<u>(33,622,185)</u>	<u>(36,780,435)</u>	<u>(42,634,928)</u>
Total Governmental Activities Net Position	<u><u>(\$29,042,440)</u></u>	<u><u>(\$24,418,705)</u></u>	<u><u>(\$26,283,262)</u></u>	<u><u>(\$32,473,003)</u></u>

(1) The School District reported the impact of GASB Statement No. 68 beginning in fiscal year 2014.



2013	2012	2011	2010	2009	2008
\$8,509,093	\$8,850,162	\$8,840,009	\$5,953,017	\$4,296,352	\$3,754,077
1,328,964	1,369,449	1,349,882	1,311,046	1,675,185	1,139,361
692,565	1,233,186	1,479,226	2,355,266	2,424,827	2,608,996
379,531	526,632	836,109	594,543	530,496	434,971
4,586,389	1,529,032	(1,857,846)	(181,594)	5,391,879	6,767,582
<u>\$15,496,542</u>	<u>\$13,508,461</u>	<u>\$10,647,380</u>	<u>\$10,032,278</u>	<u>\$14,318,739</u>	<u>\$14,704,987</u>

Nordonia Hills City School District

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2017	2016	2015 (1)	2014
Expenses				
Governmental Activities:				
Regular Instruction	\$21,336,416	\$20,056,808	\$18,550,105	\$18,738,003
Special Instruction	8,386,796	6,446,142	6,108,542	6,036,343
Vocational Instruction	245,654	145,074	138,542	140,339
Adult/Continuing	0	0	0	0
Student Intervention Services	28,330	85,845	85,303	87,536
Other	0	0	0	0
Pupils	3,653,397	3,374,388	3,164,056	3,084,212
Instructional Staff	1,062,066	959,523	911,162	891,630
Board of Education	29,157	28,803	26,999	25,382
Administration	3,006,711	2,839,587	2,601,135	2,751,025
Fiscal	1,331,423	1,388,959	1,157,432	1,455,160
Business	296,297	333,196	310,434	322,065
Operation and Maintenance of Plant	4,010,472	4,091,712	3,927,891	3,849,829
Pupil Transportation	3,173,180	2,935,119	2,338,284	2,391,133
Central	339,210	637,809	383,035	695,317
Operation of Non-Instructional Services	1,034,359	567,067	703,621	656,335
Food Service Operations	969,192	1,221,780	1,193,894	1,295,629
Extracurricular Activities	1,840,343	1,471,574	1,868,849	1,925,689
Interest and Fiscal Charges	1,005,373	1,391,929	1,475,149	1,704,189
<i>Total Governmental Activities Expenses</i>	<i>51,748,376</i>	<i>47,975,315</i>	<i>44,944,433</i>	<i>46,049,816</i>
Program Revenues				
Governmental Activities:				
Charges for Services				
Regular Instruction	560,033	428,931	450,421	379,065
Special Instruction	198,768	122,222	129,215	114,168
Vocational Instruction	5,529	2,375	2,545	2,245
Student Intervention Services	780	1,750	1,911	1,732
Pupil Support	88,538	66,184	70,390	56,043
Instructional Staff Support	24,430	17,926	17,594	20,350
Board of Education	803	587	605	502
Administration	78,349	57,939	59,596	92,575
Fiscal	34,377	27,273	24,995	35,730
Business	7,743	6,740	6,982	9,620
Operation and Maintenance of Plant	98,335	73,458	80,923	95,187
Pupil Transportation	81,927	53,391	46,945	42,364
Central	7,612	10,240	8,165	12,464
Operation of Non-Instructional Services	0	0	0	10
Food Service Operations	720,936	761,374	762,755	827,776
Extracurricular Activities	871,033	749,118	1,155,459	1,237,833
Operating Grants and Contributions				
Regular Instruction	324,244	336,331	349,410	318,550
Special Instruction	815,286	732,920	860,647	557,684
Vocational Instruction	15,216	1,309	1,761	1,733
Student Intervention Services	0	0	0	0
Other	0	0	0	0
Pupil Support	177,408	135,089	109,746	441,240
Instructional Staff Support	63,413	58,300	95,779	127,103
Administration	0	0	2,541	2,083
Fiscal	0	0	0	0
Pupil Transportation	260,239	310,512	254,253	232,679
Central	10,800	10,800	10,800	10,800
Operation of Non-Instructional Services	688,038	693,368	672,218	658,284
Food Service Operations	343,876	367,246	354,439	406,274
Extracurricular Activities	25,019	2,889	96,966	1,720

2013	2012	2011	2010	2009	2008
\$18,249,173	\$17,230,661	\$18,569,476	\$19,909,252	\$18,341,443	\$18,312,804
5,390,882	4,092,913	4,347,481	5,114,678	4,765,679	4,106,631
127,008	105,638	270,211	341,786	382,247	464,745
0	17,990	0	0	0	0
133,867	941,216	955,132	1,025,787	0	0
0	0	0	0	644,108	633,468
2,836,378	3,679,370	3,968,792	3,999,333	3,736,451	3,663,642
693,943	868,221	1,567,498	1,282,487	1,294,769	1,503,938
16,058	101,811	95,436	101,028	86,547	83,051
2,581,795	2,659,546	2,654,376	2,844,324	2,760,485	2,655,708
1,482,023	1,182,471	1,140,067	1,150,873	1,113,388	1,048,855
289,958	259,360	241,543	286,306	285,569	278,440
3,725,872	3,747,786	3,974,307	4,024,975	5,162,153	4,810,582
2,370,306	2,355,359	2,579,917	3,349,773	2,684,699	2,511,525
1,001,531	907,526	871,639	217,227	173,619	159,151
724,346	592,258	608,161	491,588	719,252	542,086
1,239,531	1,276,824	1,395,875	1,520,020	1,501,302	1,493,571
1,740,542	1,468,048	1,227,122	1,578,579	1,528,821	1,475,894
1,906,793	1,799,548	1,947,120	1,928,133	1,699,038	1,568,386
44,510,006	43,286,546	46,414,153	49,166,149	46,879,570	45,312,477

420,685	324,125	154,798	189,538	123,761	334,521
117,356	65,386	31,899	41,449	110,889	0
2,273	1,320	1,975	2,982	0	0
3,135	16,412	7,851	8,809	0	0
47,347	42,553	24,301	29,158	0	0
13,211	12,401	7,463	10,360	0	0
376	1,775	784	966	0	0
59,400	45,934	21,547	26,955	0	0
32,659	19,609	12,628	10,562	0	0
6,715	4,465	2,133	2,664	0	0
78,452	58,482	29,789	34,980	126,771	65,626
51,324	37,611	17,743	26,353	0	0
18,264	12,285	6,983	2,049	0	0
7	0	0	0	20,430	3,344
882,968	982,010	991,621	971,663	978,924	984,537
1,194,487	842,616	834,568	788,327	795,044	691,916
627,752	126,809	849,761	238,718	219,985	153,655
3,984	0	48,197	23,272	0	59,083
0	0	0	0	0	0
0	0	0	115,162	0	0
0	0	0	0	29,402	36,502
767,682	883,376	1,075,762	998,643	801,786	805,303
73,047	92,750	643,875	145,861	136,728	173,107
2,174	71	167	0	2,723	14,684
1,109	1,103	2,034	8,659	2,120	13,686
30,555	14,198	220,711	1,026,383	21,069	0
122,593	48,335	19,192	2,934	0	0
671,230	590,809	582,107	569,154	608,624	634,735
428,304	391,662	333,884	433,045	426,036	359,042
0	0	0	10,034	5,547	9,807

(continued)

Nordonia Hills City School District

Changes in Net Position (continued)

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015 (1)</u>	<u>2014</u>
Capital Grants and Contributions				
Operation and Maintenance of Plant	\$20,700	\$0	\$0	\$0
Pupil Transportation	0	0	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>5,523,432</u>	<u>5,028,272</u>	<u>5,627,061</u>	<u>5,685,814</u>
Net (Expense)/Revenue	<u>(46,224,944)</u>	<u>(42,947,043)</u>	<u>(39,317,372)</u>	<u>(40,364,002)</u>
General Revenues				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	26,549,659	29,664,006	29,871,761	32,584,461
Debt Service	2,550,927	2,908,269	3,052,809	3,394,591
Capital Projects	0	0	0	0
Payments in Lieu of Taxes	1,723,253	1,285,013	968,477	483,379
Grants and Entitlements not				
Restricted to Specific Programs	10,577,845	10,557,986	10,770,864	11,160,608
Unrestricted Contributions and Donations	3,357	3,106	0	0
Investment Earnings	74,557	158,769	39,382	19,396
Gain on Sale of Capital Assets	0	0	526,951	0
Miscellaneous	121,611	234,451	276,869	79,252
<i>Total Governmental Activities General Revenues</i>	<u>41,601,209</u>	<u>44,811,600</u>	<u>45,507,113</u>	<u>47,721,687</u>
<i>Total Primary Government Change in Net Position</i>	<u>(\$4,623,735)</u>	<u>\$1,864,557</u>	<u>\$6,189,741</u>	<u>\$7,357,685</u>

(1) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in fiscal year 2015.

