



OHIO AUDITOR OF STATE
KEITH FABER



**NORDONIA HILLS CITY SCHOOL DISTRICT
SUMMIT COUNTY
JUNE 30, 2022**

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**NORDONIA HILLS CITY SCHOOL DISTRICT
SUMMIT COUNTY
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Expenditures	Non-Cash Expenditures
U.S. Department of Agriculture					
<i>Passed through Ohio Department of Education</i>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	\$ 271,197	\$ -	\$ 271,197	\$ -
COVID-19 National School Lunch Program	10.555	43,263	-	43,263	-
National School Lunch Program	10.555	1,464,902	80,980	918,868	80,980
COVID-19 Supply Chain Assistance	10.555	63,390	-	63,390	-
Total Child Nutrition Cluster		<u>1,842,752</u>	<u>80,980</u>	<u>1,296,718</u>	<u>80,980</u>
COVID-19 Pandemic EBT Administrative Costs	10.649	614	-	614	-
Total COVID-19 Pandemic EBT Administrative Costs		<u>614</u>	<u>-</u>	<u>614</u>	<u>-</u>
Total U.S. Department of Agriculture		<u>1,843,366</u>	<u>80,980</u>	<u>1,297,332</u>	<u>80,980</u>
U.S. Department of Education					
<i>Passed through Ohio Department of Education</i>					
Special Education Cluster:					
Grants to States (IDEA, Part B)	84.027A	711,392	-	670,683	-
Grants to States (IDEA, Part B) - Parent Mentor	84.027A	1,979	-	-	-
Preschool Grants (IDEA Preschool)	84.173	7,587	-	7,586	-
Total Special Education Cluster		<u>720,958</u>	<u>-</u>	<u>678,269</u>	<u>-</u>
Title I, Part A - Grants to Local Educational Agencies:					
Improving Basic Programs	84.010A	213,702	-	209,509	-
Expanding Opportunities for Each Child	84.010A	6,406	-	6,590	-
Total Title I, Grants to Local Educational Agencies		<u>220,108</u>	<u>-</u>	<u>216,099</u>	<u>-</u>
Title II, Part A:					
Improving Teacher Quality	84.367A	107,219	-	105,588	-
Diversifying the Education Profession	84.367A	17,176	-	17,528	-
Total Improving Teacher Quality State Grants, Title II, Part A		<u>124,395</u>	<u>-</u>	<u>123,116</u>	<u>-</u>
Title III - Language Instruction for English Learners	84.365	6,840	-	6,840	-
Total English Language Acquisition State Grants, Title III		<u>6,840</u>	<u>-</u>	<u>6,840</u>	<u>-</u>
Title IV, Part A - Student Support & Academic Enrichment	84.424A	50,065	-	50,065	-
Total Student Support and Academic Enrichment Program, Title IV-A		<u>50,065</u>	<u>-</u>	<u>50,065</u>	<u>-</u>
COVID-19 Elementary & Secondary School Emergency Relief (ESSER)					
ESSER I	84.425D	65,606	-	65,105	-
ESSER II	84.425D	825,032	-	821,209	-
ARP - Elementary & Secondary School Emergency Relief	84.425U	1,882,539	-	1,865,559	-
Total COVID-19 Elementary & Secondary School Emergency Relief (ESSER)		<u>2,773,177</u>	<u>-</u>	<u>2,751,873</u>	<u>-</u>
Total U.S. Department of Education		<u>3,895,543</u>	<u>-</u>	<u>3,826,262</u>	<u>-</u>
National Endowment for the Arts & Humanities					
<i>Passed through State Library of Ohio</i>					
COVID-19 LSTA CARES Act	45.310	-	-	305	-
Total Library Services and Technology Act CARES Act		<u>-</u>	<u>-</u>	<u>305</u>	<u>-</u>
Total National Endowment for the Arts & Humanities		<u>-</u>	<u>-</u>	<u>305</u>	<u>-</u>
Total Federal Financial Assistance		<u>\$ 5,738,909</u>	<u>\$ 80,980</u>	<u>\$ 5,123,899</u>	<u>\$ 80,980</u>

The accompanying notes are an integral part of this schedule.

**NORDONIA HILLS CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**NOTES TO THE SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Nordonia Hills City School District (the School District's) under programs of the federal government for the year ended June 30, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position of changes in net position of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

The School District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the School District assumes it expends federal monies first. The District's Child Nutrition Cluster receipts exceeded expenditures by \$546,034 in fiscal year 2022. This amount will be carried forward to the District's fiscal year 2023 Schedule.

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – ON BEHALF MONIES

The School District reported monies received and expended on-behalf of the School District on the Schedule for the Preschool (CFDA # 84.173) of \$7,587 from the Summit Educational Service Center and Title III-Language Instruction for English Learners (CFDA #84.365) of \$6,840 from the Northeast Ohio Educational Service Center. The School District reported the on-behalf activity to the respective program that benefitted from the two consortiums.

NOTE G - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with Ohio Department of Education’s consent, schools can transfer unobligated amounts to the subsequent fiscal year’s program. The District transferred the following amounts from 2022 to 2023 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amt. Transferred</u>
Title I Grants to Local Educational Agencies:		
Improving Basic Programs	84.010	\$ 3,519
Expanding Opportunities for Each Child	84.010A	553
Special Education - Grants to States	84.027	576,841
Title II, Part A:		
Improving Teacher Quality	84.367	940
Diversifying the Education Profession	84.367A	22,471
Title IV, Part A - Student Support & Academic Enrich.	84.424	270
		<u>\$ 604,594</u>

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OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Nordonia Hills City School District, Summit County, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 23, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Keith Faber
Auditor of State
Columbus, Ohio

December 23, 2022

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Nordonia Hills City School District's, Summit County, (the District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Nordonia Hills City School District's major federal programs for the year ended June 30, 2022. Nordonia Hills City School District's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Nordonia Hills City School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the major fund and the aggregate remaining fund information of Nordonia Hills City School District, Summit County, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 23, 2022. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Keith Faber
Auditor of State
Columbus, Ohio

December 23, 2022

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**NORDONIA HILLS CITY SCHOOL DISTRICT
SUMMIT COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	Child Nutrition Cluster – AI# 10.553 & 10.555 and COVID-19 Elementary & Secondary School Emergency Relief (ESSER) – AI# 84.425D and & 84.425U
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
2 CFR 200.511(b)
JUNE 30, 2022**

Finding Number	Finding Summary	Status	Additional Information
2021-001	2 CFR § 400.1 - Internal Controls Nutrition Cluster Claims Reimbursement – Noncompliance and Material Weakness	Corrective Action Taken and Finding is Fully Corrected	None

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Nordonia Hills City School District
Northfield, Ohio



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

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

Nordonia Hills City School District Northfield, Ohio

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022



Prepared by:
Treasurer's Office
Matt Brown, Treasurer/CFO



Introductory Section

Nordonia Hills City School District
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022
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Nordonia Hills City School District
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December 23, 2022

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

It is our privilege to present to you the Annual Comprehensive Financial Report (ACFR) of the Nordonia Hills City School District (the “School District”) for the fiscal year ended June 30, 2022. This ACFR, 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 ACFR, based upon a comprehensive framework of internal controls that it has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than an 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 basic financial statements. The 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, Macedonia, Sagamore Hills and a portion of Boston Heights. 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 28 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 was 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 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 experienced a period of growth and now educates 3,324 pupils as of June 2022.

The School District educates the 3,324 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 which is in line with what many districts are projecting across Ohio.

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. Matthew Brown was appointed as Treasurer of the School District on August 1, 2021 and has a total of eighteen years of experience covering both the Treasurer role and government auditing role.

Reporting Entity

The School District has reviewed its reporting entity definition in order to ensure conformance with the Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity," Statement No. 39, “Determining Whether Certain Organizations Are Component Units,” and Statement No. 61, “The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34.” 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 Hills Township, Northfield Center, Northfield Village, Village 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 Nordonia 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 ranging from small family-operated businesses to major commercial/industrial corporations.

As of June 2022, Ohio's unemployment rate was 4.5 percent, the nation's unemployment rate was 3.8 percent, and the unemployment rate for Summit County was 4.4 percent. Specific unemployment figures for the communities within the Nordonia Hills City School District are not available (Source: Ohio Job and Family Services).

On a budgetary basis, the School District receives approximately 60.5 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 500 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 Nordonia 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 2022, the School District was back to operating in a regular in-person learning environment, however hybrid learning did continue through the School District's Digital Knights Academy. Based on data when we were regular in-person, our fleet of 35 contracted buses traveled 3,343 miles each day providing transportation services to 1,630 public and 262 private and parochial students. The School District contracts with Petermann for pupil transportation services. The Nutrition Services Department served an average of 1,900 meals daily for a total of 328,703 meals annually through the School District's lunchrooms. Due to the federal government's continuation of its universal free lunch program, all students were eligible to receive a school lunch free of charge during the 21-22 school year. This was the second year that such program was offered.

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 Children's 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 511 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

Academically, the School District is performing better than ever in its history. The Ohio Department of Education released the 2021-2022 Local Report Cards in September. The state report cards are transitioning from an A-F rating system to a 1-5 Star rating system. While overall district ratings are not being published this year, they have still been calculated to be used for federal school improvement identification. Under the new rating system, the Nardon Hills City School District has earned an overall 5-STAR rating—the highest rating possible—from the Ohio Department of Education. This puts Nardon in the top 5 percent of school districts in the State of Ohio. We are extremely proud of our staff and students for their hard work and grateful for the supportive families who encourage and guide their kids.

The Class of 2022 had 56 students awarded the Ohio Diploma with Honors, 86 graduated with distinction (3.75 GPA), 56 graduated with merit (3.35 GPA) and 30 students received the Superintendent Award by being in the top ten percent of the graduating class.

For the 2022 Advanced Placement classes taught at Nardon, 268 students took 481 exams to successfully complete their program. There was a total of 36 AP scholars with 8 students receiving a Capstone Diploma. Advanced Placement offerings are Biology, Calculus AB, Calculus BC, Chemistry, Comparative Government and Politics, English Literature and Composition, Physics 1, Physics 2, Psychology, Statistics, U.S. Government and Politics, U.S. History, AP Seminar, AP Research, Spanish, Microeconomics, Macroeconomics, 2D Art and Design, English Language, World History, Modern and Computer Science.

Participation in performing and visual arts inspires students' creativity, problem-solving and critical-thinking skills. Synergy and Momentum, our A Cappella groups, were selected as featured performers at the National A Cappella Festival. The A Cappella program has also just released their 5th studio album, "Aftershock". Additionally, one of Synergy's tracks from their previously released album, "Safe In Sound", was selected to appear on the "Best Of High School A Cappella" recording, a compilation recording of the best high school a cappella from around the country. Student's also successfully hosted the 11th Annual Nardon A Cappella Festival. This festival invited professional artists from around the world to work one on one with visiting school groups. Schools in attendance ranged from around Ohio, Kentucky and even as far away as Wisconsin, Arkansas and North Carolina. This was educational for our students, served as a way of helping them to give back to the a cappella community and brought positive attention to the Nardon from around the country.

The Symphonic Chorale, Bel Canto and Vox Fortis all received Superior & Excellent ratings at the Ohio Music Education Association (OMEA) district and state contests held in the spring of 2022. They also served as the site host for the Northeast Ohio Region for District Contest. They hosted 37 choirs over the span of 2 days from around Northeast Ohio. Their service to music education and their fellow students in other districts, as well as their professionalism and courtesy was appreciated and noted by all directors visiting with their choirs, as well as several parents from other schools.

The 2022 Nardon Marching Band had a very successful competition season this year starting off with a fourth-place overall placement in the Zips Invitational Marching Band held at The University of Akron. They received the overall highest rating of "Superior" which qualified them for State Finals competition for the ninth consecutive competition year. The band then competed at the "Art in Motion" OMEA Competition held at Norton where they received a rating of Superior, Best Percussion, 1st Place in Class AA, and won Grand Champion. The band traveled to Tennessee this year and performed at the Bands of America East Tennessee Regional. With 20 bands performing, Nardon finished in 12th place in class AA. Next, the marching band competed at the New Philadelphia OMEA competition where they won a rating of Superior, Best General Effect, Best Music and 1st Place in Class AA. They finished their competition season with an outstanding performance in OMEA State Finals Marching at Medina High School where they received the highest rating of "Superior" for the ninth consecutive competition year!

Nardon Drama returned to two fully produced productions last year! In the fall, Drama presented *Five by Ives*, a night of comedic one acts by playwright David Ives. The plays were directed in part by several members of the Class of 2022. The Nardon Drama spring musical was back in full swing with three in person performances of *Once Upon a Mattress*. This classic story of the princess and the pea featured the talents of

over 60 students on and off the stage. Nordonia Drama was once again a participating school in the 2022 Dazzle awards presented through Playhouse Square, with students participating in their educational master classes throughout the year, as well as performing on stage at the Connor Palace at the end of the year ceremony.

The Nordonia Hills High School physical education and health department offered 7 electives in the 2021-2022 school year in addition to the standard health and physical education classes required for graduation. In ninth through twelfth grades, 661 students achieved 60 minutes of activity daily by enrolling in physical education classes and physical education electives: Lifetime Fitness, TeamMates (Adapted PE), Recreational Sports and Games, Team Sports, and Basketball. 16 students took a new PE/Health elective called Mindful Wellness where students learn self-care and strategies and methods to handle stress, relationships, and anxiety as well as mindful movements, including yoga. 270 students took a semester of Health class, where they learn various topics including nutrition, mental health, the body systems, and receive training and American Red Cross first aid and CPR certification. In addition, a total of 21 students enrolled in a health elective called Health Careers.

All high school students are required to have 20 community service hours completed and documented in order to graduate. The class of 2022 completed more than 12,000 hours of community service.

The senior job shadow program provided a unique opportunity for seniors in the class of 2022 to get out of the classroom and into the real world. After suspending the program for the past two years due to the pandemic, we were proud to send 178 students into the community to investigate various jobs. This program creates a partnership with our community, allowing businesses to make connections with our students, and allowing students to gain firsthand experience in a career of interest to them.

Nordonia Middle School students can earn high school credit in Algebra I, Geometry, Health, and Spanish. Nordonia Middle School offers activities and leadership opportunities for students through groups such as Student Council, Power of the Pen, Science Olympiad, office aides, student aides, Youth to Youth, Drama Club, Interact Club, PTSA and GIRLS Club. The middle school continues to expand the automation and robotics module from Project Lead the Way (PTLW) for seventh and eighth-grade students. Students trace the history, development and influence of automation and robotics as they learn about mechanical systems, energy transfer, machine automation and computer control systems. Students use the VEX robotics platform to design, build and program real-world objects such as traffic lights, toll booths and robotic arms. A second PTLW course, Flight and Space, was added for the 2021-2022 school year, Computer Science in 2022-2023, with plans to add an additional course for the 2023-2024 school year. Leveled literacy intervention (LLI) support has been implemented at the middle school, and Lee Eaton elementary school. This LLI support will assist our students with targeted reading intervention, reading fluency and reading comprehension.

At Nordonia Middle School, many students demonstrated high academic marks in the 2021-2022 school year. Two hundred-ninety middle school students maintained 3.6 to 4.0 grade point average (GPA) or greater for the school year. Students at Nordonia Middle School also demonstrated exceptional growth in their state tested areas showing expected growth in all areas, and above expected growth in 4 out of 7 tested areas.

Lee Eaton Elementary School offered support or intervention programs such as Leveled Literacy Interventions (LLI) and Upward Math as tier 2 interventions. Tier 2 math interventions were also embedded within the school day within both the newly created Advisory Period and during intervention block. The Project Lead the Way class of Design and Modeling is a part of the Encore rotation this year to support and create an introductory course to the engineering, STEM program of the Middle School. The course was and is taken by all 5th and 6th grade students. Our Enrichment program of Future Problem Solvers was extremely successful in their competitions at the state level. The Future Problem Solving Program International (FPSPI) is an academic program that builds critical and creative thinking skills, encourages participants to develop a vision for the future, and prepares them for leadership roles. The program promotes vital 21st century skills. The experiences and skills gained from involvement are invaluable to the leaders of tomorrow. The in-person experience with the International Conference was not possible again this year, so our students participated in the virtual bowl. This was an amazing opportunity for our students to participate in incredible work with students from all over the world.

Community

As part of the School District's strategic plan, the Financial Activities Communications Team (FACT) was formed consisting of residents with financial backgrounds. FACT meets with the School District Treasurer/CFO on a quarterly basis to review and discuss the financial activities of the School District. FACT researches financial data from other area school districts to determine how Nordonias Hills compares.

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

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

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 School District uses this forecast to provide a basis for making financial decisions, including the development of the annual budgets, adjustments to staffing levels, collective bargaining, and the placement of tax levies on the ballot. The forecast can be found on the School District's website, www.nordoniaschools.org.

In May 2019, our voters overwhelmingly approved a 6.98 mill operating tax levy 60 percent to 40 percent for a continuing period, making it the largest margin of victory for an operating levy in Nordonias Schools' history. The School District began receiving tax collections from this levy in January 2020. This levy will allow the School District to maintain class sizes and busing, make needed repairs to aging facilities and systems, increase mental health services for students in need, and investigate adding programs to keep Nordonias students competitive with students from area school districts.

Budgetary Initiatives

Since the School District does not have a permanent improvement levy, it is necessary for major initiatives relative to the maintenance of the School District's aging facilities to be budgeted through the general operating fund. This is carefully monitored and managed through the budget process each year. The School District uses a collaborative approach to develop the building/department budgets to best serve the needs of the students.

Relevant Financial Policies

The School District utilizes financial policies to manage purchases. In addition, the School District has a board policy for the procurement of Federal grant funds and uses the uniform Federal grant guidance when making purchases from Federal grants funding. All board policies regarding financial procedures are carefully monitored for compliance.

Financial Accomplishments

Financial responsibility ensures that most of the funding is spent on classroom instruction. Based on the financials for fiscal year 2022, the School District spent approximately 56.0 percent of its total operating expenses on instructional costs.

Of 17 school districts in Summit County, Nordonias Hills City School District is the only school district without a permanent improvement levy.

The School District participates in various Federal grant programs providing additional resources for students. In fiscal year 2022, the School District received federal grants in the amounts of \$3,826,261 from the U.S. Department of Education and \$305 from the National Endowment for the Arts & Humanities. In addition, the

School District received \$1,297,332 as a Federal subsidy for the National School Lunch and Breakfast programs provided from the U.S. Department of Agriculture.

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

- Stark County Schools Council of Governments (COG) was established in 1987 and manages the School District's insurance programs (medical, dental, vision and life). There are more than 137 entities representing over 15,000 participants. In fiscal year 2022, the School District's healthcare insurance premiums experienced a blended rate increase of 6.46 percent over the prior year's premium. The School District received two premium holidays, where no premiums were charged to employees or the Board of Education in July and August, resulting in an estimated savings of \$1.2 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 furnishings 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 Annual Comprehensive Financial Report (ACFR), 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 2022 ACFR for review.


Acknowledgments

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.

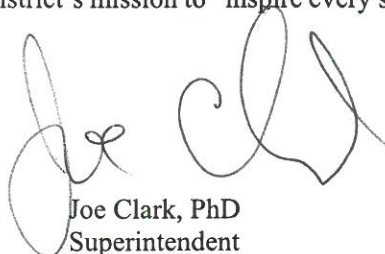
This Annual Comprehensive Financial Report was made possible by the diligence of the staff of the Office of the Treasurer/CFO. Their initiative and conscientious work ensured the integrity of the financial information contained herein and guaranteed this report's successful completion. Additional commendations should be provided to the professionals of the Auditor of State's office of Local Government Services for their expertise and knowledge over governmental accounting principles and standards.

Finally, our thanks are extended to the Board of Education for their support in recognizing the importance of continuously improving our financial accountability and transparency to our citizens and their commitment to excellence in financial reporting. It is the School District's mission to "inspire every student to value learning, community, and excellence."