2013	2012	2011	2010	2009	2008
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	51,990	26,258
5,657,089	4,616,097	5,921,773	5,718,680	4,461,829	4,365,806
(38,852,917)	(38,670,449)	(40,492,380)	(43,447,469)	(42,417,741)	(40,946,671)
26,454,225	26,954,060	25,143,381	23,858,467	26,064,562	25,720,519
2,785,818	2,994,057	3,058,893	2,905,888	3,045,139	2,542,656
15	165,583	609,596	581,552	635,900	630,844
225,094	0	0	0	0	0
11,278,886	11,269,425	12,200,323	11,522,079	11,796,620	10,751,409
0	0	0	0	0	0
13,741	11,240	16,087	140,532	423,624	847,659
5,295	0	0	0	0	0
77,924	137,165	79,202	152,490	65,648	80,220
40,840,998	41,531,530	41,107,482	39,161,008	42,031,493	40,573,307
\$1,988,081	\$2,861,081	\$615,102	(\$4,286,461)	(\$386,248)	(\$373,364)

Nordonia Hills City School District

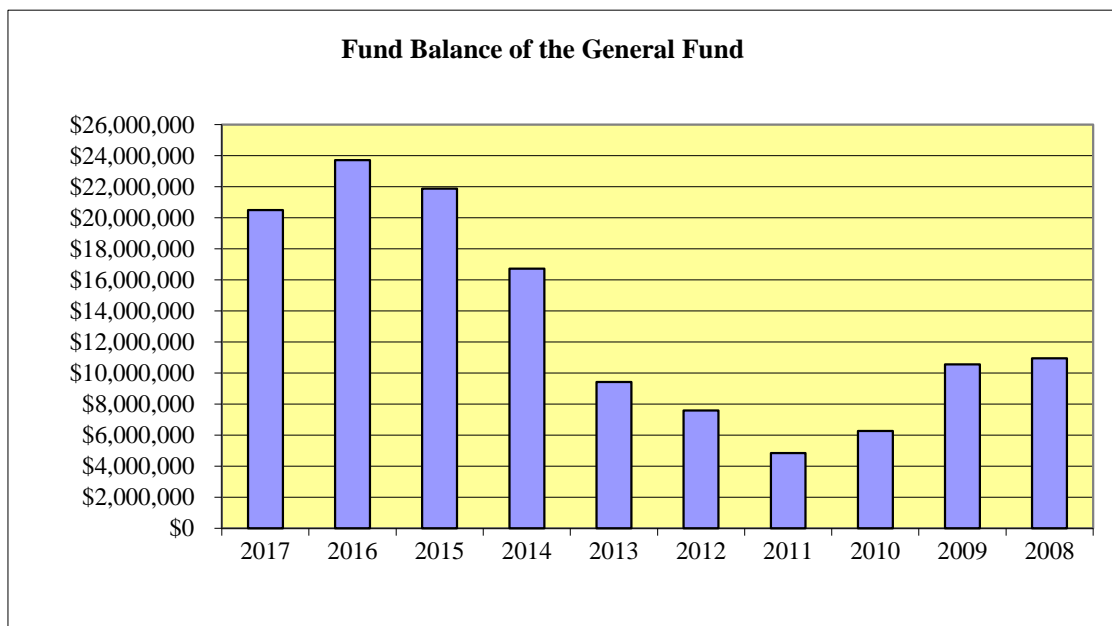
Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2017	2016	2015	2014
General Fund				
Nonspendable	\$116,888	\$50,363	\$50,158	\$44,951
Committed	0	0	0	0
Assigned	4,761,158	363,379	2,317,045	676,253
Unassigned	15,628,682	23,297,679	19,523,941	16,007,826
Reserved	N/A	N/A	N/A	N/A
Unreserved	N/A	N/A	N/A	N/A
Total General Fund	20,506,728	23,711,421	21,891,144	16,729,030
All Other Governmental Funds				
Nonspendable	5,192	3,067	4,103	5,307
Restricted	2,424,211	2,694,944	4,231,489	2,538,172
Committed	7,160	6,247	9,235	8,498
Unassigned (Deficit)	(34,358)	(148,381)	(21,654)	(534)
Reserved	N/A	N/A	N/A	N/A
Unreserved, Undesignated, Reported in:				
Special Revenue Funds (Deficit)	N/A	N/A	N/A	N/A
Debt Service Funds	N/A	N/A	N/A	N/A
Capital Projects Funds	N/A	N/A	N/A	N/A
Total All Other Governmental Funds	2,402,205	2,555,877	4,223,173	2,551,443
Total Governmental Funds	\$22,908,933	\$26,267,298	\$26,114,317	\$19,280,473

Note: GASB 54 was implemented in fiscal year 2011.



2013	2012	2011	2010	2009	2008
\$44,626	\$46,854	\$154,800	N/A	N/A	N/A
63,370	0	0	N/A	N/A	N/A
371,891	1,498,652	1,379,104	N/A	N/A	N/A
8,942,703	6,042,002	3,310,508	N/A	N/A	N/A
N/A	N/A	N/A	3,349,527	814,768	1,383,180
N/A	N/A	N/A	2,928,982	9,747,311	9,579,351
9,422,590	7,587,508	4,844,412	6,278,509	10,562,079	10,962,531
5,693	5,541	5,237	N/A	N/A	N/A
2,434,029	3,142,173	3,389,399	N/A	N/A	N/A
0	0	0	N/A	N/A	N/A
(1,911)	(126,885)	(731,389)	N/A	N/A	N/A
N/A	N/A	N/A	2,128,717	826,436	560,934
N/A	N/A	N/A	(45,507)	108,401	322,472
N/A	N/A	N/A	1,200,690	1,705,131	1,170,799
N/A	N/A	N/A	804,559	7,437,335	2,140,530
2,437,811	3,020,829	2,663,247	4,088,459	10,077,303	4,194,735
\$11,860,401	\$10,608,337	\$7,507,659	\$10,366,968	\$20,639,382	\$15,157,266