Respectfully submitted,



Matthew A. Brown
Treasurer/CFO



Joe Clark, PhD
Superintendent

Nordonia Hills City School District

Principal Officials

Board of Education

Mrs. Liz McKinley.....	President
Ms. Amy Vajdich.....	Vice President
Mr. Chad Lahrmer.....	Member
Mr. Matt Kearney.....	Member
Mr. Jason Tidmore.....	Member

Treasurer/CFO

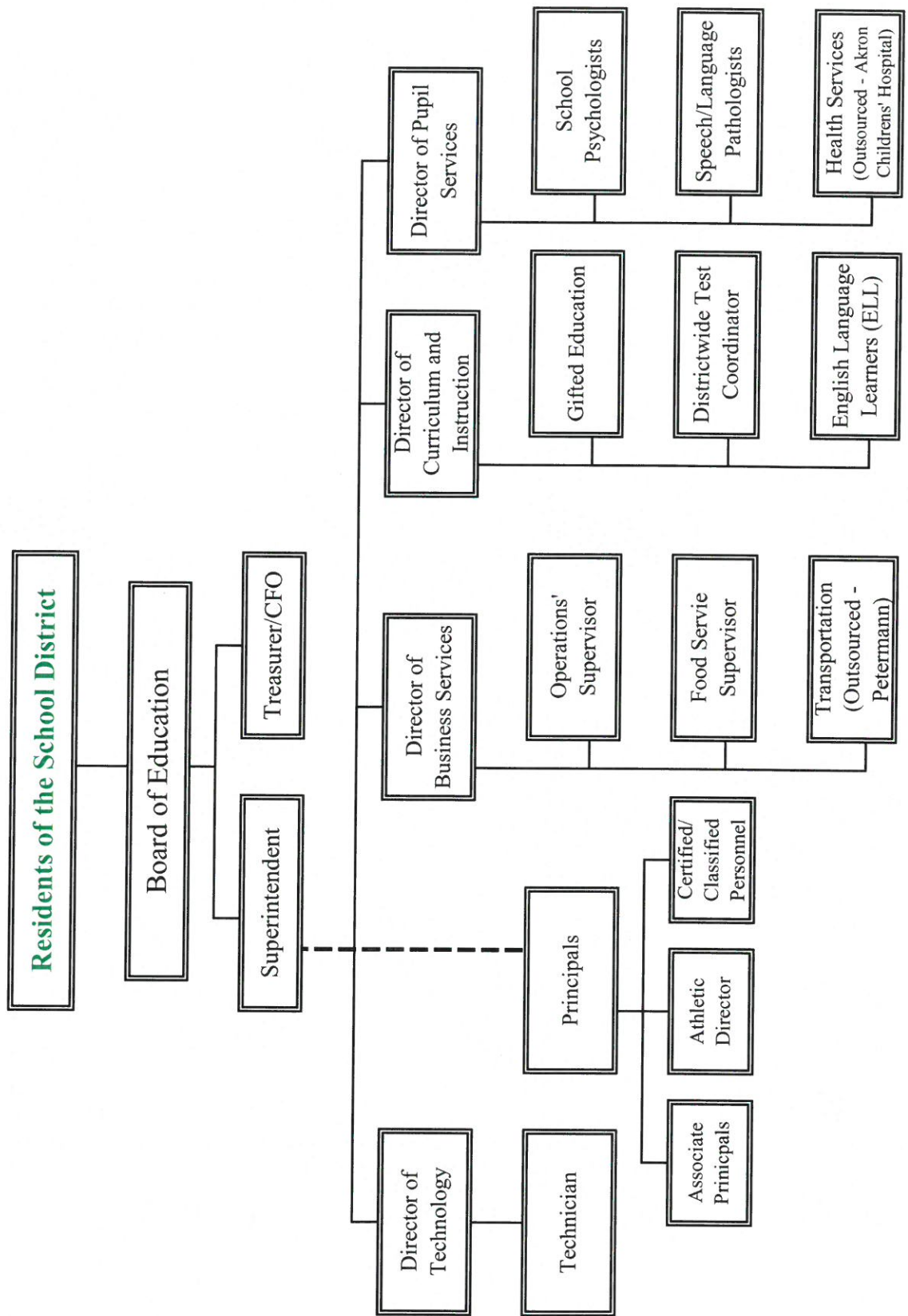
Mr. Matt Brown

Administration

Dr. Joe Clark.....	Superintendent
Mr. Matthew Strickland.....	Director of Business Services
Mrs. Carrie Hutchinson.....	Director of Pupil Services
Mr. Todd Stuart.....	Director of Curriculum & Instruction
Mr. Mike 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

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Financial Section

OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Nordonia Hills City School District, Summit County, as of June 30, 2022, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

December 23, 2022

Nordonia Hills City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
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, 2022. 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 2022 are as follows:

- Net position increased in fiscal year 2022 due mainly to a decrease in long-term debt obligations attributable to the continued pay-down of debt, increases in current and capital assets as well as to changes in the net pension and OPEB (asset)/liabilities.
- Expenses totaled \$56,266,002, a decrease of 5.56 percent from the prior fiscal year. Instructional expenses made up 55.98 percent of this total while support services accounted for 38.06 percent. Other expenses rounded out the remaining 5.96 percent.
- The School District's capital assets increased by \$832,229 from the prior fiscal year. The increase was due to current year additions exceeding annual depreciation and current year deletions. Additions included land, playground improvements, technology equipment, a tractor and new maintenance vehicles.
- Outstanding general obligation bonded debt decreased from \$16,253,550 in fiscal year 2021 to \$13,324,874 in fiscal year 2022, due to making debt service payments.

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 nonmajor funds presented in total in one column. In the case of Nordonia Hills City School District, the general fund is by far the most significant fund.

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 2022?" 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 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
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

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 fund can be found on page 11. Fund financial reports provide detailed information about the School District's major fund. 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 fund is the general fund.

Governmental Funds

All 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.

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, found on the following page, provides a summary of the School District's net position for fiscal year 2022 compared to fiscal year 2021:

Nordonia Hills City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Table 1
Net Position

	Governmental Activities		
	2022	Restated 2021	Change
Assets			
Current and Other Assets	\$72,999,313	\$61,830,581	\$11,168,732
Net OPEB Asset	3,746,369	3,011,777	734,592
Capital Assets, Net	31,767,845	30,935,616	832,229
Total Assets	108,513,527	95,777,974	12,735,553
Deferred Outflows of Resources			
Deferred Charge on Refunding	284,832	347,204	(62,372)
Pension	13,041,486	10,312,442	2,729,044
OPEB	1,588,992	1,815,311	(226,319)
Asset Retirement Obligation	23,400	25,200	(1,800)
Total Deferred Outflows of Resources	14,938,710	12,500,157	2,438,553
Liabilities			
Current and Other Liabilities	7,079,829	5,927,953	(1,151,876)
Long-Term Liabilities:			
Due Within One Year	3,141,050	3,040,644	(100,406)
Due in More than One Year:			
Net Pension Liability	30,967,839	56,121,181	25,153,342
Net OPEB Liability	4,348,743	4,917,488	568,745
Other Amounts	14,750,237	17,894,045	3,143,808
Total Liabilities	60,287,698	87,901,311	27,613,613
Deferred Inflows of Resources			
Property Taxes	38,873,607	37,054,683	(1,818,924)
Payments in Lieu of Taxes	5,418,952	1,932,950	(3,486,002)
Deferred Gain on Refunding	85,437	109,848	24,411
Pension	24,335,162	555,184	(23,779,978)
OPEB	6,962,491	6,264,743	(697,748)
Total Deferred Inflows of Resources	75,675,649	45,917,408	(29,758,241)
Net Position			
Net Investment in Capital Assets	18,412,366	14,919,422	3,492,944
Restricted:			
Debt Service	1,926,382	1,877,390	48,992
Capital Projects	10,518	17,618	(7,100)
Other Purposes	1,222,394	535,123	687,271
Unrestricted (Deficit)	(34,082,770)	(42,890,141)	8,807,371
Total Net Position	(\$12,511,110)	(\$25,540,588)	\$13,029,478

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The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2022. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. For the School District, total assets and deferred outflows of resources were less than total liabilities and deferred inflows of resources by \$12,511,110 in fiscal year 2022 and \$25,540,588 in fiscal year 2021.

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

The School District continues to provide the services that the School District residents expect while maintaining the costs of providing those services. The most dramatic changes were an increase in cash and cash equivalents and a decrease to long-term debt as well as changes in the net pension and net OPEB (asset) liabilities and the deferred outflows and inflows associated with these liabilities. Changes in pension benefits, contributions rates, and return on investments affect the balance of the net pension and net OPEB (asset) liabilities. The increase in cash and cash equivalents was due largely to a significant increase in payments in lieu of taxes revenue attributable to a tax settlement agreement with MGM. The decrease in long-term debt obligations was due to annual debt payments.

Nordonia Hills City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for fiscal years 2022 and 2021.

Table 2
Change in Net Position

	Governmental Activities		
	2022	2021	Change
Revenues			
Program Revenues:			
Charges for Services	\$2,263,942	\$1,731,354	\$532,588
Operating Grants, Contributions and Interest	6,514,534	3,160,650	3,353,884
Capital Contributions	401,350	41,897	359,453
Total Program Revenues	<u>9,179,826</u>	<u>4,933,901</u>	<u>4,245,925</u>
General Revenue:			
Property Taxes	41,654,481	42,948,603	(1,294,122)
Payments in Lieu of Taxes	9,883,681	1,924,340	7,959,341
Grants and Entitlements, not Restricted	8,753,554	8,760,292	(6,738)
Unrestricted Contributions and Donations	3,879	7,231	(3,352)
Investment Earnings	(248,355)	518,234	(766,589)
Gain on Sale of Capital Assets	2,000	0	2,000
Miscellaneous	66,414	215,545	(149,131)
Total General Revenues	<u>60,115,654</u>	<u>54,374,245</u>	<u>5,741,409</u>
Total Revenues	<u>69,295,480</u>	<u>59,308,146</u>	<u>9,987,334</u>
Program Expenses:			
Instruction:			
Regular	23,617,539	25,250,024	1,632,485
Special	7,406,764	8,922,887	1,516,123
Vocational	335,103	350,203	15,100
Student Intervention Services	135,982	107,035	(28,947)
Support Services:			
Pupils	5,069,805	5,530,106	460,301
Instructional Staff	1,092,783	1,429,048	336,265
Board of Education	36,696	38,320	1,624
Administration	3,223,778	3,394,406	170,628
Fiscal	1,461,194	1,600,811	139,617
Business	344,435	343,402	(1,033)
Operation and Maintenance of Plant	5,568,457	5,150,407	(418,050)
Pupil Transportation	4,149,238	3,584,347	(564,891)
Central	470,641	426,560	(44,081)
Operation of Non-Instructional Services	86,579	460,243	373,664
Food Service Operations	1,243,903	1,048,789	(195,114)
Extracurricular Activities	1,742,194	1,541,760	(200,434)
Interest and Fiscal Charges	280,911	400,812	119,901
Total Program Expenses	<u>56,266,002</u>	<u>59,579,160</u>	<u>3,313,158</u>
Change in Net Position	13,029,478	(271,014)	13,300,492
Net Position Beginning of Year - Restated	<u>(25,540,588)</u>	<u>(25,269,574)</u>	<u>(271,014)</u>
Net Position End of Year	<u><u>(\$12,511,110)</u></u>	<u><u>(\$25,540,588)</u></u>	<u><u>\$13,029,478</u></u>

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Unaudited

Program revenues increased for governmental activities in fiscal year 2022 due to higher charges for services as well as higher operating grants and capital contributions. Charges for services increased due to higher extracurricular activities revenue. The increase in operating grants was mainly due to higher food service grants and ESSER funding. Capital grants and contributions went up due to the School District receiving donated land valued at \$400,000 during fiscal year 2022. Payments in lieu of taxes went up as a result of a new tax settlement agreement between the School District and MGM. Investment earnings were negative in fiscal year 2022 due to a decline in the fair value of investments.

Program expenses decreased significantly due to changes in the net pension and net OPEB (asset)/liabilities. Program expenses related to these liabilities were \$2,842,844 in fiscal year 2021 versus a negative (\$4,481,678) in fiscal year 2022. Program expenses excluding amounts related to the change in the net pension/OPEB (asset)/liabilities and the related payments subsequent actually increased by approximately \$4 million due largely to higher instruction costs related to personal services, fringe benefits and professional and technical services.

Governmental Activities

Several revenue sources fund our governmental activities with property taxes and State Foundation revenues being the largest contributors. 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.

The majority of the School District's expenses are for instructional costs. Support services for pupils, staff, administration, business operations, pupil transportation, and others are the next largest area of expenses. The remaining amount of program expenses are to facilitate other obligations of the School District, such as interest and fiscal charges, the food service program, and numerous extracurricular activities.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements for fiscal year 2022 compared to 2021.

Table 3
Governmental Activities

	Total Cost of Services 2022	Net Cost of Services 2022	Total Cost of Services 2021	Net Cost of Services 2021
Instruction	\$31,495,388	\$28,426,540	\$34,630,149	\$33,309,711
Support Services:				
Pupils	5,069,805	2,945,754	5,530,106	4,683,340
Instructional Staff	1,092,783	936,838	1,429,048	1,157,585
Board of Education	36,696	36,037	38,320	37,585
Administration	3,223,778	3,157,177	3,394,406	3,327,306
Fiscal	1,461,194	1,434,789	1,600,811	1,571,430
Business	344,435	337,990	343,402	336,960
Operation and Maintenance of Plant	5,568,457	5,467,313	5,150,407	4,824,285
Pupil Transportation	4,149,238	3,911,236	3,584,347	3,419,166
Central	470,641	451,709	426,560	408,948
Operating of Non-Instructional Services	86,579	9,291	460,243	(11,720)
Food Service Operations	1,243,903	(949,460)	1,048,789	274,500
Extracurricular Activities	1,742,194	640,051	1,541,760	905,351
Interest and Fiscal Charges	280,911	280,911	400,812	400,812
Total Expenses	\$56,266,002	\$47,086,176	\$59,579,160	\$54,645,259

Nordonia Hills City School District
Management's Discussion and Analysis
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Unaudited

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 governmental funds are accounted for using the modified accrual basis of accounting. Total governmental funds had revenues and other financing sources that exceeded expenditures and other financing uses, for an overall increase in fund balance from the prior fiscal year. The general fund reported an increase in fund balance due to higher revenues offset partially by an increase in expenditures. The increase in revenues was primarily due to an increase in payment in lieu of taxes revenue related to a tax valuation settlement with MGM in which the District started receiving payments on in fiscal year 2022.

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 the course of fiscal year 2022, the School District amended its general fund budget numerous times. Budget revisions are presented to the Board of Education for approval.

For the general fund, the final budget basis revenue estimate was higher than the original budget estimate. The change was attributed mainly to changes in estimates for payments in lieu of taxes and intergovernmental revenue, as funding levels became more apparent.

The final budget appropriations increased slightly over the original budget appropriations of the general fund. This change was attributable to small adjustments to both instruction as well as support service expenditures, as a more accurate picture of the fiscal year was realized.

Capital Assets and Debt Administration

Capital Assets

All capital assets, except land and construction in progress, are reported net of depreciation. Capital assets increased during fiscal year 2022 as a result of current additions outpacing current deletions and depreciation. Additions to capital assets included, but were not limited to, land, playground improvements, technology equipment, a tractor and two new vehicles for the maintenance department. For more information on capital assets refer to Note 9 of the basic financial statements.

Debt Administration

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.

Nordonia Hills City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Principal retirement for these bonds totaled \$2,758,499 during fiscal year 2022.

See Note 13 to the basic financial statements for additional information related to long-term debt activity, including the repayment schedules of the bonded debt.

The School District's overall legal debt margin was \$92,789,752 with an unvoted debt margin of \$1,149,343 as of June 30, 2022.

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. Beginning in fiscal year 2022, School District foundation funding received from the state of Ohio was funded using a direct funding model. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each School District. 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. The voters approved a 6.98 mill operating tax levy for a continuing period of time which is expected to generate approximately \$7 million annually that began collections in January 2020. In October 2021, the School District reached a tax valuation settlement agreement with a large business within the School District's boundaries. The first and second settlement payouts were received in October 2021 and February 2022. Subsequent payouts totaling approximately \$7,862,000 will be received through March of 2026.

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 Matt Brown, Treasurer/CFO, at Nordonia Hills City School District, 9370 Olde Eight Road, Northfield, Ohio 44067.

Basic Financial Statements

Nordonia Hills City School District
Statement of Net Position
June 30, 2022

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$23,657,537
Inventory Held for Resale	12,734
Materials and Supplies Inventory	96,332
Accrued Interest Receivable	8,882
Accounts Receivable	11,077
Intergovernmental Receivable	682,971
Prepaid Items	52,810
Property Taxes Receivable	43,058,018
Payments in Lieu of Taxes Receivable	5,418,952
Net OPEB Asset (See Note 11)	3,746,369
Nondepreciable Capital Assets	1,526,395
Depreciable Capital Assets, Net	30,241,450
<i>Total Assets</i>	<i>108,513,527</i>
Deferred Outflows of Resources	
Deferred Charge on Refunding	284,832
Pension	13,041,486
OPEB	1,588,992
Asset Retirement Obligation	23,400
<i>Total Deferred Outflows of Resources</i>	<i>14,938,710</i>
Liabilities	
Accounts Payable	539,536
Accrued Wages and Benefits	4,902,833
Contracts Payable	230,000
Intergovernmental Payable	1,214,194
Accrued Interest Payable	30,189
Matured Compensated Absences Payable	163,077
Long-Term Liabilities:	
Due Within One Year	3,141,050
Due In More Than One Year:	
Net Pension Liability (See Note 10)	30,967,839
Net OPEB Liability (See Note 11)	4,348,743
Other Amounts	14,750,237
<i>Total Liabilities</i>	<i>60,287,698</i>
Deferred Inflows of Resources	
Property Taxes	38,873,607
Payments in Lieu of Taxes	5,418,952
Deferred Gain on Refunding	85,437
Pension	24,335,162
OPEB	6,962,491
<i>Total Deferred Inflows of Resources</i>	<i>75,675,649</i>
Net Position	
Net Investment in Capital Assets	18,412,366
Restricted for:	
Debt Service	1,926,382
Capital Projects	10,518
Student Activities	372,354
Instruction	11,736
Unclaimed Monies	22,881
Other Purposes	815,423
Unrestricted (Deficit)	(34,082,770)
<i>Total Net Position</i>	<i>(\$12,511,110)</i>

See accompanying notes to the basic financial statements

Nordonia Hills City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2022

	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants, Contributions and Interest		Revenue and Changes in Net Position
			Capital Contributions	Governmental Activities	
Governmental Activities					
Instruction:					
Regular	\$23,617,539	\$435,138	\$1,511,033	\$400,000	(\$21,271,368)
Special	7,406,764	139,282	568,855	0	(6,698,627)
Vocational	335,103	5,889	6,208	0	(323,006)
Student Intervention Services	135,982	2,443	0	0	(133,539)
Support Services:					
Pupils	5,069,805	62,688	2,061,363	0	(2,945,754)
Instructional Staff	1,092,783	18,121	137,824	0	(936,838)
Board of Education	36,696	659	0	0	(36,037)
Administration	3,223,778	61,601	5,000	0	(3,157,177)
Fiscal	1,461,194	26,405	0	0	(1,434,789)
Business	344,435	6,445	0	0	(337,990)
Operation and Maintenance of Plant	5,568,457	93,341	6,453	1,350	(5,467,313)
Pupil Transportation	4,149,238	74,482	163,520	0	(3,911,236)
Central	470,641	8,132	10,800	0	(451,709)
Operation of Non-Instructional Services	86,579	0	77,288	0	(9,291)
Food Service Operations	1,243,903	253,393	1,939,970	0	949,460
Extracurricular Activities	1,742,194	1,075,923	26,220	0	(640,051)
Interest and Fiscal Charges	280,911	0	0	0	(280,911)
<i>Totals</i>	<u>\$56,266,002</u>	<u>\$2,263,942</u>	<u>\$6,514,534</u>	<u>\$401,350</u>	<u>(47,086,176)</u>

General Revenues

Property Taxes Levied for:	
General Purposes	38,826,968
Debt Service	2,827,513
Payments in Lieu of Taxes	9,883,681
Grants and Entitlements not Restricted to Specific Programs	8,753,554
Unrestricted Contributions and Donations	3,879
Investment Earnings	(248,355)
Gain on Sale of Capital Assets	2,000
Miscellaneous	66,414
<i>Total General Revenues</i>	<u>60,115,654</u>
Change in Net Position	13,029,478
<i>Net Position Beginning of Year - Restated (See Note 22)</i>	<u>(25,540,588)</u>
<i>Net Position End of Year</i>	<u>(\$12,511,110)</u>

See accompanying notes to the basic financial statements

Nordonia Hills City School District

*Balance Sheet
Governmental Funds
June 30, 2022*

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$17,396,827	\$6,237,829	\$23,634,656
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	22,881	0	22,881
Accounts Receivable	11,077	0	11,077
Intergovernmental Receivable	166,076	516,895	682,971
Accrued Interest Receivable	8,882	0	8,882
Interfund Receivable	1,000	0	1,000
Inventory Held for Resale	0	12,734	12,734
Materials and Supplies Inventory	87,925	8,407	96,332
Property Taxes Receivable	40,124,874	2,933,144	43,058,018
Payments in Lieu of Taxes Receivable	5,418,952	0	5,418,952
Prepaid Items	51,296	1,514	52,810
<i>Total Assets</i>	<u>\$63,289,790</u>	<u>\$9,710,523</u>	<u>\$73,000,313</u>
Liabilities			
Accounts Payable	\$479,766	\$59,770	\$539,536
Accrued Wages and Benefits	4,584,878	317,955	4,902,833
Contracts Payable	0	230,000	230,000
Intergovernmental Payable	936,837	277,357	1,214,194
Interfund Payable	0	1,000	1,000
Matured Compensated Absences Payable	163,077	0	163,077
<i>Total Liabilities</i>	<u>6,164,558</u>	<u>886,082</u>	<u>7,050,640</u>
Deferred Inflows of Resources			
Property Taxes	36,250,898	2,622,709	38,873,607
Payments in Lieu of Taxes	5,418,952	0	5,418,952
Unavailable Revenue	464,474	528,019	992,493
<i>Total Deferred Inflows of Resources</i>	<u>42,134,324</u>	<u>3,150,728</u>	<u>45,285,052</u>
Fund Balances			
Nonspendable	162,102	9,921	172,023
Restricted	0	3,214,359	3,214,359
Committed	58,837	2,951,286	3,010,123
Assigned	3,268,422	0	3,268,422
Unassigned (Deficit)	11,501,547	(501,853)	10,999,694
<i>Total Fund Balances</i>	<u>14,990,908</u>	<u>5,673,713</u>	<u>20,664,621</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$63,289,790</u>	<u>\$9,710,523</u>	<u>\$73,000,313</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, 2022*