Nordonia Hills City School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2017	2016	2015	2014
Revenues				
Property Taxes	\$28,293,069	\$32,552,871	\$34,061,836	\$36,013,119
Payments in Lieu of Taxes	1,723,253	1,285,013	968,477	483,379
Intergovernmental	13,415,941	12,924,308	13,471,493	13,842,819
Interest	74,561	158,872	39,424	19,450
Tuition and Fees	1,156,757	847,909	882,819	849,545
Charges for Services	761,172	801,077	798,975	858,560
Extracurricular Activities	785,626	665,540	1,073,115	1,154,818
Contributions and Donations	79,288	32,246	116,221	23,216
Rentals	51,588	64,982	63,592	64,741
Miscellaneous	121,611	234,451	276,869	79,252
<i>Total Revenues</i>	<u>46,462,866</u>	<u>49,567,269</u>	<u>51,752,821</u>	<u>53,388,899</u>
Expenditures				
Current:				
Instruction:				
Regular	18,906,080	18,959,543	18,323,735	17,559,996
Special	7,731,546	6,426,639	6,285,801	5,996,400
Vocational	189,556	114,941	111,564	119,812
Adult/Continuing	0	0	0	0
Student Intervention Services	28,330	85,845	85,303	87,536
Other	0	0	0	0
Support Services:				
Pupils	3,382,997	3,379,899	3,262,075	3,128,396
Instructional Staff	945,230	920,225	877,676	843,635
Board of Education	29,157	28,803	26,999	25,382
Administration	2,847,845	2,845,145	2,647,209	2,730,787
Fiscal	1,292,407	1,402,148	1,164,884	1,442,065
Business	291,832	330,318	308,746	324,923
Operation and Maintenance of Plant	3,586,958	3,602,490	3,618,716	3,459,711
Pupil Transportation	3,112,260	2,842,202	2,230,451	2,248,140
Central	287,165	512,959	375,334	641,237
Operation of Non-Instructional Services	789,126	583,740	703,940	651,988
Food Service Operations	1,041,862	1,163,509	1,164,548	1,243,968
Extracurricular Activities	1,751,942	1,420,704	1,733,527	1,775,336
Capital Outlay	122,427	1,358,976	377,378	1,054,531
Debt Service:				
Principal Retirement	611,314	730,031	983,125	1,004,223
Current Refunding	0	0	0	0
Interest and Fiscal Charges	949,810	1,135,871	1,003,019	1,151,783
Capital Appreciation Bonds Interest	1,669,738	1,589,676	1,269,963	1,210,777
Payment to Refunded Bond Escrow Agent	253,649	0	0	0
Issuance Costs	60,000	0	242,101	0
<i>Total Expenditures</i>	<u>49,881,231</u>	<u>49,433,664</u>	<u>46,796,094</u>	<u>46,700,626</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,418,365)</u>	<u>133,605</u>	<u>4,956,727</u>	<u>6,688,273</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	19,376	1,631,721	2,055
Energy Conservation Bonds Issued	0	0	0	729,744
General Obligation Bonds Issued	0	0	0	0
Refunding Bonds Issued	9,805,000	0	14,975,000	0
Premium on Debt Issuance	0	0	2,057,168	0
Payment to Refunded Bond Escrow Agent	(9,745,000)	0	(16,786,772)	0
Purchase Agreement	0	0	0	0
Transfers In	577,545	79,417	72,565	43,277
Transfers Out	(577,545)	(79,417)	(72,565)	(43,277)
<i>Total Other Financing Sources (Uses)</i>	<u>60,000</u>	<u>19,376</u>	<u>1,877,117</u>	<u>731,799</u>
<i>Net Change in Fund Balances</i>	<u><u>(\$3,358,365)</u></u>	<u><u>\$152,981</u></u>	<u><u>\$6,833,844</u></u>	<u><u>\$7,420,072</u></u>
Debt Service as a Percentage of Noncapital Expenditures	7.0%	7.1%	7.0%	7.2%

2013	2012	2011	2010	2009	2008
\$29,178,336	\$30,004,522	\$28,635,403	\$26,949,636	\$29,667,748	\$28,806,731
225,094	0	0	0	0	0
14,029,617	14,278,190	15,004,291	15,140,010	13,987,982	12,984,055
13,801	11,240	16,087	140,759	425,552	854,120
859,882	652,259	315,869	396,038	232,712	334,520
906,856	982,010	991,756	971,663	978,924	984,537
1,100,659	737,382	734,504	678,783	805,725	695,259
16,451	16,349	32,371	26,215	51,767	12,221
61,262	95,333	103,954	100,331	126,771	65,626
77,924	137,165	79,202	152,490	77,335	94,318
<u>46,469,882</u>	<u>46,914,450</u>	<u>45,913,437</u>	<u>44,555,925</u>	<u>46,354,516</u>	<u>44,831,387</u>
17,638,813	16,641,266	18,264,469	19,113,434	17,668,722	17,111,669
5,359,158	4,132,807	4,345,719	4,678,469	4,603,102	3,930,759
109,137	107,582	250,052	329,357	347,015	369,725
0	17,990	0	0	0	0
133,867	941,216	955,132	1,025,787	0	0
0	0	0	0	644,108	633,468
2,917,631	3,601,348	4,001,128	3,968,206	3,610,833	3,496,254
665,126	848,390	1,549,434	1,227,438	1,224,654	1,377,915
16,058	101,811	95,436	101,028	86,547	83,051
2,607,202	2,641,865	2,649,260	2,772,107	2,645,607	2,571,781
1,501,536	1,176,202	1,149,480	1,267,239	1,105,859	1,048,794
277,533	256,689	285,158	274,430	282,062	277,024
3,385,584	3,409,811	3,652,873	3,659,000	4,682,669	4,433,096
2,223,398	2,250,946	2,391,540	2,772,215	2,447,298	2,318,740
920,197	741,414	871,639	217,227	173,619	159,151
719,999	587,911	603,814	486,620	713,415	536,249
1,190,548	1,220,781	1,336,248	1,459,847	1,440,136	1,433,392
1,664,849	1,286,482	1,446,343	1,525,697	1,473,627	1,407,983
547,984	503,239	1,572,578	6,481,645	1,030,569	213,318
1,215,683	1,297,917	2,138,497	2,123,497	1,773,412	1,712,833
1,145,335	0	0	0	0	0
0	1,117,525	1,213,946	1,345,096	1,202,699	1,227,593
984,317	930,580	0	0	0	0
0	0	0	0	0	0
0	0	0	0	117,168	0
<u>45,223,955</u>	<u>43,813,772</u>	<u>48,772,746</u>	<u>54,828,339</u>	<u>47,273,121</u>	<u>44,342,795</u>
<u>1,245,927</u>	<u>3,100,678</u>	<u>(2,859,309)</u>	<u>(10,272,414)</u>	<u>(918,605)</u>	<u>488,592</u>
6,137	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	5,999,998	0
0	0	0	0	0	0
0	0	0	0	226,735	0
0	0	0	0	0	0
0	0	0	0	173,988	0
15,000	78,089	20,530	35,520	37,860	34,160
<u>(15,000)</u>	<u>(78,089)</u>	<u>(20,530)</u>	<u>(35,520)</u>	<u>(37,860)</u>	<u>(34,160)</u>
<u>6,137</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,400,721</u>	<u>0</u>
<u>\$1,252,064</u>	<u>\$3,100,678</u>	<u>(\$2,859,309)</u>	<u>(\$10,272,414)</u>	<u>\$5,482,116</u>	<u>\$488,592</u>
7.5%	7.7%	7.1%	7.2%	6.4%	6.7%

Nordonia Hills City School District
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Estimated Actual Value	Tangible Personal Property	
	Assessed Value				General	Business
	Residential/ Agricultural	Commercial/ Industrial	Total		Assessed Value	Estimated Actual Value
2017	\$743,988,280	\$182,791,410	\$926,779,690	\$2,647,941,971	\$0	\$0
2016	741,670,770	154,195,850	895,866,620	2,559,618,914	0	0
2015	738,025,160	155,684,700	893,709,860	2,553,456,743	0	0
2014	752,937,530	154,814,340	907,751,870	2,593,576,771	0	0
2013	750,842,030	153,156,060	903,998,090	2,582,851,686	0	0
2012	748,050,370	157,943,220	905,993,590	2,588,553,114	0	0
2011	812,050,720	176,758,250	988,808,970	2,825,168,486	0	0
2010	809,996,680	177,939,220	987,935,900	2,822,674,000	1,556,470	24,903,520
2009	807,250,520	177,175,180	984,425,700	2,812,644,857	18,156,820	290,509,120
2008	792,278,770	166,650,460	958,929,230	2,739,797,800	36,453,440	583,255,040

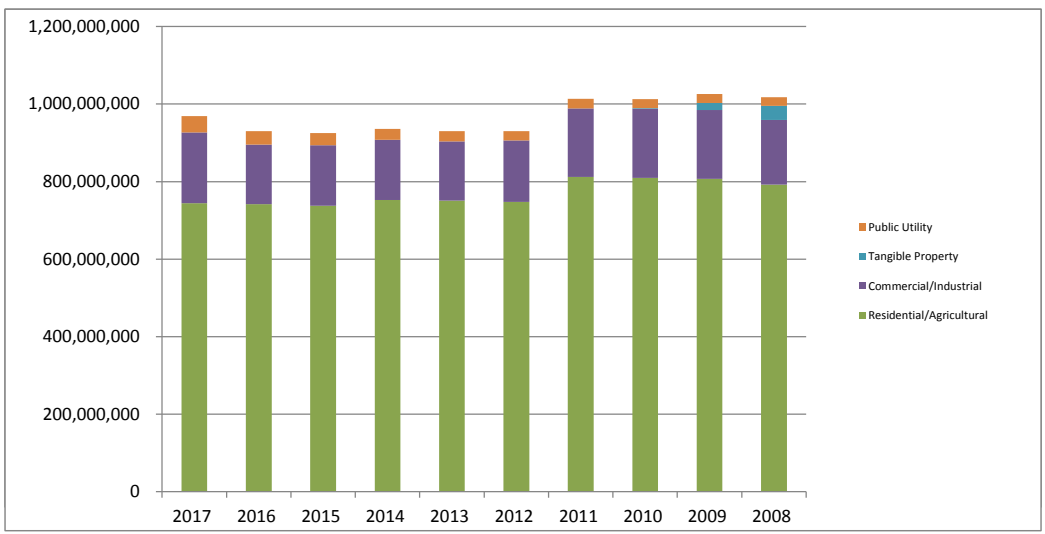
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property has been phased out and, during the phase out period, all general business tangible personal property was assessed at 6.25 percent for 2008 and zero percent for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began four year phase out of the tangible personal property tax on local and inter-exchange telephone companies, at 5 percent for 2010. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers (except telephone companies whose last year to pay tangible personal property tax was 2010).

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by a 10 percent and a 2 1/2 percent rollback, and homestead exemptions before being billed.

Source: Office of the County Fiscal Officer, Summit County, Ohio

Tangible Personal Property		Total		Total Tax Rate	Weighted Average Tax Rate
Public Utility					
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$42,394,450	\$48,175,511	\$969,174,140	\$2,696,117,483	\$68.790000	\$41.24114
34,148,290	38,804,875	930,014,910	2,598,423,789	68.770000	39.25921
31,124,800	35,369,091	924,834,660	2,588,825,834	68.940000	39.05403
28,468,580	32,350,659	936,220,450	2,625,927,431	68.920000	39.03694
26,459,950	30,068,125	930,458,040	2,612,919,811	68.990000	38.80326
24,400,460	27,727,795	930,394,050	2,616,280,910	69.100000	38.77541
24,399,910	27,727,170	1,013,208,880	2,852,895,656	62.600000	30.41911
23,600,380	26,818,614	1,013,092,750	2,874,396,134	62.600000	30.08352
23,272,230	26,445,716	1,025,854,750	3,129,599,693	62.670000	30.96950
22,416,470	25,473,261	1,017,799,140	3,348,526,101	62.260000	31.25229



Nordonia Hills City School District
Property Tax Rates - Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Years

	2017	2016	2015	2014
Unvoted Millage				
Operating	\$4.970000	\$4.970000	\$4.970000	\$4.970000
Voted Millage - by levy				
1976 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	7.173914	7.167948	7.165100	6.988088
Commercial/Industrial and Public Utility Real	7.348098	7.295958	7.204600	7.233386
General Business and Public Utility Personal	26.280000	26.280000	26.280000	26.280000
1978 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	1.228410	1.227388	1.226900	1.196590
Commercial/Industrial and Public Utility Real	1.258236	1.249308	1.233700	1.238593
General Business and Public Utility Personal	4.500000	4.500000	4.500000	4.500000
1984 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	2.299827	2.297916	2.297000	2.240254
Commercial/Industrial and Public Utility Real	2.480716	2.463112	2.432300	2.441988
General Business and Public Utility Personal	5.400000	5.400000	5.400000	5.400000
1987 Permanent Improvement				
Effective Millage Rates				
Residential/Agricultural Real	0.000000	0.000000	0.000000	0.000000
Commercial/Industrial and Public Utility Real	0.000000	0.000000	0.000000	0.000000
General Business and Public Utility Personal	0.000000	0.000000	0.000000	0.000000
1988 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	2.176566	2.174759	2.173900	2.120189
Commercial/Industrial and Public Utility Real	2.649748	2.630946	2.598000	2.608380
General Business and Public Utility Personal	4.450000	4.450000	4.450000	4.450000
1993 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	4.089736	4.086338	4.084700	3.983796
Commercial/Industrial and Public Utility Real	4.969929	4.934671	4.872900	4.892342
General Business and Public Utility Personal	7.200000	7.200000	7.200000	7.200000
2000 Bond (\$38,500,000)	3.040000	3.020000	3.140000	3.150000
2004 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	6.500000	6.500000	6.500000	6.432101
Commercial/Industrial and Public Utility Real	6.433102	6.387459	6.307500	6.332677
General Business and Public Utility Personal	6.500000	6.500000	6.500000	6.500000
2008 Bond (\$6,000,000)	0.450000	0.450000	0.500000	0.470000
2011 Operating - continuing				
Effective Millage Rates				
Residential/Agricultural Real	6.000000	6.000000	6.000000	6.000000
Commercial/Industrial and Public Utility Real	6.000000	6.000000	5.954400	5.978154
General Business and Public Utility Personal	6.000000	6.000000	6.000000	6.000000

2013	2012	2011	2010	2009	2008
\$4.970000	\$4.970000	\$4.970000	\$4.970000	\$4.970000	\$4.970000
6.981019	6.973700	6.395200	6.401900	6.388300	6.441000
7.259797	7.158600	6.338400	6.300800	6.219100	6.614900
26.280000	26.280000	26.280000	26.280000	26.280000	26.280000
1.195380	1.194100	1.095100	1.096200	1.093900	1.102900
1.243116	1.225800	1.085300	1.078900	1.064900	1.132700
4.500000	4.500000	4.500000	4.500000	4.500000	4.500000
2.237986	2.235600	2.050200	2.052300	2.048000	2.064900
2.450908	2.416800	2.139800	2.127200	2.099600	2.233200
5.400000	5.400000	5.400000	5.400000	5.400000	5.400000
0.000000	0.000000	0.000000	0.608100	0.606800	0.611800
0.000000	0.000000	0.000000	0.749600	0.739900	0.786900
0.000000	0.000000	0.000000	1.490000	1.490000	1.490000
2.118044	2.115800	2.285600	1.942300	1.938200	1.954200
2.617908	2.581400	1.940300	2.272100	2.242600	2.385400
4.450000	4.450000	4.450000	4.450000	4.450000	4.450000
3.979771	3.975600	3.645800	3.649600	3.641900	3.672000
4.910220	4.841800	4.287000	4.261600	4.206400	4.474000
7.200000	7.200000	7.200000	7.200000	7.200000	7.200000
3.150000	3.300000	2.900000	2.900000	2.910000	2.960000
6.425601	6.418800	5.886400	5.892500	5.880000	5.928600
6.355817	6.267200	5.549100	5.516300	5.444800	5.791200
6.500000	6.500000	6.500000	6.500000	6.500000	6.500000
0.540000	0.500000	0.400000	0.400000	0.460000	0.000000
6.000000	6.000000	0.000000	0.000000	0.000000	0.000000
6.000000	6.000000	0.000000	0.000000	0.000000	0.000000
6.000000	6.000000	0.000000	0.000000	0.000000	0.000000

(continued)

Nordonia Hills City School District
Property Tax Rates - Direct and Overlapping Governments (continued)
(per \$1,000 of assessed value)
Last Ten Years