Total Governmental Fund Balances		\$20,664,621
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		31,767,845
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable revenues in the funds:		
Delinquent Property Taxes	322,310	
Intergovernmental	504,107	
Tuition and Fees	166,076	
Total	992,493	992,493
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(30,189)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	(13,324,874)	
Compensated Absences	(4,476,413)	
Asset Retirement Obligation	(90,000)	
Total	(17,891,287)	(17,891,287)
Deferred outflows of resources represent deferred amounts on asset retirement obligations.		23,400
Deferred outflows of resources represent deferred charges on refundings, which are not reported in the funds.		284,832
Deferred inflows of resources represent deferred gains on refundings, which are not reported in the funds.		(85,437)
The net pension and OPEB asset/liabilities are not due and payable in the current period; therefore, the asset/liabilities and related deferred inflows/outflows are not reported in governmental funds:		
Net OPEB Asset	3,746,369	
Deferred Outflows - Pension	13,041,486	
Deferred Outflows - OPEB	1,588,992	
Net Pension Liability	(30,967,839)	
Net OPEB Liability	(4,348,743)	
Deferred Inflows - Pension	(24,335,162)	
Deferred Inflows - OPEB	(6,962,491)	
Total	(48,237,388)	(48,237,388)
 <i>Net Position of Governmental Activities</i>		 <u><u>(\$12,511,110)</u></u>

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, 2022

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$38,844,205	\$2,828,737	\$41,672,942
Payments in Lieu of Taxes	6,418,106	3,465,575	9,883,681
Intergovernmental	8,571,678	6,182,216	14,753,894
Interest	(248,355)	1,423	(246,932)
Tuition and Fees	984,170	910	985,080
Charges for Services	0	253,393	253,393
Extracurricular Activities	331,708	702,444	1,034,152
Contributions and Donations	3,879	55,913	59,792
Rentals	20,937	2,730	23,667
Miscellaneous	66,174	240	66,414
<i>Total Revenues</i>	<u>54,992,502</u>	<u>13,493,581</u>	<u>68,486,083</u>
Expenditures			
Current:			
Instruction:			
Regular	24,206,375	1,515,008	25,721,383
Special	7,731,092	545,549	8,276,641
Vocational	364,403	9,035	373,438
Student Intervention Services	135,982	0	135,982
Support Services:			
Pupils	3,547,248	2,202,683	5,749,931
Instructional Staff	1,019,460	137,824	1,157,284
Board of Education	36,696	0	36,696
Administration	3,424,538	5,000	3,429,538
Fiscal	1,479,295	48,082	1,527,377
Business	363,485	0	363,485
Operation and Maintenance of Plant	5,188,779	497,694	5,686,473
Pupil Transportation	4,146,138	0	4,146,138
Central	442,191	10,800	452,991
Operation of Non-Instructional Services	0	86,579	86,579
Food Service Operations	0	1,374,912	1,374,912
Extracurricular Activities	1,060,713	681,276	1,741,989
Capital Outlay	0	751,087	751,087
Debt Service:			
Principal Retirement	0	2,758,499	2,758,499
Interest and Fiscal Charges	0	423,299	423,299
<i>Total Expenditures</i>	<u>53,146,395</u>	<u>11,047,327</u>	<u>64,193,722</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,846,107</u>	<u>2,446,254</u>	<u>4,292,361</u>
Other Financing Sources (Uses)			
Sale of Capital Assets	2,000	0	2,000
Transfers In	0	779,272	779,272
Transfers Out	(779,272)	0	(779,272)
<i>Total Other Financing Sources (Uses)</i>	<u>(777,272)</u>	<u>779,272</u>	<u>2,000</u>
<i>Net Change in Fund Balances</i>	1,068,835	3,225,526	4,294,361
<i>Fund Balances Beginning of Year</i>	<u>13,922,073</u>	<u>2,448,187</u>	<u>16,370,260</u>
<i>Fund Balances End of Year</i>	<u>\$14,990,908</u>	<u>\$5,673,713</u>	<u>\$20,664,621</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, 2022*

Net Change in Fund Balances - Total Governmental Funds \$4,294,361

***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 capital outlay exceeded depreciation in the current period:

Capital Outlay	2,338,457	
Capital Contributions	400,000	
Current Year Depreciation	<u>(1,906,228)</u>	
Total		832,229

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

Delinquent Property Taxes	(18,461)	
Intergovernmental	458,208	
Tuition and Fees	<u>(32,350)</u>	
Total		407,397

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

2,758,499

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	10,172	
Amortization of Bond Premium	170,177	
Amortization of Accounting Loss	(62,372)	
Amortization of Accounting Gain	<u>24,411</u>	
Total		142,388

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated Absences	114,726	
Asset Retirement Obligation	<u>(1,800)</u>	
Total		112,926

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

Pension	4,442,108	
OPEB	<u>147,135</u>	
Total		4,589,243

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB asset/liabilities are reported as pension/OPEB expense in the statement of activities:

Pension	(339,700)	
OPEB	<u>232,135</u>	
Total		<u>(107,565)</u>

Change in Net Position of Governmental Activities \$13,029,478

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$39,516,864	\$39,822,664	\$39,822,664	\$0
Payments in Lieu of Taxes	2,889,915	6,355,490	6,418,106	62,616
Intergovernmental	7,870,645	8,570,607	8,572,056	1,449
Interest	59,691	65,000	81,478	16,478
Tuition and Fees	873,281	950,945	981,181	30,236
Extracurricular Activities	276,682	301,288	298,785	(2,503)
Contributions and Donations	3,260	3,550	3,528	(22)
Rentals	19,285	21,000	20,937	(63)
Miscellaneous	57,082	62,158	59,407	(2,751)
<i>Total Revenues</i>	51,566,705	56,152,702	56,258,142	105,440
Expenditures				
Current:				
Instruction:				
Regular	24,014,482	24,018,280	23,947,956	70,324
Special	7,858,539	7,859,783	7,837,243	22,540
Vocational	319,480	319,531	316,259	3,272
Student Intervention Services	135,961	135,982	135,982	0
Support Services:				
Pupils	3,687,104	3,687,688	3,651,657	36,031
Instructional Staff	1,051,981	1,052,147	1,012,472	39,675
Board of Education	50,462	50,470	38,313	12,157
Administration	3,504,320	3,504,876	3,472,239	32,637
Fiscal	1,487,474	1,487,710	1,477,346	10,364
Business	395,754	395,817	370,254	25,563
Operation and Maintenance of Plant	5,366,958	5,367,808	5,337,754	30,054
Pupil Transportation	4,239,227	4,239,899	4,219,185	20,714
Central	502,976	503,055	477,608	25,447
Extracurricular Activities	1,080,218	1,080,390	1,046,610	33,780
<i>Total Expenditures</i>	53,694,936	53,703,436	53,340,878	362,558
<i>Excess of Revenues Over (Under) Expenditures</i>	(2,128,231)	2,449,266	2,917,264	467,998
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	2,000	2,000
Advances Out	0	(1,000)	(1,000)	0
Transfers Out	(779,272)	(779,272)	(779,272)	0
<i>Total Other Financing Sources (Uses)</i>	(779,272)	(780,272)	(778,272)	2,000
<i>Net Change in Fund Balance</i>	(2,907,503)	1,668,994	2,138,992	469,998
<i>Fund Balance Beginning of Year</i>	13,441,596	13,441,596	13,441,596	0
Prior Year Encumbrances Appropriated	1,180,002	1,180,002	1,180,002	0
<i>Fund Balance End of Year</i>	\$11,714,095	\$16,290,592	\$16,760,590	\$469,998

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, 2022

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 227 non-certificated employees and 256 certificated teaching and support personnel, plus 17 administrators that provide services to 3,324 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. Historically, these monies were received and disbursed on behalf of the non-public schools by the Treasurer/CFO of the School District, as directed by the non-public school. Starting in fiscal year 2022, the non-public schools have directed the Summit County Educational Service Center to be its fiscal agent. The remaining transactions to close out this activity were 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 15 to the basic financial statements.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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.

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. 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.

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 governmental.

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 is the School District's major governmental fund:

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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.

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.

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 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.

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.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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 assets 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, asset retirement obligations and pension and OPEB plans. 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 asset retirement obligations is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11, respectively.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources includes gain on refunding, property taxes, payments in lieu of taxes, pension and OPEB plans, and unavailable revenue. Property taxes and payments in lieu of taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 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 and OPEB plans are reported on the government-wide statement of net position (See Notes 10 and 11).

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.

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 2022, investments were limited to STAR Ohio, First American Treasury Obligations funds, commercial paper, Federal Home Loan Bank notes, Federal Home Loan Mortgage Corporation notes, Federal Farm Credit Bank notes, U.S. Treasury notes and negotiable certificates of deposit.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Except for nonparticipating investment contracts, first American treasury obligations funds and STAR Ohio, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost. 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. The School District measures its investments in the First American Treasury Obligations funds at the net asset value (NAV) per share provided by First American Funds. The fair value of investments declined during fiscal year 2022 resulting in negative investment earnings of \$326,970.

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 fiscal year 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice is appreciated for deposits and withdrawals of \$100 million or more. STAR Ohio reserves the right to limit the transaction to \$250 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

Following Ohio statutes, the 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 2022 amounted to (\$248,355), none of which was 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, 2022, 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

Materials and supplies inventory is reported at cost, while inventory held for resale is presented at the lower of cost or market value, and donated commodities are presented at their entitlement value. Inventories are presented on a first-in, first-out basis and are expended/expensed when used. Inventories consist of materials and supplies held for consumption and donated and purchased 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, 2022

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, 2022

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 and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liabilities should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

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 received 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.

Nordonia Hills City School District

*Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022*

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 School District Board of Education also assigned fund balance to cover a gap between fiscal year 2023's estimated revenue and appropriated budget and for extracurricular activities.

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. Net position restricted for other purposes includes resources restricted for food service, local grants and federal programs.

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.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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.

Budgetary Data

All 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/Other Postemployment Benefits (OPEB)

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

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 3 – 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.

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. Investments are reported at fair value (GAAP) rather than cost (budget basis).
3. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
4. Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
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	\$1,068,835
Net Adjustment for Revenue Accruals	987,744
Beginning Fair Value Adjustment	37,042
Ending Fair Value Adjustment	289,928
Net Adjustment for Expenditure Accruals	542,554
Advances Out	(1,000)
Perspective Difference:	
Public School Support	4,826
Adjustment for Encumbrances	(790,937)
Budget Basis	\$2,138,992

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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	Other Governmental Funds	Total
<u>Nonspendable:</u>			
Unclaimed Monies	\$22,881	\$0	\$22,881
Materials and Supplies Inventory	87,925	8,407	96,332
Prepays	51,296	1,514	52,810
<i>Total Nonspendable</i>	<u>162,102</u>	<u>9,921</u>	<u>172,023</u>
<u>Restricted for:</u>			
Debt Service	0	1,932,659	1,932,659
Capital Projects	0	10,518	10,518
Food Service	0	856,618	856,618
Student Activities	0	372,354	372,354
Instruction	0	42,210	42,210
<i>Total Restricted</i>	<u>0</u>	<u>3,214,359</u>	<u>3,214,359</u>
<u>Committed to:</u>			
High School Book Store	0	7,466	7,466
Transportation Services	27,535	0	27,535
ESC Services	5,381	0	5,381
Legal Services	25,073	0	25,073
Other Services	848	0	848
Capital Improvements	0	2,943,820	2,943,820
<i>Total Committed</i>	<u>58,837</u>	<u>2,951,286</u>	<u>3,010,123</u>
<u>Assigned to:</u>			
Fiscal Year 2023 Operations	2,904,801	0	2,904,801
Public School Support	121,558	0	121,558
Purchases on Order	242,063	0	242,063
<i>Total Assigned</i>	<u>3,268,422</u>	<u>0</u>	<u>3,268,422</u>
Unassigned (Deficit)	<u>11,501,547</u>	<u>(501,853)</u>	<u>10,999,694</u>
Total Fund Balances	<u>\$14,990,908</u>	<u>\$5,673,713</u>	<u>\$20,664,621</u>

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 5 – Deficit Funds

At June 30, 2022, the following funds had deficit fund balances:

	<u>Amount</u>
<i>Other Governmental Funds:</i>	
Elementary and Secondary School Emergency Relief	\$335,335
Title VI-B	79,362
Title I	86,349

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles prior to the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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 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.

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 provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this divisions are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

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

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 June 30, 2022, \$451,835 of the School District's bank balance of \$1,282,691 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. The School District's financial institution participates in the Ohio Pooled Collateral System (OPCS) and was approved for a reduced collateral floor of 50 percent, resulting in the uninsured and uncollateralized balance.

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

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

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

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Investments

Investments are reported at fair value. As of June 30, 2022, 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	12,109,310	Average 35.3 days	AAAm	N/A
First American Treasury Obligations Fund	8,181	Less than one year	AAAm	N/A
Total Net Asset Value Per Share	<u>\$12,117,491</u>			
Amortized Cost:				
Commercial Paper	<u>3,492,527</u>	Less than one year	A-1+ or A-1	15.17 %
Fair Value - Level Two Inputs:				
Federal Home Loan Bank Notes	1,827,750	Less than five years	AAA or AA+	7.94 %
Federal Home Loan Mortgage Corporation Notes	1,126,362	Less than four years	AA+	N/A
Federal Farm Credit Bank Notes	482,674	Less than three years	AA+	N/A
U.S. Treasury Notes	576,377	Less than two years	AA+	N/A
Negotiable Certificates of Deposit	<u>3,403,051</u>	Three years or less	N/A	14.78 %
Total Investments	<u><u>\$23,026,232</u></u>			

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, 2022. STAR Ohio and First American Treasury Obligations funds are measured at net asset value per share. Commercial paper is measured at amortized cost. The School District's remaining 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.

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.

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.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, 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 2022 represents collections of calendar year 2021 taxes. Public utility real and tangible personal property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021 and are collected in calendar year 2022 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, 2022, are available to finance fiscal year 2022 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, 2022, 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, 2022, was \$3,575,578 in the general fund and \$268,523 in the bond retirement debt service fund. The amount available as an advance at June 30, 2021, was \$4,554,037 in the general fund and \$362,666 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, 2022

The assessed values upon which the fiscal year 2022 taxes were collected are:

	2021 Second- Half Collections		2022 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,094,826,470	96.02 %	\$1,101,220,360	95.75
Public Utility Personal Property	45,348,840	3.98	48,922,290	4.25
	\$1,140,175,310	100.00 %	\$1,150,142,650	100.00
Tax rate per \$1,000 of assessed valuation	\$75.12		\$75.14	

Note 8 – Receivables

Receivables at June 30, 2022, consisted of taxes, payments in lieu of taxes, accrued interest, accounts (tuition and excess costs), and intergovernmental grants and entitlements. 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
Elementary and Secondary School Emergency Relief Grant	336,142
School Finance Payment Report Adjustments	166,076
Title I	86,378
Title VI-B Grant	79,847
Local Grants	12,436
Reducing Class Size Grant	2,092
Total	\$682,971

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, 2022

Note 9 – Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

	Restated Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Governmental Activities				
<i>Capital Assets, not being depreciated:</i>				
Land	\$155,558	\$1,140,837	\$0	\$1,296,395
Construction in Progress	0	230,000	0	230,000
<i>Total Capital Assets, not being depreciated</i>	<u>155,558</u>	<u>1,370,837</u>	<u>0</u>	<u>1,526,395</u>
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	57,015,927	112,334	0	57,128,261
Furniture and Equipment	6,105,802	1,140,631	(43,458)	7,202,975
Vehicles	778,910	114,655	(239,825)	653,740
<i>Total Capital Assets, being depreciated</i>	<u>63,900,639</u>	<u>1,367,620</u>	<u>(283,283)</u>	<u>64,984,976</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(28,386,922)	(1,215,246)	0	(29,602,168)
Furniture and Equipment	(4,069,861)	(630,943)	43,458	(4,657,346)
Vehicles	(663,798)	(60,039)	239,825	(484,012)
<i>Total Accumulated Depreciation</i>	<u>(33,120,581)</u>	<u>(1,906,228) *</u>	<u>283,283</u>	<u>(34,743,526)</u>
Total Capital Assets, being depreciated, net	<u>30,780,058</u>	<u>(538,608)</u>	<u>0</u>	<u>30,241,450</u>
Governmental Activities Capital Assets, Net	<u>\$30,935,616</u>	<u>\$832,229</u>	<u>\$0</u>	<u>\$31,767,845</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$1,124,141
Special	38,467
Vocational	29,947
Support Services:	
Pupils	14,678
Instructional Staff	48,995
Administration	19,821
Business	1,183
Operation and Maintenance of Plant	513,267
Pupil Transportation	1,300
Central	15,726
Food Service Operations	44,816
Extracurricular Activities	53,887
Total Depreciation Expense	<u>\$1,906,228</u>

In fiscal year 2022, the School District received donated land valued at \$400,000 from a private donor.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 10 – Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability (Asset)

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

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

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

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

The proportionate share of each plan’s unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 0.5 percent COLA for calendar year 2021.

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, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$1,150,630 for fiscal year 2022. Of this amount \$111,340 is reported as an intergovernmental payable.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients’ base benefit and past cost-of living increases are not affected by this change. 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.

Eligibility changes for DB Plan members who retire with actuarially reduced benefits will be phased in until August 1, 2026, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

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

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

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2022 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2022, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$3,291,478 for fiscal year 2022. Of this amount \$511,209 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, 2021, 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:			
Current Measurement Date	0.22356900%	0.17768632%	
Prior Measurement Date	<u>0.22158960%</u>	<u>0.17136726%</u>	
Change in Proportionate Share	<u>0.00197940%</u>	<u>0.00631906%</u>	
Proportionate Share of the Net			
Pension Liability	\$8,249,048	\$22,718,791	\$30,967,839
Pension Expense	(\$199,333)	\$539,033	\$339,700

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At June 30, 2022, 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	\$796	\$701,901	\$702,697
Changes of assumptions	173,701	6,302,600	6,476,301
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	81,410	1,338,970	1,420,380
School District contributions subsequent to the measurement date	<u>1,150,630</u>	<u>3,291,478</u>	<u>4,442,108</u>
Total Deferred Outflows of Resources	<u>\$1,406,537</u>	<u>\$11,634,949</u>	<u>\$13,041,486</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$213,931	\$142,401	\$356,332
Net difference between projected and actual earnings on pension plan investments	4,248,501	19,579,251	23,827,752
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>65,078</u>	<u>86,000</u>	<u>151,078</u>
Total Deferred Inflows of Resources	<u>\$4,527,510</u>	<u>\$19,807,652</u>	<u>\$24,335,162</u>

\$4,442,108 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 fiscal year ending June 30, 2023. 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:			
2023	(\$1,059,949)	(\$2,758,472)	(\$3,818,421)
2024	(897,483)	(2,373,776)	(3,271,259)
2025	(1,010,140)	(2,705,566)	(3,715,706)
2026	<u>(1,304,031)</u>	<u>(3,626,367)</u>	<u>(4,930,398)</u>
Total	<u>(\$4,271,603)</u>	<u>(\$11,464,181)</u>	<u>(\$15,735,784)</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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For the Fiscal Year Ended June 30, 2022

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, 2021, compared with June 30, 2020, are presented below:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Inflation	2.4 percent	3.00 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	3.50 percent to 18.20 percent 2.5 percent
Investment Rate of Return	7.00 percent net of System expenses	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Mortality rates for 2020 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. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.33) %
US Equity	24.75	5.72
Non-US Equity Developed	13.50	6.55
Non-US Equity Emerging	6.75	8.54
Fixed Income/Global Bonds	19.00	1.14
Private Equity	11.00	10.03
Real Estate/Real Assets	16.00	5.41
Multi-Asset Strategy	4.00	3.47
Private Debt/Private Credit	3.00	5.28
Total	<u>100.00 %</u>	

Discount Rate The total pension liability for 2021 was calculated using the discount rate of 7.00 percent. The discount rate for 2020 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 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 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$13,724,390	\$8,249,048	\$3,631,453

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Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation compared to those used in the June 30, 2020, actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.50 percent	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent	7.45 percent
Payroll Increases	3.00 percent	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent	0.0 percent,

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

Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
Domestic Equity	28.00%	7.35%
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00%</u>	

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

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Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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 7.00 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 (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$42,543,796	\$22,718,791	\$5,966,708

Changes Between the Measurement Date and the Reporting date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

Note 11 – Defined Benefit OPEB Plans

See Note 10 for a description of the net OPEB liability (asset).