	2017	2016	2015	2014
Total Voted Millage by type of Property				
Residential/Agricultural Real	\$32.958453	\$32.924349	\$33.087600	\$32.581018
Commercial/Industrial and Public Utility Real	34.629829	34.431454	34.243400	34.345520
General Business and Public Utility Personal	63.820000	63.800000	63.970000	63.950000
Total Millage by type of Property				
Residential/Agricultural Real	\$37.928453	\$37.894349	\$38.057600	\$37.551018
Commercial/Industrial and Public Utility Real	39.599829	39.401454	39.213400	39.315520
General Business and Public Utility Personal	68.790000	68.770000	68.940000	68.920000
Total Weighted Average Tax Rate				
	\$41.241140	\$39.259212	\$39.054030	\$39.036940
Overlapping Rates by Taxing District				
Boston Heights Village				
Effective Millage Rates				
Residential/Agricultural Real	\$6.092567	\$6.100000	\$6.100000	\$6.100000
Commercial/Industrial and Public Utility Real	5.748903	6.048834	6.100000	6.100000
General Business and Public Utility Personal	6.100000	6.100000	6.100000	6.100000
City of Macedonia				
Effective Millage Rates				
Residential/Agricultural Real	5.030383	5.028937	5.029500	4.998792
Commercial/Industrial and Public Utility Real	5.174041	5.172557	5.135800	5.173519
General Business and Public Utility Personal	8.900000	8.900000	8.900000	8.900000
Northfield Center Township				
Effective Millage Rates				
Residential/Agricultural Real	12.277210	12.276020	12.276000	9.192819
Commercial/Industrial and Public Utility Real	12.106803	11.969610	11.937400	8.802501
General Business and Public Utility Personal	17.150000	17.150000	17.150000	14.150000
Northfield Village				
Effective Millage Rates				
Residential/Agricultural Real	7.233849	7.225914	7.223000	7.138902
Commercial/Industrial and Public Utility Real	6.954032	6.953771	6.920300	7.130170
General Business and Public Utility Personal	7.480000	7.480000	7.480000	7.480000
Sagamore Hills Township				
Effective Millage Rates				
Residential/Agricultural Real	10.802814	10.802442	10.801000	10.748034
Commercial/Industrial and Public Utility Real	10.416645	10.416645	10.416600	10.484373
General Business and Public Utility Personal	11.180000	11.180000	11.180000	11.180000
Twinsburg Township				
Effective Millage Rates				
Residential/Agricultural Real	12.550799	9.856698	9.926700	10.074887
Commercial/Industrial and Public Utility Real	14.578775	11.797730	11.762800	11.935621
General Business and Public Utility Personal	17.370000	14.610000	14.610000	14.610000

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates for continuing operating levies are reduced so that inflationary increases in value do not generate additional taxes.

Overlapping rates are those of local and county governments that apply to property owners within the School District.

Source: Ohio Department of Taxation

Note: Emergency and Debt Service levies are designed to raise a fixed amount of revenue each year. A rate is set each year so that when it is applied to the total assessed value, that fixed amount is generated.

2013	2012	2011	2010	2009	2008
\$32.627801	\$32.713600	\$24.658300	\$24.334800	\$24.360300	\$24.123600
34.527766	34.291600	24.639900	24.856900	24.647400	25.591400
<u>64.020000</u>	<u>64.130000</u>	<u>57.630000</u>	<u>57.630000</u>	<u>57.700000</u>	<u>57.290000</u>
\$37.597801	\$37.683600	\$29.628300	\$29.304800	\$29.330300	\$29.093600
39.497766	39.261600	29.609900	29.826900	29.617400	30.561400
<u>68.990000</u>	<u>69.100000</u>	<u>62.600000</u>	<u>62.600000</u>	<u>62.670000</u>	<u>62.260000</u>
<u>\$38.803260</u>	<u>\$38.775410</u>	<u>\$30.419110</u>	<u>\$30.083520</u>	<u>\$30.969500</u>	<u>\$31.252290</u>
\$6.100000	\$5.583600	\$6.081400	\$6.025600	\$6.065100	\$5.636500
6.100000	5.336700	6.100000	6.280300	6.135900	6.294700
6.100000	5.600000	6.100000	6.600000	6.600000	6.850000
4.997900	4.879700	4.887800	4.883000	4.100300	4.115500
5.164700	4.944700	4.927900	4.909300	4.265000	4.266800
8.900000	8.900000	8.900000	8.900000	8.700000	8.700000
9.187500	8.825300	8.821900	8.814300	8.812300	7.233500
8.761300	8.382000	8.406300	8.136600	8.401600	6.795300
14.150000	14.150000	14.150000	14.150000	14.150000	13.150000
7.137600	6.905400	6.902800	5.401000	5.381700	5.381800
6.914500	6.548500	6.493200	5.120500	5.345000	5.386400
7.480000	7.480000	7.480000	5.980000	5.980000	5.980000
9.401100	8.844500	8.839100	8.823600	8.839600	8.844300
8.699200	7.984700	7.986700	7.965100	7.932400	8.377100
10.180000	10.180000	10.180000	10.180000	10.180000	10.180000
10.074400	7.981500	7.973800	7.966100	8.179000	8.152500
11.733700	9.021600	9.020600	8.944700	9.799100	9.836300
14.610000	12.860000	12.860000	12.860000	12.860000	12.860000

Nordonia Hills City School District
Property Tax Levies and Collections (1)
Last Ten Years

Collection Year (2)	Current Tax Levy	Delinquent Levy	Total Levy	Current Tax Collections
2016	\$36,529,179	\$1,495,532	\$38,024,711	\$35,848,545
2015	36,340,072	1,796,630	38,136,702	35,639,623
2014	36,108,198	1,913,728	38,021,926	35,562,444
2013	36,108,198	2,983,077	39,091,275	35,319,692
2012	36,076,774	2,735,125	38,811,899	34,934,389
2011	31,220,858	2,502,617	33,723,475	30,028,940
2010	31,228,709	2,387,010	33,615,719	30,307,223
2009	31,138,340	2,734,649	33,872,989	30,255,260
2008	31,392,444	2,639,064	34,031,508	30,402,110
2007	31,939,091	2,685,199	34,624,290	30,864,286

Source: Office of the Fiscal Officer, Summit County, Ohio

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) The 2017 information cannot be presented because all collections have not been made by June 30, 2017.

Note: The County's current reporting system does not track delinquency tax collections by tax year. Outstanding delinquencies are tracked in total by the date the parcel is first certified delinquent. Penalties and interest are applied to the total outstanding delinquent balance. The presentation will be updated as new information becomes available.

Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
98.14%	\$864,584	\$36,713,129	100.50%
98.07	844,615	36,484,238	100.40
98.49	896,938	36,459,382	100.97
97.82	1,258,776	36,578,468	101.30
96.83	1,118,557	36,052,946	99.93
96.18	803,118	30,832,058	98.75
97.05	842,887	31,150,110	99.75
97.16	1,373,400	31,628,660	101.57
96.85	1,104,728	31,506,838	100.36
96.63	1,251,644	32,115,930	100.55

Nordonia Hills City School District

Principal Taxpayers

Real Estate Tax

2017 and 2008

Name of Taxpayer	2017	
	Assessed Valuation	Percent of Real Assessed Value
DOTRS, LLC	\$8,049,330	0.86 %
AERC Williamsburg, Incorporated	4,221,090	0.46
Eaton Ridge, LLC	4,136,190	0.45
Musca Properties, LLC	3,524,060	0.38
GW Macedonia, LLC	3,272,110	0.35
Northfield Park Associates, LLC	2,952,700	0.32
Sacco of Macedonia, LLC	2,520,460	0.27
Sagamore Square Enterprises, LTD	2,491,350	0.27
Sagamore Hills Nominee, LP	2,432,800	0.26
Cleveland Steel Warehouse, LTD	2,273,600	0.25
Total	\$35,873,690	3.87 %
Total Real Estate Valuation	\$926,779,690	
Name of Taxpayer	2008	
	Assessed Valuation	Percent of Real Assessed Value
Developers Diversified Realty Corporation	\$4,193,540	0.45 %
Target Corporation	3,289,270	0.34
Cleveland Steel Warehouse, LTD	2,822,810	0.29
Sagamore Hills Nominee, LP	2,815,860	0.29
Sacco of Macedonia, LLC	2,730,290	0.28
Northfield Park Associates, LLC	2,629,290	0.27
Empire Die Casting Company, Incorporated	2,253,570	0.24
WW Grainger, Incorporated	2,250,670	0.24
DOTRS, LLC	2,239,780	0.23
Graco Childrens Products, Incorporated	2,108,820	0.22
Total	\$27,333,900	2.85 %
Total Real Estate Valuation	\$958,929,230	

Source: Office of the Fiscal Officer, Summit County, Ohio

Nordonia Hills City School District

Principal Taxpayers

Public Utilities Tax

2017 and 2008

Name of Taxpayer	2017	
	Assessed Valuation	Percent of Public Utility Assessed Value
American Transmission	\$12,995,040	30.65 %
Ohio Edison	11,995,040	28.29
Cleveland Electric Illuminating	1,388,110	3.27
East Ohio Gas	2,437,480	5.75
Aqua Ohio, Incorporated	36,280	0.09
Orwell Natural Gas Company	13,860	0.03
Buckeye Pipe Line Company, LP	11,210	0.03
GE Capital Information Tech Solutions	1,400	0.01
Total	\$28,878,420	68.12 %
Total Public Utility Valuation	\$42,394,450	

Name of Taxpayer	2008	
	Assessed Valuation	Percent of Public Utility Assessed Value
Ohio Edison	\$8,747,740	39.03 %
American Transmission	8,168,780	36.44
Cleveland Electric Illuminating	2,702,610	12.06
East Ohio Gas	1,991,370	8.88
Norfolk Southern	536,850	2.39
Aqua Ohio, Incorporated	260,530	1.16
Total	\$22,407,880	99.96 %
Total Public Utility Valuation	\$22,416,470	

Source: Office of the Fiscal Officer, Summit County, Ohio

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Nordonia Hills City School District
Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2017

	Governmental Activities Debt Outstanding	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Nordonia Hills City School District			
General Obligation Bonds	\$26,937,866	100.00 %	\$26,937,866
Overlapping:			
City of Macedonia			
General Obligation Bonds	4,350,000	97.70	4,249,950
Special Assessment Bonds	882,200	97.70	861,909
OPWC Loans	356,451	97.70	348,253
Northfield Village			
General Obligation Bonds	25,099	100.00	25,099
OPWC Loans	1,978,570	100.00	1,978,570
Capital Lease Obligations	123,273	100.00	123,273
Summit County			
General Obligation Bonds	56,832,916	7.18	4,080,603
Capital Appreciation Bonds	598,624	7.18	42,981
Capital Lease Obligations	32,814	7.18	2,356
Total Overlapping	65,179,947		11,712,995
Total	\$92,117,813		\$38,650,861

Source: Office of the Fiscal Officer, Summit County, Ohio

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the School District by the total assessed valuation of the subdivision. The valuations used were for the 2017 collection year.

Nordonia Hills City School District
Ratio of Outstanding Debt
to Estimated Actual Value, Personal Income, and Population
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Estimated Actual Value	General Bonded Debt		
			General Bonded Debt	Ratio of General Bonded Debt to Estimated Actual Value	General Bonded Debt per Capita
2017	32,247	\$2,696,117,483	\$26,937,866	1.00%	\$835
2016	32,247	2,598,423,789	29,646,181	1.14	919
2015	32,247	2,588,825,834	31,771,931	1.23	985
2014	32,247	2,625,927,431	32,624,796	1.24	1,012
2013	32,247	2,612,919,811	33,559,133	1.28	1,041
2012	32,247	2,616,280,910	35,146,548	1.34	1,090
2011	32,247	2,852,895,656	36,674,521	1.29	1,137
2010	32,247	2,874,396,134	38,128,165	1.33	1,182
2009	27,835	3,129,599,693	39,632,608	1.27	1,424
2008	27,835	3,348,526,101	34,682,205	1.04	1,246

(1) Personal income for this calculation is from the Demographic and Economic Statistics table on S28.

Sources: Office of the Treasurer, Nordonia Hills City School District and the U.S. Census Bureau (Census 2010) 2011 - 2017; (Census 2000) 2008 - 2010

Note: Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

Capital Leases	Total Debt	Percentage of Personal Income (1)	Per Capita
\$0	\$26,937,866	N/A	\$835
0	29,646,181	N/A	919
0	31,771,931	N/A	985
0	32,624,796	N/A	1,012
0	33,559,133	2.39	1,041
0	35,146,548	2.52	1,090
0	36,674,521	2.66	1,137
0	38,128,165	2.84	1,182
0	39,632,608	3.33	1,424
9,915	34,692,120	2.89	1,246

Nordonia Hills City School District
Computation of Legal Debt Margin
Last Ten Fiscal Years

	2017	2016	2015	2014
Total Assessed Valuation	\$969,174,140	\$930,014,910	\$924,834,660	\$936,220,450
Less Railroad and Telephone Property Valuation	(1,006,360)	(1,124,980)	(1,186,610)	(1,128,840)
Less General Business Tangible Personal Property Valuation	0	0	0	0
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	<u>\$968,167,780</u>	<u>\$928,889,930</u>	<u>\$923,648,050</u>	<u>\$935,091,610</u>
Debt Limit - 9% of Assessed Value (2)	\$87,135,100	\$83,600,094	\$83,128,325	\$84,158,245
Amount of Debt Outstanding				
General Obligation Bonds	25,345,896	25,391,949	25,476,656	26,149,744
Capital Appreciation Bonds	0	565,261	1,210,585	1,925,622
Less Amount Available in Bond Retirement Fund	<u>(1,378,701)</u>	<u>(1,980,577)</u>	<u>(2,118,713)</u>	<u>(1,773,260)</u>
Amount of Debt Subject to Limit	<u>23,967,195</u>	<u>23,976,633</u>	<u>24,568,528</u>	<u>26,302,106</u>
Overall Debt Margin	<u>\$63,167,905</u>	<u>\$59,623,461</u>	<u>\$58,559,797</u>	<u>\$57,856,139</u>
Legal Debt Margin as a Percentage of Debt Limit	72.49%	71.32%	70.45%	68.75%
Unvoted Legal Debt Limit - .10% of Assessed Value	\$968,168	\$928,890	\$923,648	\$935,092
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$968,168</u>	<u>\$928,890</u>	<u>\$923,648</u>	<u>\$935,092</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%
Additional Limit for Unvoted Energy Conservation Bonds/Loans				
Debt Limit - 1% of Assessed Valuation	<u>\$9,681,678</u>	<u>\$9,288,899</u>	<u>\$9,236,481</u>	<u>\$9,350,916</u>
Additional Unvoted Debt Margin as a Percentage of the Unvoted Debt Limitation	100.00%	100.00%	100.00%	100.00%

Source: Summit County Fiscal Officer and School District Financial Records

- (1) HB530 changed the assessed valuation utilized in the legal debt margin calculation to exclude tangible personal property as well as railroad and telephone tangible property.
- (2) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

2013	2012	2011	2010	2009	2008
\$930,458,040	\$930,394,050	\$1,013,208,880	\$1,013,092,750	\$1,025,854,750	\$1,017,799,140
(1,053,220)	(923,780)	(862,670)	(876,450)	(786,660)	(914,180)
0	0	0	(1,556,470)	(18,156,820)	(36,453,440)
<u>\$929,404,820</u>	<u>\$929,470,270</u>	<u>\$1,012,346,210</u>	<u>\$1,010,659,830</u>	<u>\$1,006,911,270</u>	<u>\$980,431,520</u>
\$83,646,434	\$83,652,324	\$91,111,159	\$90,959,385	\$90,622,014	\$88,238,837
25,650,000	26,150,000	26,635,000	28,730,000	30,810,000	26,630,000
2,699,845	3,415,528	4,184,948	4,184,948	4,184,948	4,084,950
(1,369,260)	(1,582,617)	(1,577,251)	(1,200,690)	(1,705,131)	(1,170,799)
<u>26,980,585</u>	<u>27,982,911</u>	<u>29,242,697</u>	<u>31,714,258</u>	<u>33,289,817</u>	<u>29,544,151</u>
<u>\$56,665,849</u>	<u>\$55,669,413</u>	<u>\$61,868,462</u>	<u>\$59,245,127</u>	<u>\$57,332,197</u>	<u>\$58,694,686</u>
67.74%	66.55%	67.90%	65.13%	63.27%	66.52%
\$929,405	\$929,470	\$1,012,346	\$1,010,660	\$1,006,911	\$980,432
0	0	0	0	0	0
<u>\$929,405</u>	<u>\$929,470</u>	<u>\$1,012,346</u>	<u>\$1,010,660</u>	<u>\$1,006,911</u>	<u>\$980,432</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$9,294,048</u>	<u>\$9,294,703</u>	<u>\$10,123,462</u>	<u>\$10,106,598</u>	<u>\$10,069,113</u>	<u>\$9,804,315</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Nordonia Hills City School District
Demographic and Economic Statistics
Last Ten Years