School Employees Retirement System (SERS)

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 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured

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prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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 2022, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was \$147,135.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$147,135 for fiscal year 2022. Of this amount \$147,135 is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportion of the Net OPEB Liability:			
Current Measurement Date	0.22977830%	0.17768632%	
Prior Measurement Date	<u>0.22626550%</u>	<u>0.17136726%</u>	
Change in Proportionate Share	<u>0.00351280%</u>	<u>0.00631906%</u>	
Proportionate Share of the:			
Net OPEB Liability	\$4,348,743	\$0	\$4,348,743
Net OPEB (Asset)	\$0	(\$3,746,369)	(\$3,746,369)
OPEB Expense	(\$22,607)	(\$209,528)	(\$232,135)

At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$46,355	\$133,396	\$179,751
Changes of assumptions	682,215	239,302	921,517
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	202,223	138,366	340,589
School District contributions subsequent to the measurement date	<u>147,135</u>	<u>0</u>	<u>147,135</u>
Total Deferred Outflows of Resources	<u>\$1,077,928</u>	<u>\$511,064</u>	<u>\$1,588,992</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$2,165,870	\$686,402	\$2,852,272
Changes of assumptions	595,524	2,234,982	2,830,506
Net difference between projected and actual earnings on OPEB plan investments	94,478	1,038,429	1,132,907
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	<u>145,974</u>	<u>832</u>	<u>146,806</u>
Total Deferred Inflows of Resources	<u>\$3,001,846</u>	<u>\$3,960,645</u>	<u>\$6,962,491</u>

Nordonia Hills City School District

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\$147,135 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability or an increase to the net OPEB asset in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2023	(\$465,656)	(\$971,147)	(\$1,436,803)
2024	(466,318)	(945,161)	(1,411,479)
2025	(464,988)	(958,046)	(1,423,034)
2026	(408,845)	(432,041)	(840,886)
2027	(209,664)	(147,127)	(356,791)
Thereafter	<u>(55,582)</u>	<u>3,941</u>	<u>(51,641)</u>
Total	<u>(\$2,071,053)</u>	<u>(\$3,449,581)</u>	<u>(\$5,520,634)</u>

Actuarial Assumptions - SERS

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

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

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

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Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2021, compared with June 30, 2020, are presented below:

	June 30, 2021	June 30, 2020
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate:		
Measurement Date	1.92 percent	2.45 percent
Prior Measurement Date	2.45 percent	3.13 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation		
Measurement Date	2.27 percent	2.63 percent
Prior Measurement Date	2.63 percent	3.22 percent
Medical Trend Assumption		
Medicare	5.125 to 4.40 percent	5.25 to 4.75 percent
Pre-Medicare	6.75 to 4.40 percent	7.00 to 4.75 percent

For 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

For 2020, mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

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

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

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For the Fiscal Year Ended June 30, 2022

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 10.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2020 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 1.92 percent at June 30, 2021 and 2.45 percent at June 30, 2020.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.27%) and higher (3.27%) than the current discount rate (2.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (1.27%)	Current Discount Rate (2.27%)	1% Increase (3.27%)
School District's proportionate share of the net OPEB liability	\$5,388,618	\$4,348,743	\$3,518,016
	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$3,348,175	\$4,348,743	\$5,685,193

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation and the June 30, 2020 actuarial valuation are presented below:

	June 30, 2021	June 30, 2020
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.45 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	5.00 percent initial, 4 percent ultimate	5.00 percent initial, 4 percent ultimate
Medicare	-16.18 percent initial, 4 percent ultimate	-6.69 percent initial, 4 percent ultimate
Prescription Drug		
Pre-Medicare	6.50 percent initial, 4 percent ultimate	6.50 percent initial, 4 percent ultimate
Medicare	29.98 initial, 4 percent ultimate	11.87 initial, 4 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2021, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 10.

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2021.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2021, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$3,161,358)	(\$3,746,369)	(\$4,235,061)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$4,215,260)	(\$3,746,369)	(\$3,166,546)

Changes Between the Measurement Date and the Reporting date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability is unknown.

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 at various levels based on negotiated agreements or administrative guidelines. Upon retirement, payment is made to certificated staff for one-fourth of the total sick leave accumulation, up to a maximum specified in the negotiated agreement. For classified staff, exempt employees, and administrators, payment is made for one-third of the total sick leave accumulation, up to a maximum specified in the negotiated agreement or administrative guidelines.

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.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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 \$50,000 for all noncertified and certified employees and double the annual salary rounded to the nearest thousand for administrators including the treasurer. The life insurance coverage for the superintendent is in the amount of \$500,000.

Note 13 – Long-Term Obligations

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

	Principal Outstanding 6/30/21	Additions	Reductions	Principal Outstanding 6/30/22	Amount Due in One Year
<i>General Obligation Bonds:</i>					
2013 Energy Conservation Bonds (3.39%):					
Serial Bonds	\$437,288	\$0	(\$48,499)	\$388,789	\$50,144
2015 School Improvement Refunding Bonds (4.6%):					
Serial Bonds	2,300,000	0	(2,280,000)	20,000	5,000
Premium	634,882	0	(141,085)	493,797	0
2015 Athletic Facilities Refunding Bonds (4.24%):					
Serial Bonds	3,425,000	0	(285,000)	3,140,000	295,000
Premium	276,380	0	(29,092)	247,288	0
2017 School Improvement Refunding Bonds (2.38%):					
Term Bonds	9,180,000	0	(145,000)	9,035,000	2,605,000
<i>Total General Obligation Bonds</i>	16,253,550	0	(2,928,676)	13,324,874	2,955,144
<i>Other Long-Term Obligations:</i>					
Net Pension Liability:					
SERS	14,656,402	0	(6,407,354)	8,249,048	0
STRS	41,464,779	0	(18,745,988)	22,718,791	0
Total Net Pension Liability	56,121,181	0	(25,153,342)	30,967,839	0
Net OPEB Liability:					
SERS	4,917,488	0	(568,745)	4,348,743	0
Compensated Absences	4,591,139	167,419	(282,145)	4,476,413	185,906
Asset Retirement Obligation	90,000	0	0	90,000	0
Total Other Long-Term Obligations	65,719,808	167,419	(26,004,232)	39,882,995	185,906
Total Governmental Activities					
<i>Long-Term Liabilities</i>	\$81,973,358	\$167,419	(\$28,932,908)	\$53,207,869	\$3,141,050

All general obligation bonds will be paid from property taxes. The asset retirement obligation will be paid from the general fund. There is no repayment schedule for the net pension and OPEB liabilities; however, employer pension and OPEB 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 and OPEB liabilities see Notes 10 and 11. The compensated absences are to be paid from the general fund and the food service special revenue fund.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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 retirement debt service fund and were issued for a 15 year period with final maturity 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. At June 30, 2022, \$40,000 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, 2022, \$3,175,000 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. Net proceeds of \$9,998,649 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, \$9,805,000 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, 2022, \$9,805,000 of the defeased bonds are still outstanding.

The term bonds are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 of the years and in the respective principal amounts as follows:

Fiscal Year	Issue Principal Amount to be Redeemed
2023	\$2,605,000
2024	2,665,000
2025	2,730,000

The remaining principal amount of the bonds (\$1,035,000) will mature at stated maturity in fiscal year 2026, on December 1, 2025.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

The School District’s overall debt margin was \$92,789,752 with an unvoted debt margin of \$1,149,343 at June 30, 2022. Principal and interest requirements to retire general obligation bonds and capital appreciation bonds outstanding at June 30, 2022, are as follows:

	General Obligation Bonds					
	Serial		Term		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$350,144	\$140,017	\$2,605,000	\$184,033	\$2,955,144	\$324,050
2024	361,843	125,338	2,665,000	121,321	3,026,843	246,659
2025	378,601	110,071	2,730,000	57,119	3,108,601	167,190
2026	395,418	94,107	1,035,000	12,316	1,430,418	106,423
2027	402,297	77,665	0	0	402,297	77,665
2028-2031	1,660,486	138,102	0	0	1,660,486	138,102
Total	\$3,548,789	\$685,300	\$9,035,000	\$374,789	\$12,583,789	\$1,060,089

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 2022, the School District contributed \$410,401 to NEOnet. Financial information can be obtained by contacting the NEOnet Fiscal Officer at 700 Graham Road, Cuyahoga Falls, Ohio 44221.

Ohio Schools Council

The Ohio Schools Council (Council) is a jointly governed organization among 210 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 2022, the School District paid \$6,028 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, 2022

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”).

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 2022, the School District did not make any payments to the Career Center. Financial information can be obtained by contacting the Treasurer at the Cuyahoga Valley Career Center at 8001 Brecksville Road, Brecksville, Ohio 44141.

Note 15 – 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 health care benefits. The Council is governed by an assembly, which consists of one representative 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 16 – Contingencies

Litigation

The Nordonia Hills City School District is not party to legal proceedings.

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, 2022, if applicable, cannot be determined at this time.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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. ODE's final FTE adjustment did not have a material impact on the School District's financial statements.

Note 17 – 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 2022, the School District contracted with Ohio School Plan for various types of insurance as follows:

<u>Type of Coverage</u>	<u>Coverage Amount</u>
Property	\$278,515,573
Flood	5,000,000
Earthquake	1,000,000
General Liability	6,000,000
Employee Benefits Liability	6,000,000
Employer's Liability	6,000,000
School Leaders Professional Liability	6,000,000
Errors and Omissions	6,000,000
Law Enforcement	6,000,000
Violent Event Response	1,000,000
Automobile	6,000,000
Boiler and Machinery	100,000,000
Cyber Coverage	1,000,000
Pollution Liability	1,000,000

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.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 18 – Interfund Activity

Interfund Transfers

Interfund transfers made during fiscal year 2022 consisted of transfers from the general fund to the other governmental funds in the amount of \$779,272. The transfers from the general fund were made for debt service payments, capital improvements and to provide funding for various school programs.

Interfund Balances

The general fund made an advance of \$1,000 to the reducing class size special revenue fund to provide cash in anticipation of grant monies. The advance is anticipated to be repaid within one year.

Note 19 – 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, 2021	\$0
Current Year Set-aside Requirement	622,573
Current Year Offsets	(4,165,575)
Qualifying Disbursements	(1,028,581)
Totals	(\$4,571,583)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0
Set-aside Balance as of June 30, 2022	\$0

Although the School District had qualifying disbursements and offsets 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.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 20 – 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	\$790,937
Other Governmental Funds	<u>850,417</u>
Total	<u>\$1,641,354</u>

Note 21 – Asset Retirement Obligations

The Governmental Accounting Standard Board’s (GASB) Statement No. 83, Certain Asset Retirement Obligations, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates petroleum and hazardous substances stored in underground storage tanks. These regulations are included in Ohio Administrative Code Section 1301-7-9 and require a School District classified as an “owner” or “operator,” to remove from the ground any underground storage tank (UST) that is not in use for a year or more. A permit must first be obtained for that year it is not being used. Once the UST is removed, the soil in the UST cavity and excavated material must be tested for contamination. This asset retirement obligation (ARO) of \$90,000 associated with the School District’s underground storage tanks was estimated by the School District. The remaining useful life of these USTs is 13 years. The School District maintains insurance related to any potential pollution remediation associated with the USTs.

Note 22 – Change in Accounting Principles and Restatement of Net Position

Change in Accounting Principles

For fiscal year 2022, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*.

GASB Statement 87 enhances the relevance and consistency of information of the government’s leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the School District’s 2022 financial statements; however, there was no effect on beginning net position/fund balance.

The School District is also implementing Implementation Guide No. 2020-1, GASB Statement No. 92 – *Omnibus 2020*, and GASB Statement No. 97 -- *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. These changes were incorporated in the School District’s 2022 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, 2022

Restatement of Net Position

For fiscal year 2022, the School District modified its approach related to the eligibility requirements of certain School District grants. Also during fiscal year 2022, it was determined that capital assets were understated. These adjustments resulted in the following restatement to net position as of June 30, 2021:

Net Position June 30, 2021	(\$25,421,410)
Adjustments:	
Intergovernmental Receivable	(555,871)
Capital Assets, Net	<u>436,693</u>
Restated Net Position June 30, 2021	<u><u>(\$25,540,588)</u></u>

Note 23 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continues. During fiscal year 2022, the School District received COVID-19 funding. The School District's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. The financial impact of COVID-19 and the continuing recovery measures will impact subsequent periods of the School District. The impact on the School District's future operating costs, revenues, and additional recovery from funding, either federal or state, cannot be estimated.

Nordonia Hills City School District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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**Required Supplementary
Information**

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

	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.22356900%	0.22158960%	0.22630770%
School District's Proportionate Share of the Net Pension Liability	\$8,249,048	\$14,656,402	\$13,540,386
School District's Covered Payroll	\$7,799,979	\$7,730,743	\$7,870,800
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	105.76%	189.59%	172.03%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	68.55%	70.85%

(1) Although this schedule is intended to reflect 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.

See accompanying notes to the Required Supplementary Information

2019	2018	2017	2016	2015	2014
0.22081780%	0.21708660%	0.21377550%	0.20492030%	0.20203300%	0.20203300%
\$12,646,644	\$12,970,445	\$15,646,394	\$11,692,952	\$10,224,775	\$12,014,254
\$7,447,119	\$6,991,764	\$6,667,579	\$6,235,536	\$6,230,817	\$4,538,107
169.82%	185.51%	234.66%	187.52%	164.10%	264.74%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

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

	2022	2021	2020
School District's Proportion of the Net OPEB Liability	0.22977830%	0.22626550%	0.23151740%
School District's Proportionate Share of the Net OPEB Liability	\$4,348,743	\$4,917,488	\$5,822,175
School District's Covered Payroll	\$7,799,979	\$7,730,743	\$7,870,800
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	55.75%	63.61%	73.97%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	24.08%	18.17%	15.57%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2017 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.

See accompanying notes to the Required Supplementary Information

2019	2018	2017
0.22376510%	0.22002550%	0.21617770%
\$6,207,849	\$5,904,907	\$6,161,864
\$7,447,119	\$6,991,764	\$6,667,579
83.36%	84.46%	92.42%
13.57%	12.46%	11.49%

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

	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.17768632%	0.17136726%	0.17208322%
School District's Proportionate Share of the Net Pension Liability	\$22,718,791	\$41,464,779	\$38,055,170
School District's Covered Payroll	\$22,135,136	\$21,400,229	\$19,573,529
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	102.64%	193.76%	194.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.80%	75.50%	77.40%

(1) Although this schedule is intended to reflect 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.

See accompanying notes to the Required Supplementary Information

2019	2018	2017	2016	2015	2014
0.16870447%	0.16509449%	0.16130569%	0.16417188%	0.15948273%	0.15948273%
\$37,094,324	\$39,218,550	\$53,993,877	\$45,372,307	\$38,791,720	\$46,208,442
\$19,252,429	\$18,404,221	\$18,223,643	\$17,171,343	\$15,994,071	\$17,009,954
192.67%	213.10%	296.28%	264.23%	242.54%	271.66%
77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

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

	2022	2021	2020
School District's Proportion of the Net OPEB Liability (Asset)	0.17768632%	0.17136726%	0.17208322%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$3,746,369)	(\$3,011,777)	(\$2,850,112)
School District's Covered Payroll	\$22,135,136	\$21,400,229	\$19,573,529
School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	-16.92%	-14.07%	-14.56%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	174.70%	182.10%	174.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to fiscal year 2017 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.

See accompanying notes to the Required Supplementary Information

2019	2018	2017
0.16870447%	0.16509449%	0.16130569%
(\$2,710,908)	\$6,441,377	\$8,626,670
\$19,252,429	\$18,404,221	\$18,223,643
-14.08%	35.00%	47.34%
176.00%	47.10%	37.30%

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

	2022	2021	2020	2019
Net Pension Liability:				
Contractually Required Contribution	\$1,150,630	\$1,091,997	\$1,082,304	\$1,062,558
Contributions in Relation to the Contractually Required Contribution	(1,150,630)	(1,091,997)	(1,082,304)	(1,062,558)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$8,218,786	\$7,799,979	\$7,730,743	\$7,870,800
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>13.50%</u>
Net OPEB Liability:				
Contractually Required Contribution (2)	\$147,135	\$144,147	\$127,964	\$178,774
Contributions in Relation to the Contractually Required Contribution	(147,135)	(144,147)	(127,964)	(178,774)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.79%</u>	<u>1.85%</u>	<u>1.66%</u>	<u>2.27%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.79%</u>	<u>15.85%</u>	<u>15.66%</u>	<u>15.77%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the Required Supplementary Information

2018	2017	2016	2015	2014	2013
\$1,005,361	\$978,847	\$933,461	\$821,844	\$816,237	\$594,492
(1,005,361)	(978,847)	(933,461)	(821,844)	(816,237)	(594,492)
\$0	\$0	\$0	\$0	\$0	\$0
\$7,447,119	\$6,991,764	\$6,667,579	\$6,235,536	\$6,230,817	\$4,538,107
13.50%	14.00%	14.00%	13.18%	13.10%	13.10%
\$159,630	\$118,683	\$107,412	\$146,348	\$107,461	\$80,325
(159,630)	(118,683)	(107,412)	(146,348)	(107,461)	(80,325)
\$0	\$0	\$0	\$0	\$0	\$0
2.14%	1.70%	1.61%	2.35%	1.72%	1.77%
15.64%	15.70%	15.61%	15.53%	14.82%	14.87%

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

	2022	2021	2020	2019
Net Pension Liability:				
Contractually Required Contribution	\$3,291,478	\$3,098,919	\$2,996,032	\$2,740,294
Contributions in Relation to the Contractually Required Contribution	<u>(3,291,478)</u>	<u>(3,098,919)</u>	<u>(2,996,032)</u>	<u>(2,740,294)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$23,510,557	\$22,135,136	\$21,400,229	\$19,573,529
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability:				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) The School District's covered payroll is the same for Pension and OPEB.

See accompanying notes to the Required Supplementary Information

2018	2017	2016	2015	2014	2013
\$2,695,340	\$2,576,591	\$2,551,310	\$2,403,988	\$2,079,229	\$2,211,294
(2,695,340)	(2,576,591)	(2,551,310)	(2,403,988)	(2,079,229)	(2,211,294)
\$0	\$0	\$0	\$0	\$0	\$0
\$19,252,429	\$18,404,221	\$18,223,643	\$17,171,343	\$15,994,071	\$17,009,954
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%
\$0	\$0	\$0	\$0	\$159,941	\$170,100
0	0	0	0	(159,941)	(170,100)
\$0	\$0	\$0	\$0	\$0	\$0
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

Nordonia Hills City School District, Ohio

Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2022, an assumption of 2.0 percent was used for COLA or Ad Hoc Cola. For fiscal years 2018 through 2021, an assumption of 2.5 percent was used. Prior to 2018, an assumption of 3 percent was used.

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

	Fiscal Year 2022	Fiscal Years 2021-2017	Fiscal Year 2016 and Prior
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

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

Changes in Assumptions - STRS

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

Nordonia Hills City School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	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.

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

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

Net OPEB Liability

Changes in Assumptions – SERS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	2022	2021 and Prior
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

Nordonia Hills City School District, Ohio

Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

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

Municipal Bond Index Rate:	
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Changes in Assumptions – STRS

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

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

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

Changes in Benefit Terms – STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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

Nordonia Hills City School District, Ohio

Notes to Required Supplementary Information

For the Fiscal Year Ended June 30, 2022

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

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

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

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.

Student Activities Fund – To account for and report resources restricted to the student bodies of the various schools, accounting for sales and other revenue generating activities for which the School District has administrative involvement.

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.

Student Wellness Fund – To account for and report restricted State monies distributed for specific purposes related to student wellness and success initiatives.

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

Elementary and Secondary School Emergency Relief (ESSER) Fund – To account for and report restricted emergency COVID-19 pandemic relief grants to school districts for the coordination of preparedness and response efforts, training and professional development of staff, planning and coordination during long-term closure, and purchasing technology for students.

Title 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.

(continued)

Combining Statements – Nonmajor Governmental Funds (continued)

Title IV-A Fund – To account for and report restricted grant monies for student academic enrichment programs.

Preschool for Handicapped Fund – To account for and report restricted grant monies to address the improvement and expansion of services for handicapped children ages three through five years.

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.

Miscellaneous Federal Grants Fund – To account for and report restricted grant monies from federal sources appropriated for miscellaneous purposes.

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.

Nonmajor Debt Service Fund

The Debt Service Fund is used to account for and report the financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Bond Retirement Fund – 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.

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 fund 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 transfers and payments in lieu of taxes committed to the acquisition or construction of capital permanent improvements.

Building Fund – To account for and report restricted donations 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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,407,355	\$1,646,136	\$3,184,338	\$6,237,829
Intergovernmental Receivable	516,895	0	0	516,895
Inventory Held for Resale	12,734	0	0	12,734
Materials and Supplies Inventory	8,407	0	0	8,407
Property Taxes Receivable	0	2,933,144	0	2,933,144
Prepaid Items	1,514	0	0	1,514
<i>Total Assets</i>	<u>\$1,946,905</u>	<u>\$4,579,280</u>	<u>\$3,184,338</u>	<u>\$9,710,523</u>
Liabilities				
Accounts Payable	\$59,770	\$0	\$0	\$59,770
Accrued Wages and Benefits	317,955	0	0	317,955
Contracts Payable	0	0	230,000	230,000
Intergovernmental Payable	277,357	0	0	277,357
Interfund Payable	1,000	0	0	1,000
<i>Total Liabilities</i>	<u>656,082</u>	<u>0</u>	<u>230,000</u>	<u>886,082</u>
Deferred Inflows of Resources				
Property Taxes	0	2,622,709	0	2,622,709
Unavailable Revenue	504,107	23,912	0	528,019
<i>Total Deferred Inflows of Resources</i>	<u>504,107</u>	<u>2,646,621</u>	<u>0</u>	<u>3,150,728</u>
Fund Balances				
Nonspendable	9,921	0	0	9,921
Restricted	1,271,182	1,932,659	10,518	3,214,359
Committed	7,466	0	2,943,820	2,951,286
Unassigned (Deficit)	(501,853)	0	0	(501,853)
<i>Total Fund Balances</i>	<u>786,716</u>	<u>1,932,659</u>	<u>2,954,338</u>	<u>5,673,713</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$1,946,905</u>	<u>\$4,579,280</u>	<u>\$3,184,338</u>	<u>\$9,710,523</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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$0	\$2,828,737	\$0	\$2,828,737
Payment in Lieu of Taxes	0	0	3,465,575	3,465,575
Intergovernmental	5,803,531	378,685	0	6,182,216
Interest	1,423	0	0	1,423
Tuition and Fees	910	0	0	910
Charges for Services	253,393	0	0	253,393
Extracurricular Activities	702,444	0	0	702,444
Contributions and Donations	54,563	0	1,350	55,913
Rentals	105	0	2,625	2,730
Miscellaneous	18	0	222	240
<i>Total Revenues</i>	<u>6,816,387</u>	<u>3,207,422</u>	<u>3,469,772</u>	<u>13,493,581</u>
Expenditures				
Current:				
Instruction:				
Regular	1,515,008	0	0	1,515,008
Special	545,549	0	0	545,549
Vocational	9,035	0	0	9,035
Support Services:				
Pupils	2,202,683	0	0	2,202,683
Instructional Staff	137,824	0	0	137,824
Administration	5,000	0	0	5,000
Fiscal	0	48,082	0	48,082
Operation and Maintenance of Plant	6,453	0	491,241	497,694
Central	10,800	0	0	10,800
Operation of Non-Instructional Services	86,579	0	0	86,579
Food Service Operations	1,374,912	0	0	1,374,912
Extracurricular Activities	675,331	0	5,945	681,276
Capital Outlay	0	0	751,087	751,087
Debt Service:				
Principal Retirement	0	2,758,499	0	2,758,499
Interest and Fiscal Charges	0	423,299	0	423,299
<i>Total Expenditures</i>	<u>6,569,174</u>	<u>3,229,880</u>	<u>1,248,273</u>	<u>11,047,327</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	247,213	(22,458)	2,221,499	2,446,254
Other Financing Sources				
Transfers In	16,770	62,502	700,000	779,272
<i>Net Change in Fund Balances</i>	263,983	40,044	2,921,499	3,225,526
<i>Fund Balances Beginning of Year</i>	<u>522,733</u>	<u>1,892,615</u>	<u>32,839</u>	<u>2,448,187</u>
<i>Fund Balances End of Year</i>	<u>\$786,716</u>	<u>\$1,932,659</u>	<u>\$2,954,338</u>	<u>\$5,673,713</u>

Nordonia Hills City School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2022

	Food Service	Other Grants	High School Bookstore	Student Activities	District Managed Activities
Assets					
Equity in Pooled Cash and Cash Equivalents	\$965,512	\$21,089	\$7,466	\$132,633	\$244,432
Intergovernmental Receivable	0	12,436	0	0	0
Inventory Held for Resale	12,734	0	0	0	0
Materials and Supplies Inventory	8,407	0	0	0	0
Prepaid Items	707	0	0	0	0
<i>Total Assets</i>	<u>\$987,360</u>	<u>\$33,525</u>	<u>\$7,466</u>	<u>\$132,633</u>	<u>\$244,432</u>
Liabilities					
Accounts Payable	\$358	\$797	\$0	\$0	\$4,711
Accrued Wages and Benefits	91,391	0	0	0	0
Intergovernmental Payable	29,879	0	0	0	0
Interfund Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>121,628</u>	<u>797</u>	<u>0</u>	<u>0</u>	<u>4,711</u>
Deferred Inflows of Resources					
Unavailable Revenue	0	0	0	0	0
Fund Balances					
Nonspendable	9,114	0	0	0	0
Restricted	856,618	32,728	0	132,633	239,721
Committed	0	0	7,466	0	0
Unassigned (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>865,732</u>	<u>32,728</u>	<u>7,466</u>	<u>132,633</u>	<u>239,721</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$987,360</u>	<u>\$33,525</u>	<u>\$7,466</u>	<u>\$132,633</u>	<u>\$244,432</u>

Elementary and Secondary School Emergency Relief	Title VI-B	Limited English Proficiency	Title I	Reducing Class Size	Total Nonmajor Special Revenue Funds
\$20,803	\$485	\$8,183	\$29	\$6,723	\$1,407,355
336,142	79,847	0	86,378	2,092	516,895
0	0	0	0	0	12,734
0	0	0	0	0	8,407
807	0	0	0	0	1,514
<u>\$357,752</u>	<u>\$80,332</u>	<u>\$8,183</u>	<u>\$86,407</u>	<u>\$8,815</u>	<u>\$1,946,905</u>
\$0	\$43,176	\$0	\$9,928	\$800	\$59,770
223,123	0	0	0	3,441	317,955
133,822	36,671	0	76,450	535	277,357
0	0	0	0	1,000	1,000
<u>356,945</u>	<u>79,847</u>	<u>0</u>	<u>86,378</u>	<u>5,776</u>	<u>656,082</u>
<u>336,142</u>	<u>79,847</u>	<u>0</u>	<u>86,378</u>	<u>1,740</u>	<u>504,107</u>
807	0	0	0	0	9,921
0	0	8,183	0	1,299	1,271,182
0	0	0	0	0	7,466
<u>(336,142)</u>	<u>(79,362)</u>	<u>0</u>	<u>(86,349)</u>	<u>0</u>	<u>(501,853)</u>
<u>(335,335)</u>	<u>(79,362)</u>	<u>8,183</u>	<u>(86,349)</u>	<u>1,299</u>	<u>786,716</u>
<u>\$357,752</u>	<u>\$80,332</u>	<u>\$8,183</u>	<u>\$86,407</u>	<u>\$8,815</u>	<u>\$1,946,905</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, 2022

	Food Service	Other Grants	High School Bookstore	Student Activities
Revenues				
Intergovernmental	\$1,938,547	\$0	\$0	\$0
Interest	1,423	0	0	0
Tuition and Fees	0	0	910	0
Charges for Services	253,393	0	0	0
Extracurricular Activities	0	0	0	254,715
Contributions and Donations	0	42,618	0	2,365
Rentals	0	0	0	0
Miscellaneous	0	0	0	18
<i>Total Revenues</i>	<u>2,193,363</u>	<u>42,618</u>	<u>910</u>	<u>257,098</u>
Expenditures				
Current:				
Instruction:				
Regular	0	7,625	903	421
Special	0	5,324	0	0
Vocational	0	0	0	9,035
Support Services:				
Pupils	0	20,433	0	0
Instructional Staff	0	0	0	0
Administration	0	0	0	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	0	16,000	0	0
Food Service Operations	1,374,912	0	0	0
Extracurricular Activities	0	24,871	0	205,881
<i>Total Expenditures</i>	<u>1,374,912</u>	<u>74,253</u>	<u>903</u>	<u>215,337</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	818,451	(31,635)	7	41,761
Other Financing Sources				
Transfers In	0	0	0	0
<i>Net Change in Fund Balances</i>	818,451	(31,635)	7	41,761
<i>Fund Balances (Deficit) Beginning of Year</i>	47,281	64,363	7,459	90,872
<i>Fund Balances (Deficit) End of Year</i>	<u>\$865,732</u>	<u>\$32,728</u>	<u>\$7,466</u>	<u>\$132,633</u>

District Managed Activities	Auxiliary Services	Data Communication	Student Wellness	Miscellaneous State Grants	Elementary and Secondary School Emergency Relief
\$0	\$0	\$10,800	\$0	\$24,810	\$2,753,355
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
447,729	0	0	0	0	0
9,580	0	0	0	0	0
105	0	0	0	0	0
0	0	0	0	0	0
457,414	0	10,800	0	24,810	2,753,355
0	0	0	0	0	1,173,624
0	0	0	0	0	42,708
0	0	0	0	0	0
0	0	0	132,615	24,810	1,828,746
0	0	0	0	0	23,253
0	0	0	0	0	0
0	0	0	0	0	6,453
0	0	10,800	0	0	0
0	2,474	0	0	0	13,906
0	0	0	0	0	0
444,579	0	0	0	0	0
444,579	2,474	10,800	132,615	24,810	3,088,690
12,835	(2,474)	0	(132,615)	0	(335,335)
15,000	0	0	0	0	0
27,835	(2,474)	0	(132,615)	0	(335,335)
211,886	2,474	0	132,615	0	0
\$239,721	\$0	\$0	\$0	\$0	(\$335,335)

(continued)

Nordonia Hills City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds (continued)
For the Fiscal Year Ended June 30, 2022

	Title VI-B	Limited English Proficiency	Title I	Title IV-A
Revenues				
Intergovernmental	\$670,688	\$6,841	\$216,091	\$48,149
Interest	0	0	0	0
Tuition and Fees	0	0	0	0
Charges for Services	0	0	0	0
Extracurricular Activities	0	0	0	0
Contributions and Donations	0	0	0	0
Rentals	0	0	0	0
Miscellaneous	0	0	0	0
<i>Total Revenues</i>	<u>670,688</u>	<u>6,841</u>	<u>216,091</u>	<u>48,149</u>
Expenditures				
Current:				
Instruction:				
Regular	0	0	296,496	18,412
Special	483,092	6,839	0	0
Vocational	0	0	0	0
Support Services:				
Pupils	196,079	0	0	0
Instructional Staff	0	0	0	27,730
Administration	0	0	5,000	0
Operation and Maintenance of Plant	0	0	0	0
Central	0	0	0	0
Operation of Non-Instructional Services	44,622	0	1,165	2,007
Food Service Operations	0	0	0	0
Extracurricular Activities	0	0	0	0
<i>Total Expenditures</i>	<u>723,793</u>	<u>6,839</u>	<u>302,661</u>	<u>48,149</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(53,105)	2	(86,570)	0
Other Financing Sources				
Transfers In	<u>1,753</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(51,352)	2	(86,570)	0
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>(28,010)</u>	<u>8,181</u>	<u>221</u>	<u>0</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>(\$79,362)</u></u>	<u><u>\$8,183</u></u>	<u><u>(\$86,349)</u></u>	<u><u>\$0</u></u>

Preschool for Handicapped	Reducing Class Size	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$7,586	\$124,748	\$1,916	\$5,803,531
0	0	0	1,423
0	0	0	910
0	0	0	253,393
0	0	0	702,444
0	0	0	54,563
0	0	0	105
0	0	0	18
<u>7,586</u>	<u>124,748</u>	<u>1,916</u>	<u>6,816,387</u>
0	17,527	0	1,515,008
7,586	0	0	545,549
0	0	0	9,035
0	0	0	2,202,683
0	86,841	0	137,824
0	0	0	5,000
0	0	0	6,453
0	0	0	10,800
0	6,405	0	86,579
0	0	0	1,374,912
0	0	0	675,331
<u>7,586</u>	<u>110,773</u>	<u>0</u>	<u>6,569,174</u>
0	13,975	1,916	247,213
0	17	0	16,770
0	13,992	1,916	263,983
0	(12,693)	(1,916)	522,733
<u>\$0</u>	<u>\$1,299</u>	<u>\$0</u>	<u>\$786,716</u>

Nordonia Hills City School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2022

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$3,173,820	\$10,518	\$3,184,338
Liabilities and Fund Balances			
Liabilities			
Contracts Payable	\$230,000	\$0	\$230,000
Fund Balances			
Restricted	0	10,518	10,518
Committed	2,943,820	0	2,943,820
<i>Total Fund Balances</i>	2,943,820	10,518	2,954,338
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	\$3,173,820	\$10,518	\$3,184,338

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, 2022

	Permanent Improvement	Building	Total Nonmajor Capital Projects Funds
Revenues			
Payment in Lieu of Taxes	\$3,465,575	\$0	\$3,465,575
Contributions and Donations	0	1,350	1,350
Rentals	0	2,625	2,625
Miscellaneous	222	0	222
<i>Total Revenues</i>	<u>3,465,797</u>	<u>3,975</u>	<u>3,469,772</u>
Expenditures			
Current:			
Support Services:			
Operation and Maintenance of Plant	491,241	0	491,241
Extracurricular Activities	5,120	825	5,945
Capital Outlay	740,837	10,250	751,087
<i>Total Expenditures</i>	<u>1,237,198</u>	<u>11,075</u>	<u>1,248,273</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	2,228,599	(7,100)	2,221,499
Other Financing Sources			
Transfers In	700,000	0	700,000
<i>Net Change in Fund Balances</i>	2,928,599	(7,100)	2,921,499
<i>Fund Balances Beginning of Year</i>	<u>15,221</u>	<u>17,618</u>	<u>32,839</u>
<i>Fund Balances End of Year</i>	<u><u>\$2,943,820</u></u>	<u><u>\$10,518</u></u>	<u><u>\$2,954,338</u></u>

**Individual Fund Schedules of Revenues, Expenditures
and Changes in Fund Balance – 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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property Taxes	\$39,516,864	\$39,822,664	\$39,822,664	\$0
Payments in Lieu of Taxes	2,889,915	6,355,490	6,418,106	62,616
Intergovernmental	7,870,645	8,570,607	8,572,056	1,449
Interest	59,691	65,000	81,478	16,478
Tuition and Fees	873,281	950,945	981,181	30,236
Extracurricular Activities	276,682	301,288	298,785	(2,503)
Contributions and Donations	3,260	3,550	3,528	(22)
Rentals	19,285	21,000	20,937	(63)
Miscellaneous	57,082	62,158	59,407	(2,751)
<i>Total Revenues</i>	<u>51,566,705</u>	<u>56,152,702</u>	<u>56,258,142</u>	<u>105,440</u>
Expenditures				
Current:				
Instruction:				
Regular				
Salaries	15,697,013	15,699,500	15,695,632	3,868
Fringe Benefits	5,526,611	5,527,487	5,527,477	10
Purchased Services	482,846	482,923	482,923	0
Materials and Supplies	1,193,090	1,193,272	1,146,659	46,613
Capital Outlay	1,113,012	1,113,188	1,093,435	19,753
Other	1,910	1,910	1,830	80
Total Regular	<u>24,014,482</u>	<u>24,018,280</u>	<u>23,947,956</u>	<u>70,324</u>
Special				
Salaries	4,633,132	4,633,866	4,618,392	15,474
Fringe Benefits	1,959,959	1,960,269	1,960,269	0
Purchased Services	1,148,563	1,148,744	1,148,744	0
Materials and Supplies	92,899	92,914	85,901	7,013
Capital Outlay	23,986	23,990	23,937	53
Total Special	<u>7,858,539</u>	<u>7,859,783</u>	<u>7,837,243</u>	<u>22,540</u>
Vocational				
Salaries	238,508	238,546	237,308	1,238
Fringe Benefits	79,852	79,865	78,355	1,510
Purchased Services	120	120	120	0
Materials and Supplies	1,000	1,000	476	524
Total Vocational	<u>319,480</u>	<u>319,531</u>	<u>316,259</u>	<u>3,222</u>
Student Intervention Services				
Purchased Services	135,961	135,982	135,982	0
Total Instruction	<u>\$32,328,462</u>	<u>\$32,333,576</u>	<u>\$32,237,440</u>	<u>\$96,136</u>

(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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Support Services:				
Pupils				
Salaries	\$1,753,766	\$1,754,046	\$1,754,046	\$0
Fringe Benefits	680,207	680,313	680,313	0
Purchased Services	1,149,297	1,149,479	1,131,825	17,654
Materials and Supplies	101,334	101,350	85,473	15,877
Capital Outlay	2,500	2,500	0	2,500
Total Pupils	3,687,104	3,687,688	3,651,657	36,031
Instructional Staff				
Salaries	608,382	608,478	608,478	0
Fringe Benefits	257,689	257,730	240,845	16,885
Purchased Services	21,411	21,414	18,046	3,368
Materials and Supplies	137,719	137,741	127,813	9,928
Capital Outlay	7,117	7,118	0	7,118
Other	19,663	19,666	17,290	2,376
Total Instructional Staff	1,051,981	1,052,147	1,012,472	39,675
Board of Education				
Salaries	14,998	15,000	14,250	750
Fringe Benefits	1,336	1,336	1,336	0
Purchased Services	5,249	5,250	2,774	2,476
Materials and Supplies	16,081	16,084	7,818	8,266
Other	12,798	12,800	12,135	665
Total Board of Education	50,462	50,470	38,313	12,157
Administration				
Salaries	2,037,794	2,038,117	2,038,117	0
Fringe Benefits	944,905	945,055	945,050	5
Purchased Services	414,063	414,129	413,727	402
Materials and Supplies	41,123	41,130	28,003	13,127
Capital Outlay	27,341	27,345	17,628	9,717
Other	39,094	39,100	29,714	9,386
Total Administration	3,504,320	3,504,876	3,472,239	32,637
Fiscal				
Salaries	482,716	482,794	482,794	0
Fringe Benefits	207,701	207,734	207,727	7
Purchased Services	63,702	63,712	60,178	3,534
Materials and Supplies	5,228	5,229	2,014	3,215
Capital Outlay	7,499	7,500	3,892	3,608
Other	720,628	720,741	720,741	0
Total Fiscal	\$1,487,474	\$1,487,710	\$1,477,346	\$10,364

(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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Business				
Salaries	\$172,152	\$172,180	\$170,430	\$1,750
Fringe Benefits	58,329	58,337	58,337	0
Purchased Services	142,777	142,800	124,809	17,991
Materials and Supplies	16,497	16,500	12,599	3,901
Capital Outlay	500	500	130	370
Other	5,499	5,500	3,949	1,551
Total Business	395,754	395,817	370,254	25,563
Operation and Maintenance of Plant				
Salaries	1,721,513	1,721,785	1,721,785	0
Fringe Benefits	737,892	738,011	738,011	0
Purchased Services	2,391,157	2,391,534	2,381,603	9,931
Materials and Supplies	335,658	335,711	322,867	12,844
Capital Outlay	149,993	150,017	146,913	3,104
Other	30,745	30,750	26,575	4,175
Total Operation and Maintenance of Plant	5,366,958	5,367,808	5,337,754	30,054
Pupil Transportation				
Purchased Services	3,982,468	3,983,099	3,962,616	20,483
Materials and Supplies	256,759	256,800	256,569	231
Total Pupil Transportation	4,239,227	4,239,899	4,219,185	20,714
Central				
Salaries	79,191	79,203	76,203	3,000
Fringe Benefits	40,042	40,049	40,049	0
Purchased Services	267,624	267,665	245,789	21,876
Materials and Supplies	111,120	111,138	110,601	537
Capital Outlay	4,999	5,000	4,966	34
Total Central	502,976	503,055	477,608	25,447
Total Support Services	20,286,256	20,289,470	20,056,828	232,642
Extracurricular Activities:				
Academic and Subject Oriented Activities				
Salaries	64,993	65,002	65,002	0
Fringe Benefits	10,282	10,285	10,280	5
Purchased Services	57,631	57,640	39,840	17,800
Materials and Supplies	5,760	5,761	38	5,723
Capital Outlay	32,012	32,017	30,837	1,180
Other	1,180	1,180	520	660
Total Academic and Subject Oriented Activities	\$171,858	\$171,885	\$146,517	\$25,368

(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, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Sport Oriented Activities				
Salaries	\$600,389	\$600,484	\$598,278	\$2,206
Fringe Benefits	112,658	112,676	112,217	459
Purchased Services	26,953	26,957	24,922	2,035
Materials and Supplies	5,999	6,000	4,550	1,450
Capital Outlay	7,070	7,071	6,950	121
Other	27,020	27,024	24,883	2,141
Total Sport Oriented Activities	780,089	780,212	771,800	8,412
School and Public Service Co-Curricular Activities				
Salaries	109,910	109,927	109,927	0
Fringe Benefits	18,361	18,366	18,366	0
Total School and Public Service Co-Curricular Activities	128,271	128,293	128,293	0
Total Extracurricular Activities	1,080,218	1,080,390	1,046,610	33,780
<i>Total Expenditures</i>	<i>53,694,936</i>	<i>53,703,436</i>	<i>53,340,878</i>	<i>362,558</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>(2,128,231)</i>	<i>2,449,266</i>	<i>2,917,264</i>	<i>467,998</i>
Other Financing Sources (Uses)				
Sale of Capital Assets	0	0	2,000	2,000
Advances Out	0	(1,000)	(1,000)	0
Transfers Out	(779,272)	(779,272)	(779,272)	0
<i>Total Other Financing Sources (Uses)</i>	<i>(779,272)</i>	<i>(780,272)</i>	<i>(778,272)</i>	<i>2,000</i>
<i>Net Change in Fund Balance</i>	<i>(2,907,503)</i>	<i>1,668,994</i>	<i>2,138,992</i>	<i>469,998</i>
<i>Fund Balance Beginning of Year</i>	<i>13,441,596</i>	<i>13,441,596</i>	<i>13,441,596</i>	<i>0</i>
Prior Year Encumbrances Appropriated	1,180,002	1,180,002	1,180,002	0
<i>Fund Balance End of Year</i>	<i>\$11,714,095</i>	<i>\$16,290,592</i>	<i>\$16,760,590</i>	<i>\$469,998</i>

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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$1,762,117	\$1,857,567	\$95,450
Interest	0	1,423	1,423
Charges for Services	87,883	253,393	165,510
<i>Total Revenues</i>	<u>1,850,000</u>	<u>2,112,383</u>	<u>262,383</u>
Expenditures			
Food Service Operations:			
Salaries	519,600	516,020	3,580
Fringe Benefits	239,635	237,821	1,814
Purchased Services	41,000	16,532	24,468
Materials and Supplies	515,000	509,333	5,667
Capital Outlay	24,359	19,064	5,295
Other	11,000	1,035	9,965
<i>Total Expenditures</i>	<u>1,350,594</u>	<u>1,299,805</u>	<u>50,789</u>
<i>Net Change in Fund Balance</i>	499,406	812,578	313,172
<i>Fund Balance Beginning of Year</i>	132,367	132,367	0
Prior Year Encumbrances Appropriated	18,094	18,094	0
<i>Fund Balance End of Year</i>	<u>\$649,867</u>	<u>\$963,039</u>	<u>\$313,172</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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$65,420	\$30,182	(\$35,238)
Expenditures			
Current:			
Instruction:			
Regular			
Materials and Supplies	9,383	7,844	1,539
Special			
Materials and Supplies	5,324	5,324	0
Total Instruction	14,707	13,168	1,539
Support Services:			
Pupils			
Purchased Services	2,000	2,000	0
Materials and Supplies	22,791	22,756	35
Other	2,241	2,230	11
Total Pupils	27,032	26,986	46
Instructional Staff			
Materials and Supplies	311	311	0
Total Support Services	27,343	27,297	46
Operation of Non-Instructional Services:			
Community Services			
Other	16,000	16,000	0
Extracurricular Activities:			
School and Public Service Co-Curricular Activities			
Salaries	1,721	1,721	0
Fringe Benefits	268	268	0
Purchased Services	13,854	13,854	0
Materials and Supplies	9,028	9,028	0
Total Extracurricular Activities	24,871	24,871	0
<i>Total Expenditures</i>	82,921	81,336	1,585
<i>Net Change in Fund Balance</i>	(17,501)	(51,154)	(33,653)
<i>Fund Balance Beginning of Year</i>	63,667	63,667	0
Prior Year Encumbrances Appropriated	1,001	1,001	0
<i>Fund Balance End of Year</i>	\$47,167	\$13,514	(\$33,653)