Year	Population	Total Personal Income	Per Capita Personal Income	Summit County Unemployment Rate
2017	32,247	N/A	N/A	5.3%
2016	32,247	N/A	N/A	5.0
2015	32,247	N/A	N/A	5.0
2014	32,247	N/A	N/A	4.8
2013	32,247	1,406,743,128	43,624	7.0
2012	32,247	1,397,230,263	43,329	6.4
2011	32,247	1,378,623,744	42,752	8.1
2010	32,247	1,342,474,857	41,631	9.2
2009	27,835	1,191,198,825	42,795	9.9
2008	27,835	1,201,525,610	43,166	6.2

Sources: U.S. Census Bureau
Summit County Fiscal Officer's Office
Ohio Department of Job and Family Services

Nordonia Hills City School District

Principal Employers

2017 and 2008

2017			
Employer	Nature of Business or Activity	Number of Employees	Percentage of Total County Employment
Hard Rock Rocksino	Gaming/Entertainment	778	0.30 %
Nordonia Hills City School District	Public Education	456	0.18
Great Day Improvements, LLC	Patio Enclosures	208	0.08
Empire Die Casting Company, Incorporated	Manufacturing	200	0.08
Ohio State Home Services, Incorporated	Special Trades Contractor	170	0.07
Design Molded Plastics, Incorporated	Manufacturing	132	0.05
IER Fujikura, Incorporated	Custom Molded Rubber	128	0.05
City of Macedonia	Government	120	0.04
TPC Wire and Cable Corporation	Supplies of Industrial Wire and Cable	106	0.04
Ohio Materials Handling, Incorporated	Equipment Dealership	50	0.02
Total		<u>2,348</u>	<u>0.91 %</u>
Total Employment within County		<u>258,300</u>	
2008			
Employer	Nature of Business or Activity	Number of Employees	Percentage of Total County Employment
Nordonia Hills City School District	Public Education	550	0.20 %
Graco Children's Products	Children's Automotive Seats	370	0.13
Acme Arseno Company, Incorporated	Drywall Contracting	300	0.11
Empire Die Casting Company, Incorporated	Manufacturing	200	0.07
Patio Enclosures, Incorporated	Retail Furniture	185	0.06
Brentwood Enterprises, LLC	Retirement Community with Nursing	135	0.05
IER Industries, Incorporated	Custom Molded Rubber	128	0.05
AGS Custom Graphics, Incorporated	Printing Services	120	0.04
Polyone Corporation	Powder and Pellet Plastic Compounds	100	0.03
Total		<u>2,088</u>	<u>0.74 %</u>
Total Employment within County		<u>280,600</u>	

Source: Summit County Fiscal Officer's Office

Nordonia Hills City School District
Building Statistics by School Building/Facility
Last Ten Fiscal Years

	2017	2016	2015	2014
Lee Eaton Elementary				
Constructed in 1953				
Total Building Square Footage	64,719	64,719	64,719	64,719
Enrollment - Grades 5 - 6	541	519	543	564
Ledgeview Elementary				
Constructed in 1963				
Total Building Square Footage	66,438	66,438	66,438	66,438
Enrollment - Grades K - 4	470	488	470	468
Northfield Elementary				
Constructed in 1963				
Total Building Square Footage	63,072	63,072	63,072	63,072
Enrollment - Grades K - 4	413	386	419	374
Rushwood Elementary				
Constructed in 1970				
Total Building Square Footage	49,194	49,194	49,194	49,194
Enrollment - Grades K - 4	418	407	390	369
Nordonia Middle School				
Constructed in 1928				
Total Building Square Footage	115,067	115,067	115,067	115,067
Enrollment - Grades 7 - 8	564	569	587	579
Nordonia High School				
Constructed in 1960				
Total Building Square Footage	227,862	227,862	227,862	227,862
Enrollment - Grades 9 - 12	1,223	1,239	1,164	1,301

Source: School District Records

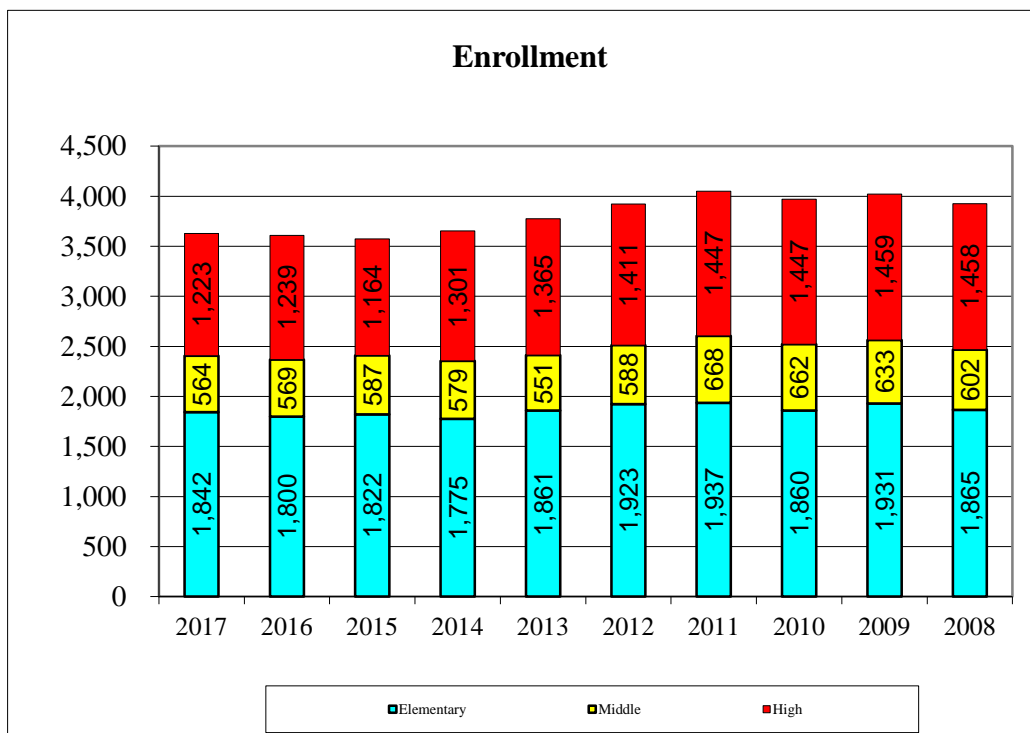
2013	2012	2011	2010	2009	2008
64,719 566	64,719 578	64,719 545	64,719 561	64,719 614	64,719 602
66,438 487	66,438 506	66,438 538	66,438 463	66,438 499	66,438 491
63,072 421	63,072 437	63,072 440	63,072 423	63,072 396	63,072 384
49,194 387	49,194 402	49,194 414	49,194 413	49,194 422	49,194 388
115,067 551	115,067 588	115,067 668	115,067 662	115,067 633	115,067 602
227,862 1,365	227,862 1,411	227,862 1,447	227,862 1,447	227,862 1,459	227,862 1,458

Nordonia City School District

Enrollment Statistics

Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle Schools	High School	Total
2017	1,842	564	1,223	3,629
2016	1,800	569	1,239	3,608
2015	1,822	587	1,164	3,573
2014	1,775	579	1,301	3,655
2013	1,861	551	1,365	3,777
2012	1,923	588	1,411	3,922
2011	1,937	668	1,447	4,052
2010	1,860	662	1,447	3,969
2009	1,931	633	1,459	4,023
2008	1,865	602	1,458	3,925



Sources: Ohio Department of Education Local Report Cards and Data Warehouse Reports