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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Tuition and Fees	\$3,250	\$910	(\$2,340)
Expenditures			
Current:			
Instruction:			
Regular			
Materials and Supplies	2,004	903	1,101
<i>Net Change in Fund Balance</i>	1,246	7	(1,239)
<i>Fund Balance Beginning of Year</i>	7,459	7,459	0
<i>Fund Balance End of Year</i>	\$8,705	\$7,466	(\$1,239)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Student Activities Fund
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$247,104	\$254,715	\$7,611
Contributions and Donations	2,865	2,365	(500)
Miscellaneous	18	18	0
<i>Total Revenues</i>	<u>249,987</u>	<u>257,098</u>	<u>7,111</u>
Expenditures			
Current:			
Instruction:			
Regular			
Materials and Supplies	650	421	229
Vocational			
Other	9,035	9,035	0
<i>Total Instruction</i>	<u>9,685</u>	<u>9,456</u>	<u>229</u>
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Salaries	2,050	2,050	0
Fringe Benefits	372	323	49
Purchased Services	134,899	133,349	1,550
Materials and Supplies	10,622	8,682	1,940
Other	11,256	10,467	789
<i>Total Academic and Subject Oriented Activities</i>	<u>159,199</u>	<u>154,871</u>	<u>4,328</u>
Occupation Oriented Activities			
Other	2,146	1,526	620
Sports Oriented Activities			
Other	500	0	500
School and Public Service Co-Curricular Activities			
Other	65,095	62,955	2,140
<i>Total Extracurricular Activities</i>	<u>226,940</u>	<u>219,352</u>	<u>7,588</u>
<i>Total Expenditures</i>	<u>236,625</u>	<u>228,808</u>	<u>7,817</u>
<i>Net Change in Fund Balance</i>	13,362	28,290	14,928
<i>Fund Balance Beginning of Year</i>	90,430	90,430	0
Prior Year Encumbrances Appropriated	11,313	11,313	0
<i>Fund Balance End of Year</i>	<u>\$115,105</u>	<u>\$130,033</u>	<u>\$14,928</u>

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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$428,841	\$447,729	\$18,888
Contributions and Donations	9,580	9,580	0
Rentals	105	105	0
<i>Total Revenues</i>	<u>438,526</u>	<u>457,414</u>	<u>18,888</u>
Expenditures			
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Materials and Supplies	190	53	137
Other	1,388	1,291	97
Total Academic and Subject Oriented Activities	<u>1,578</u>	<u>1,344</u>	<u>234</u>
Sport Oriented Activities			
Salaries	17,966	16,866	1,100
Fringe Benefits	2,935	2,893	42
Purchased Services	123,183	122,288	895
Materials and Supplies	23,797	23,566	231
Capital Outlay	3,422	3,411	11
Other	273,108	272,895	213
Total Sport Oriented Activities	<u>444,411</u>	<u>441,919</u>	<u>2,492</u>
School and Public Service Co-Curricular Activities			
Salaries	479	479	0
Fringe Benefits	83	83	0
Purchased Services	1,724	1,724	0
Materials and Supplies	4,052	3,755	297
Other	2,631	2,631	0
Total School and Public Service Co-Curricular Activities	<u>8,969</u>	<u>8,672</u>	<u>297</u>
<i>Total Expenditures</i>	<u>454,958</u>	<u>451,935</u>	<u>3,023</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(16,432)	5,479	21,911
Other Financing Sources (Uses)			
Transfers In	15,000	15,000	0
<i>Net Change in Fund Balance</i>	(1,432)	20,479	21,911
<i>Fund Balance Beginning of Year</i>	210,019	210,019	0
Prior Year Encumbrances Appropriated	9,191	9,191	0
<i>Fund Balance End of Year</i>	<u>\$217,778</u>	<u>\$239,689</u>	<u>\$21,911</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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$1,242	\$0	(\$1,242)
Expenditures			
Operation of Non-Instructional Services:			
Community Services			
Materials and Supplies	8,779	8,779	0
Capital Outlay	17,758	17,758	0
<i>Total Expenditures</i>	26,537	26,537	0
<i>Net Change in Fund Balance</i>	(25,295)	(26,537)	(1,242)
<i>Fund Balance Beginning of Year</i>	242	242	0
Prior Year Encumbrances Appropriated	26,295	26,295	0
<i>Fund Balance End of Year</i>	\$1,242	\$0	(\$1,242)

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, 2022

	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
Student Wellness Fund
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$0	\$0	\$0
Expenditures			
Current:			
Support Services:			
Pupils			
Purchased Services	132,615	132,615	0
<i>Net Change in Fund Balance</i>	(132,615)	(132,615)	0
<i>Fund Balance Beginning of Year</i>	132,615	132,615	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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$25,000	\$24,810	(\$190)
Expenditures			
Current:			
Support Services:			
Pupils			
Purchased Services	24,500	24,500	0
Materials and Supplies	310	310	0
<i>Total Expenditures</i>	24,810	24,810	0
<i>Net Change in Fund Balance</i>	190	0	(190)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$190	\$0	(\$190)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Elementary and Secondary School Emergency Relief Fund
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$2,861,280	\$2,773,177	(\$88,103)
Expenditures			
Current:			
Instruction:			
Regular			
Salaries	126,057	126,057	0
Fringe Benefits	20,826	20,826	0
Purchased Services	662,935	662,935	0
Materials and Supplies	3,820	3,820	0
Capital Outlay	369,460	369,460	0
Total Regular	1,183,098	1,183,098	0
Special			
Salaries	29,328	29,328	0
Fringe Benefits	5,185	5,185	0
Total Special	34,513	34,513	0
Total Instruction	1,217,611	1,217,611	0
Support Services:			
Pupils			
Salaries	1,147,537	1,146,832	705
Fringe Benefits	428,465	428,082	383
Total Pupils	1,576,002	1,574,914	1,088
Instructional Staff			
Purchased Services	42,574	42,574	0
Operation and Maintenance of Plant			
Purchased Services	2,555	2,555	0
Materials and Supplies	3,898	3,898	0
Total Operation and Maintenance of Plant	6,453	6,453	0
Pupil Transportation			
Purchased Services	4,233	4,233	0
Total Support Services	1,629,262	1,628,174	1,088
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	13,906	13,906	0
<i>Total Expenditures</i>	2,860,779	2,859,691	1,088
<i>Net Change in Fund Balance</i>	501	(86,514)	(87,015)
<i>Fund Deficit Beginning of Year</i>	(50,166)	(50,166)	0
Prior Year Encumbrances Appropriated	49,665	49,665	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$87,015)	(\$87,015)

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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$982,585	\$713,371	(\$269,214)
Expenditures			
Current:			
Instruction:			
Regular			
Materials and Supplies	21	0	21
Special			
Salaries	5,922	1,500	4,422
Fringe Benefits	1,759	259	1,500
Purchased Services	639,179	586,695	52,484
Total Special	646,860	588,454	58,406
Total Instruction	646,881	588,454	58,427
Support Services:			
Pupils			
Purchased Services	205,560	205,560	0
Pupil Transportation			
Purchased Services	45,072	45,072	0
Total Support Services	250,632	250,632	0
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	44,622	44,622	0
<i>Total Expenditures</i>	942,135	883,708	58,427
<i>Excess of Revenues Over (Under) Expenditures</i>	40,450	(170,337)	(210,787)
Other Financing Sources (Uses)			
Transfers In	1,753	1,753	0
<i>Net Change in Fund Balance</i>	42,203	(168,584)	(210,787)
<i>Fund Deficit Beginning of Year</i>	(151,952)	(151,952)	0
Prior Year Encumbrances Appropriated	109,749	109,749	0
<i>Fund Balance (Deficit) End of Year</i>	\$0	(\$210,787)	(\$210,787)

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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$7,000	\$6,841	(\$159)
Expenditures			
Current:			
Instruction:			
Special			
Purchased Services	2,323	1,617	706
Materials and Supplies	7,401	5,153	2,248
Other	99	69	30
<i>Total Expenditures</i>	9,823	6,839	2,984
<i>Net Change in Fund Balance</i>	(2,823)	2	2,825
<i>Fund Balance Beginning of Year</i>	8,181	8,181	0
<i>Fund Balance End of Year</i>	\$5,358	\$8,183	\$2,825

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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$316,729	\$220,292	(\$96,437)
Expenditures			
Current:			
Instruction:			
Regular			
Salaries	622	622	0
Fringe Benefits	104	104	0
Purchased Services	287,587	287,587	0
Materials and Supplies	3,295	3,295	0
Capital Outlay	8,389	8,389	0
Other	184	184	0
Total Instruction	300,181	300,181	0
Support Services:			
Administration			
Purchased Services	5,000	5,000	0
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	2,329	2,329	0
<i>Total Expenditures</i>	307,510	307,510	0
<i>Net Change in Fund Balance</i>	9,219	(87,218)	(96,437)
<i>Fund Deficit Beginning of Year</i>	(4,160)	(4,160)	0
Prior Year Encumbrances Appropriated	180	180	0
<i>Fund Balance (Deficit) End of Year</i>	\$5,239	(\$91,198)	(\$96,437)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title IV-A Fund
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$48,966	\$48,149	(\$817)
Expenditures			
Current:			
Instruction:			
Regular			
Capital Outlay	18,412	18,412	0
Support Services:			
Instructional Staff			
Purchased Services	27,730	27,730	0
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	2,007	2,007	0
<i>Total Expenditures</i>	48,149	48,149	0
<i>Net Change in Fund Balance</i>	817	0	(817)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance End of Year</i>	\$817	\$0	(\$817)

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Preschool for Handicapped Fund
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$30,000	\$7,586	(\$22,414)
Expenditures			
Current:			
Instruction:			
Special			
Purchased Services	29,259	29,259	0
<i>Net Change in Fund Balance</i>	741	(21,673)	(22,414)
<i>Fund Balance Beginning of Year</i>	0	0	0
<i>Fund Balance (Deficit) End of Year</i>	\$741	(\$21,673)	(\$22,414)

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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$124,783	\$124,396	(\$387)
Expenditures			
Current:			
Instruction:			
Regular			
Salaries	8,000	8,000	0
Fringe Benefits	1,420	1,174	246
Purchased Services	3,300	3,300	0
Materials and Supplies	5,053	5,053	0
Total Instruction	17,773	17,527	246
Support Services:			
Instructional Staff			
Salaries	85,364	83,058	2,306
Fringe Benefits	13,006	12,594	412
Total Support Services	98,370	95,652	2,718
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	11,694	10,755	939
Total Expenditures	127,837	123,934	3,903
Excess of Revenues Over Expenditures	(3,054)	462	3,516
Other Financing Sources (Uses)			
Advances In	1,000	1,000	0
Transfers In	17	17	0
Total Other Financing Sources (Uses)	1,017	1,017	0
Net Change in Fund Balance	(2,037)	1,479	3,516
Fund Balance Beginning of Year	94	94	0
Prior Year Encumbrances Appropriated	4,350	4,350	0
Fund Balance End of Year	\$2,407	\$5,923	\$3,516

Nordonia Hills City School District
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$1,916	\$1,916	\$0
Expenditures			
Current:			
Operation of Non-Instructional Services:			
Community Services			
Purchased Services	1,916	1,916	0
<i>Net Change in Fund Balance</i>	0	0	0
<i>Fund Deficit Beginning of Year</i>	(1,916)	(1,916)	0
Prior Year Encumbrances Appropriated	1,916	1,916	0
<i>Fund Balance End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Extracurricular Activities	\$106,597	\$32,823	(\$73,774)
Contributions and Donations	11,028	351	(10,677)
Miscellaneous	34,000	14,401	(19,599)
<i>Total Revenues</i>	<u>151,625</u>	<u>47,575</u>	<u>(104,050)</u>
Expenditures			
Current:			
Support Services:			
Pupils			
Other	133	31	102
Instructional Staff			
Other	603	34	569
Total Support Services	<u>736</u>	<u>65</u>	<u>671</u>
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Purchased Services	1,684	1,684	0
Materials and Supplies	44,392	40,215	4,177
Capital Outlay	5,215	4,714	501
Other	13,343	12,718	625
Total Extracurricular Activities	<u>64,634</u>	<u>59,331</u>	<u>5,303</u>
<i>Total Expenditures</i>	<u>65,370</u>	<u>59,396</u>	<u>5,974</u>
<i>Net Change in Fund Balance</i>	86,255	(11,821)	(98,076)
<i>Fund Balance Beginning of Year</i>	126,334	126,334	0
Prior Year Encumbrances Appropriated	<u>370</u>	<u>370</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$212,959</u></u>	<u><u>\$114,883</u></u>	<u><u>(\$98,076)</u></u>

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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$2,904,918	\$2,904,880	(\$38)
Intergovernmental	378,606	378,685	79
<i>Total Revenues</i>	<u>3,283,524</u>	<u>3,283,565</u>	<u>41</u>
Expenditures			
Current:			
Support Services:			
Fiscal			
Other	48,082	48,082	0
Debt Service:			
Principal Retirement	2,758,499	2,758,499	0
Interest and Fiscal Charges	423,299	423,299	0
Total Debt Service	<u>3,181,798</u>	<u>3,181,798</u>	<u>0</u>
<i>Total Expenditures</i>	<u>3,229,880</u>	<u>3,229,880</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	53,644	53,685	41
Other Financing Sources			
Transfers In	62,502	62,502	0
<i>Net Change in Fund Balance</i>	116,146	116,187	41
<i>Fund Balance Beginning of Year</i>	<u>1,529,949</u>	<u>1,529,949</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$1,646,095</u></u>	<u><u>\$1,646,136</u></u>	<u><u>\$41</u></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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Payments in Lieu of Taxes	\$3,451,882	\$3,465,575	\$13,693
Miscellaneous	500	222	(278)
<i>Total Revenues</i>	<u>3,452,382</u>	<u>3,465,797</u>	<u>13,415</u>
Expenditures			
Current:			
Support Services:			
Fiscal			
Other	6,107	0	6,107
Operation and Maintenance of Plant			
Purchased Services	750,000	655,306	94,694
Total Support Services	<u>756,107</u>	<u>655,306</u>	<u>100,801</u>
Extracurricular Activities:			
Academic and Subject Oriented Activities			
Capital Outlay	5,200	5,120	80
Capital Outlay:			
Site Acquisition Services			
Capital Outlay	750,000	740,837	9,163
<i>Total Expenditures</i>	<u>1,511,307</u>	<u>1,401,263</u>	<u>110,044</u>
<i>Excess of Revenues Under Expenditures</i>	1,941,075	2,064,534	123,459
Other Financing Sources			
Transfers In	700,000	700,000	0
<i>Net Change in Fund Balance</i>	2,641,075	2,764,534	123,459
<i>Fund Balance Beginning of Year</i>	<u>15,221</u>	<u>15,221</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u><u>\$2,656,296</u></u>	<u><u>\$2,779,755</u></u>	<u><u>\$123,459</u></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, 2022

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Contributions and Donations	\$0	\$2,625	\$2,625
Rentals	5,000	1,350	(3,650)
<i>Total Revenues</i>	<u>5,000</u>	<u>3,975</u>	<u>(1,025)</u>
Expenditures			
Current:			
Extracurricular Activities:			
Sport Oriented Activities			
Materials and Supplies	825	825	0
Capital Outlay:			
Site Improvement Services			
Capital Outlay	36,577	36,577	0
<i>Total Expenditures</i>	<u>37,402</u>	<u>37,402</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(32,402)	(33,427)	(1,025)
<i>Fund Balance Beginning of Year</i>	17,618	17,618	0
Prior Year Encumbrances Appropriated	25,332	25,332	0
<i>Fund Balance End of Year</i>	<u>\$10,548</u>	<u>\$9,523</u>	<u>(\$1,025)</u>

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Statistical
Section

Statistical Section

This part of School District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the 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 - S20
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.	S21 - S25
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.	S26 - S27
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.	S28 - S37

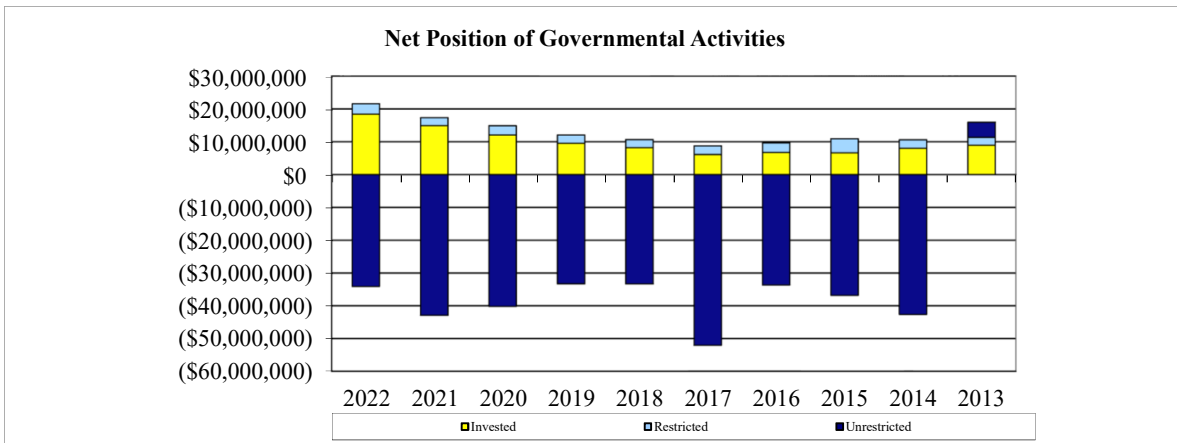
Sources: Unless otherwise noted, the information in these schedules is derived from annual financial reports for the relevant year.

Nordonia Hills City School District

*Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)*

	2022	2021	2020 (1)	2019	2018
Governmental Activities:					
Net Investment in Capital Assets	\$18,412,366	\$14,919,422	\$12,056,195	\$9,530,083	\$8,199,704
Restricted for:					
Debt Service	1,926,382	1,877,390	1,703,823	1,764,926	1,676,239
Capital Projects	10,518	17,618	247,017	242,506	292,638
Other Purposes	1,222,394	535,123	881,154	504,922	474,620
Unrestricted (Deficit)	<u>(34,082,770)</u>	<u>(42,890,141)</u>	<u>(40,157,763)</u>	<u>(33,253,735)</u>	<u>(33,276,776)</u>
Total Governmental Activities Net Position	<u><u>(\$12,511,110)</u></u>	<u><u>(\$25,540,588)</u></u>	<u><u>(\$25,269,574)</u></u>	<u><u>(\$21,211,298)</u></u>	<u><u>(\$22,633,575)</u></u>

- (1) The School District reported the impact of GASB Statement No. 84 beginning in fiscal year 2020.
- (2) The School District reported the impact of GASB Statement No. 75 beginning in fiscal year 2017.
- (3) The School District reported the impact of GASB Statement No. 68 beginning in fiscal year 2014.



<u>2017 (2)</u>	<u>2016</u>	<u>2015</u>	<u>2014 (3)</u>	<u>2013</u>
\$6,107,251	\$6,724,826	\$6,641,508	\$8,018,577	\$8,945,786
1,412,544	1,958,030	2,096,504	1,739,717	1,328,964
740,116	343,234	1,717,079	398,112	692,565
504,800	614,083	478,775	442,212	379,531
<u>(52,040,309)</u>	<u>(33,622,185)</u>	<u>(36,780,435)</u>	<u>(42,634,928)</u>	<u>4,586,389</u>
<u>(\$43,275,598)</u>	<u>(\$23,982,012)</u>	<u>(\$25,846,569)</u>	<u>(\$32,036,310)</u>	<u>\$15,933,235</u>

Nordonia Hills City School District

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2022	2021 (1)	2020	2019	2018 (2)
Expenses					
Governmental Activities:					
Regular Instruction	\$23,617,539	\$25,250,024	\$24,537,043	\$18,319,999	\$7,156,800
Special Instruction	7,406,764	8,922,887	9,516,804	7,340,313	4,517,844
Vocational Instruction	335,103	350,203	325,210	220,308	77,172
Student Intervention Services	135,982	107,035	74,012	64,094	110,236
Pupils	5,069,805	5,530,106	4,830,930	3,867,045	2,131,254
Instructional Staff	1,092,783	1,429,048	1,324,063	1,105,800	879,975
Board of Education	36,696	38,320	31,790	37,401	34,898
Administration	3,223,778	3,394,406	3,295,234	2,851,513	2,079,175
Fiscal	1,461,194	1,600,811	1,476,386	1,470,958	1,148,960
Business	344,435	343,402	353,359	321,436	294,688
Operation and Maintenance of Plant	5,568,457	5,150,407	4,001,620	4,886,592	3,990,039
Pupil Transportation	4,149,238	3,584,347	3,576,665	3,859,972	3,328,068
Central	470,641	426,560	426,355	433,315	321,506
Operation of Non-Instructional Services	86,579	460,243	428,262	502,244	449,093
Food Service Operations	1,243,903	1,048,789	1,286,149	1,088,644	960,011
Extracurricular Activities	1,742,194	1,541,760	1,532,935	1,491,841	1,405,852
Interest and Fiscal Charges	280,911	400,812	515,489	625,197	731,377
<i>Total Governmental Activities Expenses</i>	<u>56,266,002</u>	<u>59,579,160</u>	<u>57,532,306</u>	<u>48,486,672</u>	<u>29,616,948</u>
Program Revenues					
Governmental Activities:					
Charges for Services					
Regular Instruction	435,138	455,686	334,237	499,608	517,743
Special Instruction	139,282	152,911	120,382	166,437	171,102
Vocational Instruction	5,889	5,614	4,158	5,168	5,117
Student Intervention Services	2,443	2,053	1,110	1,457	2,583
Pupils	62,688	88,759	63,496	91,497	78,943
Instructional Staff	18,121	19,500	15,758	23,087	22,613
Board of Education	659	735	477	850	818
Administration	61,601	62,100	46,042	67,878	70,714
Fiscal	26,405	29,381	20,611	31,219	26,817
Business	6,445	6,442	5,033	7,145	7,109
Operation and Maintenance of Plant	93,341	102,763	67,709	103,260	89,615
Pupil Transportation	74,482	66,923	53,394	84,909	72,619
Central	8,132	6,812	5,757	8,292	7,477
Operation of Non-Instructional Services	0	0	0	0	0
Food Service Operations	253,393	118,669	649,812	783,251	721,518
Extracurricular Activities	1,075,923	613,006	750,317	914,743	870,419
Operating Grants and Contributions					
Regular Instruction	1,511,033	340,531	307,150	828,893	199,972
Special Instruction	568,855	348,845	1,010,741	326,668	751,822
Vocational Instruction	6,208	14,798	14,798	14,798	14,798
Pupils	2,061,363	758,007	193,044	84,370	169,467
Instructional Staff	137,824	251,963	94,133	117,607	92,218
Administration	5,000	5,000	5,930	0	3,286
Fiscal	0	0	0	0	0
Operation and Maintenance of Plant	6,453	181,462	11,510	0	0
Pupil Transportation	163,520	98,258	106,556	283,159	360,136
Central	10,800	10,800	10,800	10,800	10,800
Operation of Non-Instructional Services	77,288	471,963	414,512	420,846	472,999
Food Service Operations	1,939,970	655,620	271,089	277,217	297,941
Extracurricular Activities	26,220	23,403	17,122	29,797	27,119

2017	2016	2015 (3)	2014	2013
\$21,336,416	\$20,056,808	\$18,550,105	\$18,738,003	\$18,249,173
8,386,796	6,446,142	6,108,542	6,036,343	5,390,882
245,654	145,074	138,542	140,339	127,008
28,330	85,845	85,303	87,536	133,867
3,653,397	3,374,388	3,164,056	3,084,212	2,836,378
1,062,066	959,523	911,162	891,630	693,943
29,157	28,803	26,999	25,382	16,058
3,006,711	2,839,587	2,601,135	2,751,025	2,581,795
1,331,423	1,388,959	1,157,432	1,455,160	1,482,023
296,297	333,196	310,434	322,065	289,958
4,010,472	4,091,712	3,927,891	3,849,829	3,725,872
3,173,180	2,935,119	2,338,284	2,391,133	2,370,306
339,210	637,809	383,035	695,317	1,001,531
1,034,359	567,067	703,621	656,335	724,346
969,192	1,221,780	1,193,894	1,295,629	1,239,531
1,840,343	1,471,574	1,868,849	1,925,689	1,740,542
1,005,373	1,391,929	1,475,149	1,704,189	1,906,793
<u>51,748,376</u>	<u>47,975,315</u>	<u>44,944,433</u>	<u>46,049,816</u>	<u>44,510,006</u>
560,033	428,931	450,421	379,065	420,685
198,768	122,222	129,215	114,168	117,356
5,529	2,375	2,545	2,245	2,273
780	1,750	1,911	1,732	3,135
88,538	66,184	70,390	56,043	47,347
24,430	17,926	17,594	20,350	13,211
803	587	605	502	376
78,349	57,939	59,596	92,575	59,400
34,377	27,273	24,995	35,730	32,659
7,743	6,740	6,982	9,620	6,715
98,335	73,458	80,923	95,187	78,452
81,927	53,391	46,945	42,364	51,324
7,612	10,240	8,165	12,464	18,264
0	0	0	10	7
720,936	761,374	762,755	827,776	882,968
871,033	749,118	1,155,459	1,237,833	1,194,487
324,244	336,331	349,410	318,550	627,752
815,286	732,920	860,647	557,684	3,984
15,216	1,309	1,761	1,733	0
177,408	135,089	109,746	441,240	767,682
63,413	58,300	95,779	127,103	73,047
0	0	2,541	2,083	2,174
0	0	0	0	1,109
0	0	0	0	0
260,239	310,512	254,253	232,679	30,555
10,800	10,800	10,800	10,800	122,593
688,038	693,368	672,218	658,284	671,230
343,876	367,246	354,439	406,274	428,304
25,019	2,889	96,966	1,720	0

(continued)

Nordonia Hills City School District
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2022	2021 (1)	2020	2019	2018 (2)
Capital Grants and Contributions					
Regular Instruction	\$400,000	\$0	\$0	\$0	\$0
Operation and Maintenance of Plant	1,350	41,897	900	0	55,000
<i>Total Governmental Activities Program Revenues</i>	<u>9,179,826</u>	<u>4,933,901</u>	<u>4,596,578</u>	<u>5,182,956</u>	<u>5,120,765</u>
Net (Expense)/Revenue	<u>(47,086,176)</u>	<u>(54,645,259)</u>	<u>(52,935,728)</u>	<u>(43,303,716)</u>	<u>(24,496,183)</u>
General Revenues					
Governmental Activities:					
Property Taxes Levied for:					
General Purposes	38,826,968	39,976,258	34,030,045	30,348,674	31,014,273
Debt Service	2,827,513	2,972,345	2,734,257	2,854,001	3,113,957
Capital Projects	0	0	0	0	0
Payments in Lieu of Taxes	9,883,681	1,924,340	2,331,129	1,873,633	1,316,449
Grants and Entitlements not					
Restricted to Specific Programs	8,753,554	8,760,292	9,003,170	9,069,582	9,330,679
Unrestricted Contributions and Donations	3,879	7,231	2,306	3,673	2,740
Investment Earnings	(248,355)	518,234	356,721	412,667	186,390
Gain on Sale of Capital Assets	2,000	0	0	9,441	0
Miscellaneous	66,414	215,545	234,465	154,322	173,718
<i>Total Governmental Activities General Revenues</i>	<u>60,115,654</u>	<u>54,374,245</u>	<u>48,692,093</u>	<u>44,725,993</u>	<u>45,138,206</u>
<i>Total Primary Government Change in Net Position</i>	<u>\$13,029,478</u>	<u>(\$271,014)</u>	<u>(\$4,243,635)</u>	<u>\$1,422,277</u>	<u>\$20,642,023</u>

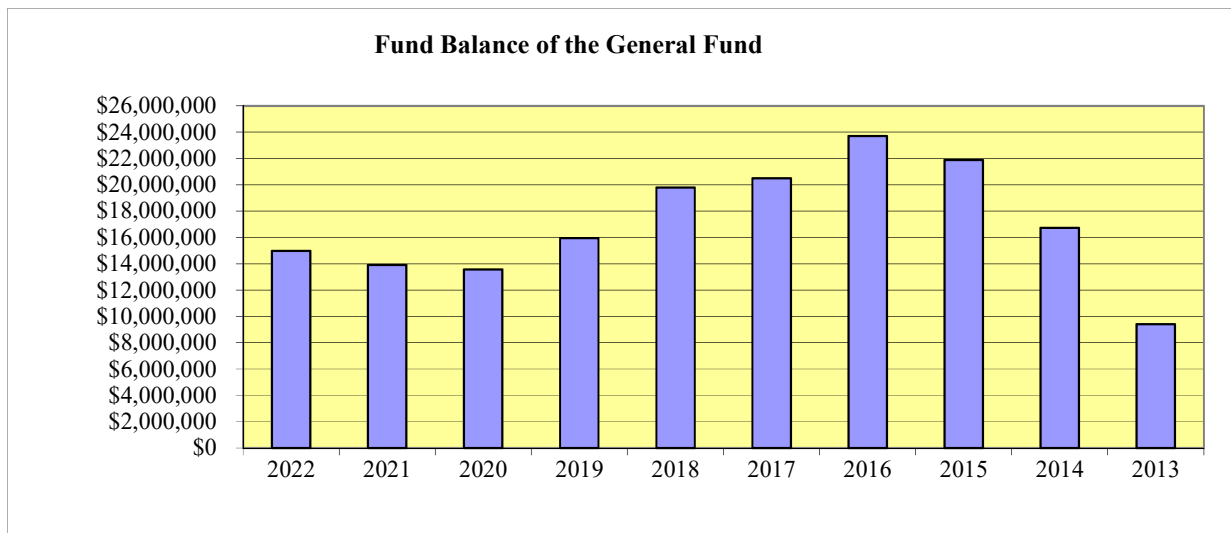
- (1) Revenues and expenses are first impacted by the implementation of GASB Statement No. 84 beginning in fiscal year 2021.
(2) Expenses are first impacted by the implementation of GASB Statement No. 75 beginning in fiscal year 2018.
(3) Expenses are first impacted by the implementation of GASB Statement No. 68 beginning in fiscal year 2015.

2017	2016	2015 (3)	2014	2013
\$0	\$0	\$0	\$0	\$0
20,700	0	0	0	0
5,523,432	5,028,272	5,627,061	5,685,814	5,657,089
(46,224,944)	(42,947,043)	(39,317,372)	(40,364,002)	(38,852,917)
26,549,659	29,664,006	29,871,761	32,584,461	26,454,225
2,550,927	2,908,269	3,052,809	3,394,591	2,785,818
0	0	0	0	15
1,723,253	1,285,013	968,477	483,379	225,094
10,577,845	10,557,986	10,770,864	11,160,608	11,278,886
3,357	3,106	0	0	0
74,557	158,769	39,382	19,396	13,741
0	0	526,951	0	5,295
121,611	234,451	276,869	79,252	77,924
41,601,209	44,811,600	45,507,113	47,721,687	40,840,998
(\$4,623,735)	\$1,864,557	\$6,189,741	\$7,357,685	\$1,988,081

Nordonia Hills City School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2022	2021	2020 (1)	2019	2018
General Fund					
Nonspendable	\$162,102	\$214,091	\$147,793	\$131,757	\$139,668
Committed	58,837	495,649	0	0	0
Assigned	3,268,422	1,960,427	1,524,289	9,899,688	6,436,382
Unassigned	11,501,547	11,251,906	11,898,737	5,920,698	13,221,534
Total General Fund	14,990,908	13,922,073	13,570,819	15,952,143	19,797,584
All Other Governmental Funds					
Nonspendable	9,921	6,403	6,726	5,853	6,566
Restricted	3,214,359	2,476,944	2,512,096	2,368,913	2,309,209
Committed	2,951,286	7,459	7,240	7,771	7,702
Unassigned (Deficit)	(501,853)	(42,619)	(63,994)	(104,366)	(75,708)
Total All Other Governmental Funds	5,673,713	2,448,187	2,462,068	2,278,171	2,247,769
Total Governmental Funds	\$20,664,621	\$16,370,260	\$16,032,887	\$18,230,314	\$22,045,353

(1) The School District reported the impact of GASB Statement No. 84 beginning in fiscal year 2020.



2017	2016	2015	2014	2013
\$116,888	\$50,363	\$50,158	\$44,951	\$44,626
0	0	0	0	63,370
4,761,158	363,379	2,317,045	676,253	371,891
15,628,682	23,297,679	19,523,941	16,007,826	8,942,703
20,506,728	23,711,421	21,891,144	16,729,030	9,422,590
5,192	3,067	4,103	5,307	5,693
2,424,211	2,694,944	4,231,489	2,538,172	2,434,029
7,160	6,247	9,235	8,498	0
(34,358)	(148,381)	(21,654)	(534)	(1,911)
2,402,205	2,555,877	4,223,173	2,551,443	2,437,811
\$22,908,933	\$26,267,298	\$26,114,317	\$19,280,473	\$11,860,401

Nordonia Hills City School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2022	2021 (1)	2020	2019	2018
Revenues					
Property Taxes	\$41,672,942	\$42,962,603	\$36,764,271	\$33,491,386	\$34,990,039
Payments in Lieu of Taxes	9,883,681	1,924,340	2,331,129	1,873,633	1,316,449
Intergovernmental	14,753,894	12,062,508	11,470,964	11,216,480	11,656,375
Interest	(246,932)	518,304	356,757	412,691	186,477
Tuition and Fees	985,080	804,974	946,813	901,503	1,049,516
Charges for Services	253,393	133,248	671,561	815,147	755,890
Extracurricular Activities	1,034,152	585,348	690,343	839,203	795,600
Contributions and Donations	59,792	172,810	55,050	65,764	110,636
Rentals	23,667	9,358	46,193	52,578	52,004
Miscellaneous	66,414	215,545	234,465	154,322	173,718
<i>Total Revenues</i>	<u>68,486,083</u>	<u>59,389,038</u>	<u>53,567,546</u>	<u>49,822,707</u>	<u>51,086,704</u>
Expenditures					
Current:					
Instruction:					
Regular	25,721,383	23,150,045	22,155,461	20,607,692	20,623,937
Special	8,276,641	8,167,240	8,557,691	7,796,187	7,725,688
Vocational	373,438	294,059	271,121	220,107	215,505
Student Intervention Services	135,982	107,035	74,012	64,094	110,236
Support Services:					
Pupils	5,749,931	5,156,514	4,329,011	4,057,020	3,524,260
Instructional Staff	1,157,284	1,320,417	1,182,181	1,072,186	1,012,074
Board of Education	36,696	38,320	31,790	37,401	34,898
Administration	3,429,538	3,181,413	3,077,120	2,965,105	3,014,475
Fiscal	1,527,377	1,580,245	1,407,550	1,414,440	1,187,415
Business	363,485	337,848	329,705	316,087	301,735
Operation and Maintenance of Plant	5,686,473	5,545,147	4,496,575	4,539,670	3,812,387
Pupil Transportation	4,146,138	3,507,718	3,561,379	3,844,686	3,297,146
Central	452,991	366,002	394,771	375,654	329,840
Operation of Non-Instructional Services	86,579	455,896	423,915	461,669	477,410
Food Service Operations	1,374,912	929,583	1,055,732	1,051,996	1,011,612
Extracurricular Activities	1,741,989	1,471,733	1,419,943	1,590,228	1,476,060
Capital Outlay	751,087	257,773	0	53,270	510,824
Debt Service:					
Principal Retirement	2,758,499	2,641,909	2,525,371	2,423,883	2,412,445
Current Refunding	0	0	0	0	0
Interest and Fiscal Charges	423,299	542,768	657,004	766,336	872,337
Capital Appreciation Bonds Interest	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>64,193,722</u>	<u>59,051,665</u>	<u>55,950,332</u>	<u>53,657,711</u>	<u>51,950,284</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>4,292,361</u>	<u>337,373</u>	<u>(2,382,786)</u>	<u>(3,835,004)</u>	<u>(863,580)</u>
Other Financing Sources (Uses)					
Sale of Capital Assets	2,000	0	0	19,965	0
Energy Conservation Bonds Issued	0	0	0	0	0
Refunding Bonds Issued	0	0	0	0	0
Premium on Debt Issuance	0	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	0	0
Transfers In	779,272	327,528	177,554	77,580	77,604
Transfers Out	(779,272)	(327,528)	(177,554)	(77,580)	(77,604)
<i>Total Other Financing Sources (Uses)</i>	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>19,965</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	<u>\$4,294,361</u>	<u>\$337,373</u>	<u>(\$2,382,786)</u>	<u>(\$3,815,039)</u>	<u>(\$863,580)</u>
Debt Service as a Percentage of Noncapital Expenditures	5.1%	5.6%	5.9%	6.0%	6.5%

(1) Revenues and expenses are first impacted by the implementation of GASB Statement No. 84 beginning in fiscal year 2021

2017	2016	2015	2014	2013
\$28,293,069	\$32,552,871	\$34,061,836	\$36,013,119	\$29,178,336
1,723,253	1,285,013	968,477	483,379	225,094
13,415,941	12,924,308	13,471,493	13,842,819	14,029,617
74,561	158,872	39,424	19,450	13,801
1,156,757	847,909	882,819	849,545	859,882
761,172	801,077	798,975	858,560	906,856
785,626	665,540	1,073,115	1,154,818	1,100,659
79,288	32,246	116,221	23,216	16,451
51,588	64,982	63,592	64,741	61,262
121,611	234,451	276,869	79,252	77,924
<u>46,462,866</u>	<u>49,567,269</u>	<u>51,752,821</u>	<u>53,388,899</u>	<u>46,469,882</u>
18,906,080	18,959,543	18,323,735	17,559,996	17,638,813
7,731,546	6,426,639	6,285,801	5,996,400	5,359,158
189,556	114,941	111,564	119,812	109,137
28,330	85,845	85,303	87,536	133,867
3,382,997	3,379,899	3,262,075	3,128,396	2,917,631
945,230	920,225	877,676	843,635	665,126
29,157	28,803	26,999	25,382	16,058
2,847,845	2,845,145	2,647,209	2,730,787	2,607,202
1,292,407	1,402,148	1,164,884	1,442,065	1,501,536
291,832	330,318	308,746	324,923	277,533
3,586,958	3,602,490	3,618,716	3,459,711	3,385,584
3,112,260	2,842,202	2,230,451	2,248,140	2,223,398
287,165	512,959	375,334	641,237	920,197
789,126	583,740	703,940	651,988	719,999
1,041,862	1,163,509	1,164,548	1,243,968	1,190,548
1,751,942	1,420,704	1,733,527	1,775,336	1,664,849
122,427	1,358,976	377,378	1,054,531	547,984
611,314	730,031	983,125	1,004,223	1,215,683
0	0	0	0	1,145,335
949,810	1,135,871	1,003,019	1,151,783	0
1,669,738	1,589,676	1,269,963	1,210,777	984,317
253,649	0	0	0	0
60,000	0	242,101	0	0
<u>49,881,231</u>	<u>49,433,664</u>	<u>46,796,094</u>	<u>46,700,626</u>	<u>45,223,955</u>
<u>(3,418,365)</u>	<u>133,605</u>	<u>4,956,727</u>	<u>6,688,273</u>	<u>1,245,927</u>
0	19,376	1,631,721	2,055	6,137
0	0	0	729,744	0
9,805,000	0	14,975,000	0	0
0	0	2,057,168	0	0
(9,745,000)	0	(16,786,772)	0	0
577,545	79,417	72,565	43,277	15,000
<u>(577,545)</u>	<u>(79,417)</u>	<u>(72,565)</u>	<u>(43,277)</u>	<u>(15,000)</u>
<u>60,000</u>	<u>19,376</u>	<u>1,877,117</u>	<u>731,799</u>	<u>6,137</u>
<u>(\$3,358,365)</u>	<u>\$152,981</u>	<u>\$6,833,844</u>	<u>\$7,420,072</u>	<u>\$1,252,064</u>

7.0% 7.1% 7.0% 7.2% 7.5%

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

Real Property				
Collection Year	Assessed Value			Estimated Actual Value
	Residential/ Agricultural	Commercial/ Industrial	Total	
2022	\$924,951,760	\$176,268,600	\$1,101,220,360	\$3,146,343,886
2021	917,699,910	177,126,560	1,094,826,470	3,128,075,629
2020	811,725,200	169,147,430	980,872,630	2,802,493,229
2019	802,390,160	169,194,980	971,585,140	2,775,957,543
2018	799,832,360	162,755,520	962,587,880	2,750,251,086
2017	743,988,280	182,791,410	926,779,690	2,647,941,971
2016	741,670,770	154,195,850	895,866,620	2,559,618,914
2015	738,025,160	155,684,700	893,709,860	2,553,456,743
2014	752,937,530	154,814,340	907,751,870	2,593,576,771
2013	750,842,030	153,156,060	903,998,090	2,582,851,686

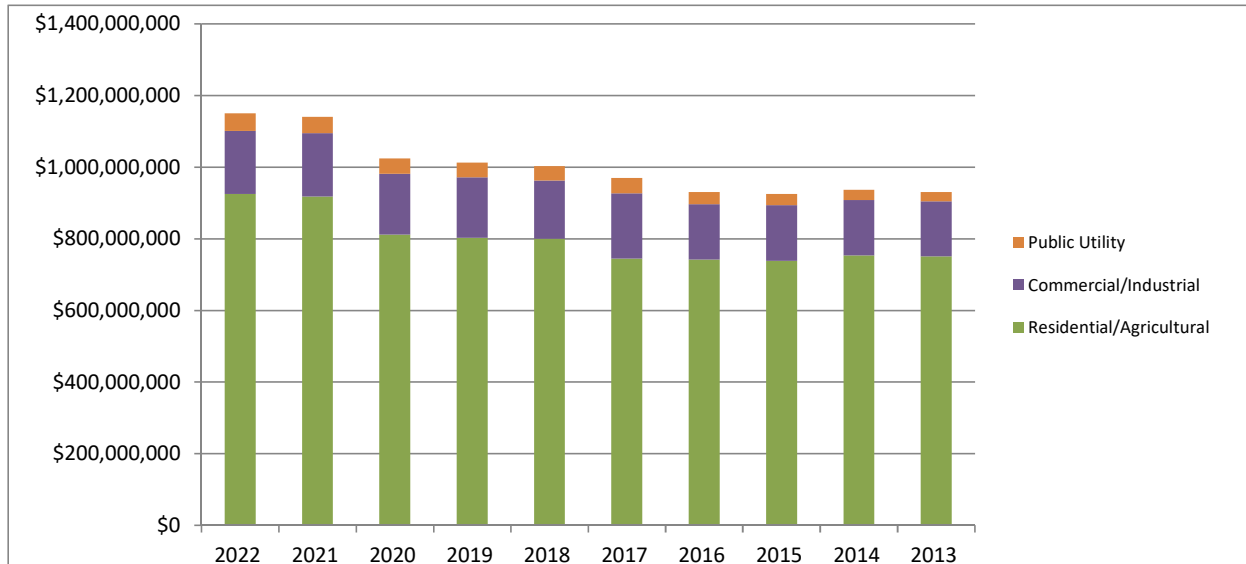
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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.