Nordonia Hills City School District

Attendance and Graduation Rates

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Nordonia Hills City School District Attendance Rate</u>	<u>State Average</u>	<u>Nordonia Hills City School District Graduation Rate</u>	<u>State Average</u>
2017	95.90%	93.90%	97.20%	83.40%
2016	96.00	94.00	95.20	83.00
2015	96.20	94.50	94.60	81.30
2014	96.20	95.20	96.40	81.30
2013	95.60	94.50	96.40	82.20
2012	95.60	94.50	94.60	81.30
2011	95.40	94.50	91.60	79.70
2010	95.40	94.30	96.20	84.30
2009	95.80	94.30	95.60	83.00
2008	95.60	94.20	96.50	84.60

Sources: Ohio Department of Education Local Report Cards and Data Warehouse Reports

Nordonia Hills City School District

*Per Pupil Cost
Last Ten Fiscal Years*

Fiscal Year	Student Enrollment		General Governmental	
	Average Enrollment	Percentage of Change	Total Expenditures (1)	Per Pupil Cost
2017	3,629	0.58 %	\$46,336,720	\$12,768
2016	3,608	0.98	45,978,086	12,743
2015	3,573	(2.24)	43,297,886	12,118
2014	3,655	(3.23)	43,333,843	11,856
2013	3,777	(3.70)	41,878,620	11,088
2012	3,922	(3.21)	40,467,750	10,318
2011	4,052	2.09	45,420,303	11,209
2010	3,969	(1.34)	51,359,746	12,940
2009	4,023	2.50	44,179,842	10,982
2008	3,925	(0.15)	41,402,369	10,548

(1) Debt Service totals have been excluded.

Source: School District Records

Governmental Activities		Students Receiving Free and Reduced Lunches		
Total Expenses (1)	Per Pupil Cost	Number of Lunches Served	Percentage of Free Lunches	Percentage of Reduced Lunches
\$50,743,003	\$13,983	220,581	28.51 %	6.06 %
46,532,870	12,897	237,396	27.35	6.99
43,469,284	12,166	233,603	28.44	8.59
44,345,627	12,133	259,260	29.30	9.37
42,603,213	11,280	287,858	25.10	8.43
41,486,998	10,578	331,201	23.40	9.62
44,467,033	10,974	345,289	23.10	9.36
47,238,016	11,902	352,905	20.81	9.10
45,180,532	11,231	328,901	17.67	9.15
43,744,091	11,145	353,698	12.78	7.13

Nordonia Hills City School District
School District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2017	2016	2015	2014
Regular Instruction				
Elementary Classroom Teachers	77.0	78.0	81.0	75.0
Middle School Classroom Teachers	22.0	21.0	20.0	20.0
High School Classroom Teachers	54.0	56.0	55.0	55.0
Special Teachers (Art, Music, PE)	28.0	27.0	28.0	28.0
Tutors/Small Group Instructors	2.8	3.0	3.0	2.0
Special Instruction				
Gifted Education Teachers	2.0	2.0	2.0	2.0
Special Education Teachers	32.5	31.0	31.0	30.0
Vocational Instruction				
	2.0	1.0	1.0	1.0
Pupil Support Services				
Guidance Counselors	10.0	10.0	10.0	10.0
Psychologist	4.0	5.0	5.0	5.0
Speech Pathologists	4.6	4.0	4.0	4.0
Community Intervention	1.0	1.0	1.0	1.0
Instructional Staff Support Services				
Teacher Aides	8.0	11.0	13.0	13.0
Attendants	66.0	58.0	55.0	60.0
Monitors	30.0	34.0	31.0	21.0
Technicians	1.0	1.0	1.0	1.0
Media Specialist/Librarian	1.0	1.0	1.0	1.0
Library Aides	9.0	9.0	8.0	8.0
Administration Support Services				
Elementary Schools	5.0	5.0	5.0	5.0
Middle School	2.0	2.0	2.0	2.0
High School	4.0	4.0	4.0	4.0
Districtwide	6.0	6.0	6.0	6.0
Clerical	18.0	18.0	18.0	17.0
Fiscal Staff	7.0	7.0	7.0	7.0
Operation of Plant				
Custodians	25.0	25.0	25.0	28.0
Part-Time Cleaners	3.0	0.0	0.0	0.0
Maintenance	4.0	3.5	4.0	4.0
Courier	1.0	1.0	1.0	1.0
Pupil Transportation				
Bus Drivers	0.0	0.0	0.0	0.0
Mechanics	0.0	0.0	0.0	0.0
Mechanics	0.0	0.0	0.0	0.0
Mechanics	0.0	0.0	0.0	0.0
Food Service Program				
Supervisor	1.0	1.0	1.0	1.0
Food Service Workers	25.0	31.0	28.0	28.0
Total	<u>455.9</u>	<u>456.5</u>	<u>451.0</u>	<u>440.0</u>

Method: The amounts are based on a headcount by function including both full and part-time employees, as of June 30.

Source: School District Payroll Records

2013	2012	2011	2010	2009	2008
75.0	72.0	82.0	84.0	80.0	82.0
20.0	19.0	27.0	28.0	29.0	29.0
54.0	53.0	62.0	64.0	65.0	60.0
27.0	26.0	29.0	25.0	27.0	28.0
2.0	3.0	8.0	8.0	8.0	7.0
2.0	2.0	2.0	2.0	2.0	2.0
29.0	31.0	31.0	31.0	32.0	31.0
1.0	1.0	3.0	3.0	4.0	7.0
10.0	10.0	10.0	10.0	10.0	10.0
5.0	5.0	5.0	4.0	5.0	4.0
4.0	4.0	4.0	4.0	4.0	4.0
1.0	1.0	1.0	1.0	1.0	1.0
13.0	13.0	26.0	26.0	26.0	27.0
54.0	51.0	64.0	65.0	64.0	52.0
20.0	20.0	23.0	21.0	22.0	22.0
0.0	0.0	0.0	0.0	0.0	0.0
1.0	1.0	2.0	2.0	2.0	2.0
8.0	8.0	7.0	7.0	7.0	7.0
4.0	4.0	5.0	5.0	5.0	5.0
2.0	2.0	2.0	2.0	2.0	2.0
4.0	4.0	4.0	4.0	4.0	4.0
6.0	7.0	8.0	8.0	9.0	9.0
17.0	18.0	18.0	20.0	20.0	22.0
7.0	7.0	7.0	7.0	7.0	7.0
26.0	26.0	27.0	33.0	33.0	32.0
0.0	0.0	0.0	0.0	0.0	0.0
3.0	3.0	3.0	3.0	3.0	3.0
1.0	1.0	1.0	1.0	1.0	1.0
0.0	0.0	30.0	47.0	49.0	48.0
0.0	0.0	3.0	3.0	3.0	2.5
0.0	0.0	6.0	5.0	5.0	7.0
0.0	0.0	2.0	2.0	2.0	2.0
1.0	1.0	1.0	1.0	1.0	1.0
27.0	28.0	30.0	34.0	32.0	29.0
<u>424.0</u>	<u>421.0</u>	<u>533.0</u>	<u>560.0</u>	<u>564.0</u>	<u>549.5</u>

Nordonia Hills City School District
Full-Time Equivalent Certified School District Employees by Education
Last Ten Fiscal Years

Degree	2017	2016	2015	2014
Bachelor	21.00	18.00	19.50	15.00
Bachelor + 15	6.00	8.00	4.00	6.00
Bachelor + 30	24.50	28.00	31.00	31.00
Master	77.00	89.00	97.00	101.50
Master + 15	53.00	49.00	43.79	38.76
Master + 30	55.40	43.00	40.60	37.00
PhD	4.00	4.00	3.00	2.00
Total	240.90	239.00	238.89	231.26

Source: School District Records

2013	2012	2011	2010	2009	2008
9.00	5.00	25.00	24.94	32.94	49.00
6.00	5.00	23.00	20.00	18.00	18.00
32.00	26.00	31.15	31.55	35.55	39.15
103.40	99.40	103.90	99.50	99.10	81.00
37.60	38.60	35.60	34.00	29.60	29.20
40.00	48.00	44.00	46.00	48.00	46.81
3.00	3.00	2.00	2.00	2.00	2.00
<u>231.00</u>	<u>225.00</u>	<u>264.65</u>	<u>257.99</u>	<u>265.19</u>	<u>265.16</u>

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