The tangible personal property values associated with each year were 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 Public Utility		Total		Total Tax Rate	Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$48,922,290	\$55,593,511	\$1,150,142,650	\$3,201,937,397	75.14	\$41.012960
45,348,840	51,532,773	1,140,175,310	3,179,608,401	75.12	40.856812
42,925,940	48,779,477	1,023,798,570	2,851,272,706	75.43	44.537830
40,966,250	46,552,557	1,012,551,390	2,822,510,100	68.43	37.489808
39,815,860	45,245,295	1,002,403,740	2,795,496,381	68.80	37.840325
42,394,450	48,175,511	969,174,140	2,696,117,483	68.79	39.593656
34,148,290	38,804,875	930,014,910	2,598,423,789	68.77	39.277918
31,124,800	35,369,091	924,834,660	2,588,825,834	68.94	39.291495
28,468,580	32,350,659	936,220,450	2,625,927,431	68.92	38.796665
26,459,950	30,068,125	930,458,040	2,612,919,811	68.99	38.803258



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

	2022	2021	2020	2019	2018
Unvoted Millage					
Operating	\$4.970000	\$4.970000	\$4.970000	\$4.970000	\$4.970000
Voted Millage - by levy					
1976 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	5.965560	5.960067	6.699113	6.698509	6.697100
Commercial/Industrial and Public Utility Real	7.047691	7.017101	7.270467	7.264790	7.300800
General Business and Public Utility Personal	26.280000	26.280000	26.280000	26.280000	26.280000
1978 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	1.021500	1.020559	1.147108	1.147005	1.146800
Commercial/Industrial and Public Utility Real	1.206796	1.201558	1.244943	1.243971	1.250100
General Business and Public Utility Personal	4.500000	4.500000	4.500000	4.500000	4.500000
1984 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	1.912453	1.910692	2.147617	2.147423	2.147000
Commercial/Industrial and Public Utility Real	2.379299	2.368974	2.454510	2.452593	2.464700
General Business and Public Utility Personal	5.400000	5.400000	5.400000	5.400000	5.400000
1988 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	1.809948	1.808284	2.032510	2.032323	2.031900
Commercial/Industrial and Public Utility Real	2.541417	2.530390	2.621753	2.619706	2.632700
General Business and Public Utility Personal	4.450000	4.450000	4.450000	4.450000	4.450000
1993 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	3.400862	3.397730	3.819052	3.818707	3.817900
Commercial/Industrial and Public Utility Real	4.766745	4.746060	4.917420	4.913582	4.937900
General Business and Public Utility Personal	7.200000	7.200000	7.200000	7.200000	7.200000
2000 Bond (\$38,500,000)	2.490000	2.450000	2.720000	2.720000	3.050000
2004 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	5.405133	5.400161	6.069791	6.069238	6.068000
Commercial/Industrial and Public Utility Real	6.170086	6.143319	6.365131	6.360165	6.391700
General Business and Public Utility Personal	6.500000	6.500000	6.500000	6.500000	6.500000
2008 Bond (\$6,000,000)	0.370000	0.390000	0.430000	0.410000	0.450000
2011 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	4.989354	4.984764	5.602884	5.602374	5.601200
Commercial/Industrial and Public Utility Real	5.754684	5.729718	5.936598	5.931966	5.961300
General Business and Public Utility Personal	6.000000	6.000000	6.000000	6.000000	6.000000
2019 Operating - continuing					
Effective Millage Rates					
Residential/Agricultural Real	6.215669	6.209952	6.980000	0.000000	0.000000
Commercial/Industrial and Public Utility Real	6.766111	6.736753	6.980000	0.000000	0.000000
General Business and Public Utility Personal	6.980000	6.980000	6.980000	0.000000	0.000000

2017	2016	2015	2014	2013
\$4.970000	\$4.970000	\$4.970000	\$4.970000	\$4.970000
7.173914	7.167948	7.165100	6.988088	6.981019
7.348098	7.295958	7.204600	7.233386	7.259797
26.280000	26.280000	26.280000	26.280000	26.280000
1.228410	1.227388	1.226900	1.196590	1.195380
1.258236	1.249308	1.233700	1.238593	1.243116
4.500000	4.500000	4.500000	4.500000	4.500000
2.299827	2.297916	2.297000	2.240254	2.237986
2.480716	2.463112	2.432300	2.441988	2.450908
5.400000	5.400000	5.400000	5.400000	5.400000
2.176566	2.174759	2.173900	2.120189	2.118044
2.649748	2.630946	2.598000	2.608380	2.617908
4.450000	4.450000	4.450000	4.450000	4.450000
4.089736	4.086338	4.084700	3.983796	3.979771
4.969929	4.934671	4.872900	4.892342	4.910220
7.200000	7.200000	7.200000	7.200000	7.200000
3.040000	3.020000	3.140000	3.150000	3.150000
6.500000	6.500000	6.500000	6.432101	6.425601
6.433102	6.387459	6.307500	6.332677	6.355817
6.500000	6.500000	6.500000	6.500000	6.500000
0.450000	0.450000	0.500000	0.470000	0.540000
6.000000	6.000000	6.000000	6.000000	6.000000
6.000000	6.000000	5.954400	5.978154	6.000000
6.000000	6.000000	6.000000	6.000000	6.000000
0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	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

	2022	2021	2020	2019	2018
Total Voted Millage by type of Property					
Residential/Agricultural Real	\$33.580479	\$33.532209	\$37.648075	\$30.645579	\$31.009900
Commercial/Industrial and Public Utility Real	39.492829	39.313873	40.940822	33.916773	34.439200
General Business and Public Utility Personal	<u>70.170000</u>	<u>70.150000</u>	<u>70.460000</u>	<u>63.460000</u>	<u>63.830000</u>
Total Millage by type of Property					
Residential/Agricultural Real	\$38.550479	\$38.502209	\$42.618075	\$35.615579	\$35.979900
Commercial/Industrial and Public Utility Real	44.462829	44.283873	45.910822	38.886773	39.409200
General Business and Public Utility Personal	<u>75.140000</u>	<u>75.120000</u>	<u>75.430000</u>	<u>68.430000</u>	<u>68.800000</u>
Total Weighted Average Tax Rate					
	<u>\$41.012960</u>	<u>\$40.856812</u>	<u>\$44.537830</u>	<u>\$37.489808</u>	<u>\$37.840325</u>
Overlapping Rates by Taxing District					
Boston Heights Village					
Effective Millage Rates					
Residential/Agricultural Real	\$5.496135	\$5.484306	\$5.705975	\$5.708363	\$5.705500
Commercial/Industrial and Public Utility Real	4.038432	4.069479	4.741639	4.888594	4.941200
General Business and Public Utility Personal	6.100000	6.100000	6.100000	6.100000	6.100000
City of Macedonia					
Effective Millage Rates					
Residential/Agricultural Real	3.812256	3.811045	3.943255	3.943503	4.870900
Commercial/Industrial and Public Utility Real	4.130581	4.126667	4.166852	4.163932	5.166100
General Business and Public Utility Personal	7.900000	7.900000	7.900000	7.900000	8.900000
Northfield Center Township					
Effective Millage Rates					
Residential/Agricultural Real	11.372550	11.368479	11.178349	12.167605	11.806200
Commercial/Industrial and Public Utility Real	11.862131	11.834951	13.321208	12.400529	12.085200
General Business and Public Utility Personal	17.510000	17.510000	17.510000	17.510000	17.150000
Northfield Village					
Effective Millage Rates					
Residential/Agricultural Real	6.623966	6.628953	7.044277	7.044238	7.042100
Commercial/Industrial and Public Utility Real	6.775262	6.775262	6.975584	6.958499	6.958500
General Business and Public Utility Personal	7.480000	7.480000	7.480000	7.480000	7.480000
Sagamore Hills Township					
Effective Millage Rates					
Residential/Agricultural Real	10.741957	10.734523	11.890617	11.890438	10.886900
Commercial/Industrial and Public Utility Real	12.025712	11.884301	12.083768	12.083494	11.127500
General Business and Public Utility Personal	12.930000	12.930000	12.930000	12.930000	11.930000
Twinsburg Township					
Effective Millage Rates					
Residential/Agricultural Real	13.893455	13.870834	14.840938	14.842975	12.034200
Commercial/Industrial and Public Utility Real	16.280990	16.213211	16.469603	16.467223	13.473600
General Business and Public Utility Personal	20.170000	20.170000	20.170000	20.170000	17.370000

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.

2017	2016	2015	2014	2013
\$32.958453	\$32.924349	\$33.087600	\$32.581018	\$32.627801
34.629829	34.431454	34.243400	34.345520	34.527766
63.820000	63.800000	63.970000	63.950000	64.020000
\$37.928453	\$37.894349	\$38.057600	\$37.551018	\$37.597801
39.599829	39.401454	39.213400	39.315520	39.497766
68.790000	68.770000	68.940000	68.920000	68.990000
\$39.593656	\$39.277918	\$39.291495	\$38.796665	\$38.803258
\$6.092567	\$6.100000	\$6.100000	\$6.100000	\$6.100000
5.748903	6.048834	6.100000	6.100000	6.100000
6.100000	6.100000	6.100000	6.100000	6.100000
5.030383	5.028937	5.029500	4.998792	4.997900
5.174041	5.172557	5.135800	5.173519	5.164700
8.900000	8.900000	8.900000	8.900000	8.900000
12.277210	12.276020	12.276000	9.192819	9.187500
12.106803	11.969610	11.937400	8.802501	8.761300
17.150000	17.150000	17.150000	14.150000	14.150000
7.233849	7.225914	7.223000	7.138902	7.137600
6.954032	6.953771	6.920300	7.130170	6.914500
7.480000	7.480000	7.480000	7.480000	7.480000
10.802814	10.802442	10.801000	10.748034	9.401100
10.416645	10.416645	10.416600	10.484373	8.699200
11.180000	11.180000	11.180000	11.180000	10.180000
12.550799	9.856698	9.926700	10.074887	10.074400
14.578775	11.797730	11.762800	11.935621	11.733700
17.370000	14.610000	14.610000	14.610000	14.610000

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

Collection Year (2)	Current Tax Levy	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
2021	\$45,970,523	\$44,076,814	95.88%	\$730,378	\$44,807,192	97.47%
2020	45,606,707	44,918,034	98.49	611,251	45,529,285	99.83
2019	37,962,244	37,326,508	98.33	960,057	38,286,565	100.85
2018	37,931,329	37,353,161	98.48	578,168	37,931,329	100.00
2017	38,378,008	36,820,009	95.94	679,666	37,499,675	97.71
2016	36,529,179	35,848,545	98.14	688,725	36,537,270	100.02
2015	36,340,072	35,639,623	98.07	864,584	36,504,207	100.45
2014	36,322,323	35,562,444	97.91	844,615	36,407,059	100.23
2013	36,108,198	35,319,692	97.82	896,938	36,216,630	100.30
2012	36,076,774	34,934,389	96.83	1,258,776	36,193,165	100.32

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 2022 information cannot be presented because all collections have not been made by June 30, 2022.
- (3) 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.

Nordonia Hills City School District

Principal Taxpayers

Real Estate Tax

2022 and 2013

Name of Taxpayer	2022	
	Assessed Valuation	Percent of Real Assessed Value
DOTRS Limited Liability Co.	\$8,606,370	0.78 %
Sagamore Owner 1 LLC	4,753,210	0.43
HGG Eaton Ridge LLC	4,599,000	0.42
Brentwood Real Estate LLC	4,269,980	0.39
AH Macedonia LLC	3,847,020	0.35
GW Macedonia LLC	3,091,260	0.28
MGP Lessor LLC	2,952,700	0.27
Cleveland Steel Warehouse LTD	2,424,070	0.22
Musca Properties LLC	2,277,440	0.21
Sagamore Hills Nominee, LP	2,222,550	0.20
Total	\$39,043,600	3.55 %
Total Real Estate Valuation	\$1,101,220,360	

Name of Taxpayer	2013	
	Assessed Valuation	Percent of Real Assessed Value
DOTRS Limited Liability Co.	\$8,054,510	0.89 %
HGG Eaton Ridge LLC	4,137,160	0.46
AERC Williamsburg, Inc.	4,099,620	0.45
GW Macedonia LLC	3,576,880	0.39
Musca Properties LLC	3,286,620	0.36
Northfield Park Associates LLC	2,952,700	0.33
Lowes Home Center, Inc.	2,790,600	0.31
Sagamore Square Enterprises LTD	2,634,430	0.29
Sacco of Macedonia LLC	2,492,200	0.28
Sagamore Hills Nominee, LP	2,432,710	0.27
Total	\$36,457,430	4.03 %
Total Real Estate Valuation	\$903,998,090	

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

Nordonia Hills City School District

Principal Taxpayers

Public Utilities Tax

2022 and 2013

Name of Taxpayer	2022	
	Assessed Valuation	Percent of Public Utility Assessed Value
American Transmission	\$24,073,970	49.21 %
Ohio Edison	15,472,210	31.63
Cleveland Electric Illuminating	4,814,380	9.84
East Ohio Gas	4,146,430	8.47
Aqua Ohio Incorporated	393,200	0.80
Northeast Ohio Natural Gas Corp	12,380	0.03
Buckeye Pipe Line Company, LP	9,290	0.02
Wells Fargo	430	0.00
Total	\$48,922,290	100.00 %
Total Public Utility Valuation	\$48,922,290	

Name of Taxpayer	2013	
	Assessed Valuation	Percent of Public Utility Assessed Value
Ohio Edison	\$12,088,530	45.68 %
American Transmission	7,500,470	28.35
Cleveland Electric Illuminating	3,682,490	13.92
East Ohio Gas	2,907,190	10.99
Aqua Ohio, Incorporated	255,620	0.96
Total	\$26,434,300	99.90 %
Total Public Utility Valuation	\$26,459,950	

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

Nordonia Hills City School District
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2022*

	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	\$13,324,874	100.00 %	\$13,324,874
Overlapping:			
City of Macedonia:			
General Obligation Bonds	13,079,324	97.70	12,778,500
Special Assessment Bonds	363,800	97.70	355,433
ODOT Loans	169,900	97.70	165,992
OPWC Loans	1,597,105	97.70	1,560,372
Northfield Village:			
OPWC Loans	1,674,316	100.00	1,674,316
Capital Lease Obligations	95,466	100.00	95,466
Summit County:			
General Obligation Bonds	46,419,079	7.18	3,332,890
Total Overlapping	63,398,990		19,962,968
Total	\$76,723,864		\$33,287,842

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 2020 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			Percentage of Personal Income (1)
			General Bonded Debt	Ratio of General Bonded Debt to Estimated Actual Value	General Bonded Debt per Capita	
2022	32,391	\$3,201,937,397	\$13,324,874	0.42 %	\$411	0.95 %
2021	32,877	3,179,608,401	16,253,550	0.51	494	1.15
2020	32,247	2,851,272,706	19,065,636	0.67	591	1.38
2019	32,247	2,822,510,100	21,761,184	0.77	675	1.58
2018	32,247	2,795,496,381	24,355,244	0.87	755	1.77
2017	32,247	2,696,117,483	26,937,866	1.00	835	1.95
2016	32,247	2,598,423,789	29,646,181	1.14	919	2.15
2015	32,247	2,588,825,834	31,771,931	1.23	985	2.30
2014	32,247	2,625,927,431	32,624,796	1.24	1,012	2.37
2013	32,247	2,612,919,811	33,559,133	1.28	1,041	2.43

(1) Personal income for this calculation is from the Demographic and Economic Statistics table on S26.

Sources: Office of the Treasurer, Nordonia Hills City School District and the U.S. Census Bureau (Census 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.

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

	2022	2021	2020	2019
Total Assessed Valuation	\$1,150,142,650	\$1,140,175,310	\$1,023,798,570	\$1,012,551,390
Less Railroad and Telephone Property Valuation	(799,520)	(904,040)	(912,180)	(922,670)
Total Assessed Valuation used to Calculate Legal Debt Margin (1)	<u>\$1,149,343,130</u>	<u>\$1,139,271,270</u>	<u>\$1,022,886,390</u>	<u>\$1,011,628,720</u>
Debt Limit - 9% of Assessed Value (2)	\$103,440,882	\$102,534,414	\$92,059,775	\$91,046,585
Amount of Debt Outstanding				
General Obligation Bonds	12,583,789	15,342,288	17,984,197	20,509,568
Capital Appreciation Bonds	0	0	0	0
Less Amount Available in Bond Retirement Fund	<u>(1,932,659)</u>	<u>(1,892,615)</u>	<u>(1,727,702)</u>	<u>(1,793,150)</u>
Amount of Debt Subject to Limit	<u>10,651,130</u>	<u>13,449,673</u>	<u>16,256,495</u>	<u>18,716,418</u>
Overall Debt Margin	<u>\$92,789,752</u>	<u>\$89,084,741</u>	<u>\$75,803,280</u>	<u>\$72,330,167</u>
Legal Debt Margin as a Percentage of Debt Limit	89.70%	86.88%	82.34%	79.44%
Unvoted Legal Debt Limit - .10% of Assessed Value	\$1,149,343	\$1,139,271	\$1,022,886	\$1,011,629
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Debt Margin	<u>\$1,149,343</u>	<u>\$1,139,271</u>	<u>\$1,022,886</u>	<u>\$1,011,629</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>\$11,493,431</u>	<u>\$11,392,713</u>	<u>\$10,228,864</u>	<u>\$10,116,287</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.

2018	2017	2016	2015	2014	2013
\$1,002,403,740 (961,390)	\$969,174,140 (1,006,360)	\$930,014,910 (1,124,980)	\$924,834,660 (1,186,610)	\$936,220,450 (1,128,840)	\$930,458,040 (1,053,220)
<u>\$1,001,442,350</u>	<u>\$968,167,780</u>	<u>\$928,889,930</u>	<u>\$923,648,050</u>	<u>\$935,091,610</u>	<u>\$929,404,820</u>
\$90,129,812	\$87,135,100	\$83,600,094	\$83,128,325	\$84,158,245	\$83,646,434
22,933,451 0 (1,681,969)	25,345,896 0 (1,378,701)	25,391,949 565,261 (1,980,577)	25,476,656 1,210,585 (2,118,713)	26,149,744 1,925,622 (1,773,260)	25,650,000 2,699,845 (1,369,260)
<u>21,251,482</u>	<u>23,967,195</u>	<u>23,976,633</u>	<u>24,568,528</u>	<u>26,302,106</u>	<u>26,980,585</u>
<u>\$68,878,330</u>	<u>\$63,167,905</u>	<u>\$59,623,461</u>	<u>\$58,559,797</u>	<u>\$57,856,139</u>	<u>\$56,665,849</u>
76.42%	72.49%	71.32%	70.45%	68.75%	67.74%
\$1,001,442 0	\$968,168 0	\$928,890 0	\$923,648 0	\$935,092 0	\$929,405 0
<u>\$1,001,442</u>	<u>\$968,168</u>	<u>\$928,890</u>	<u>\$923,648</u>	<u>\$935,092</u>	<u>\$929,405</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>\$10,014,424</u>	<u>\$9,681,678</u>	<u>\$9,288,899</u>	<u>\$9,236,481</u>	<u>\$9,350,916</u>	<u>\$9,294,048</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
2022	32,391	\$1,398,578,598	\$43,178	4.4%
2021	32,877	1,411,015,086	42,918	6.6
2020	32,247	1,378,623,744	42,752	8.2
2019	32,247	1,378,623,744	42,752	4.3
2018	32,247	1,378,623,744	42,752	5.2
2017	32,247	1,378,623,744	42,752	5.3
2016	32,247	1,378,623,744	42,752	5.0
2015	32,247	1,378,623,744	42,752	5.0
2014	32,247	1,378,623,744	42,752	4.8
2013	32,247	1,378,623,744	42,752	7.0

Sources: U.S. Bureau of Census (Census 2010)
Summit County Fiscal Officer's Office
Ohio Department of Job and Family Services

Nordonia Hills City School District

Principal Employers

2022 and 2014 (1)

2022			
Employer	Nature of Business or Activity	Number of Employees	Percentage of Total County Employment
MGM Northfield Park Associates LLC	Gaming/Entertainment	900	0.35 %
WW Grainger Inc	Industrial Supplies and Equipment	542	0.21
Ohio State Home Services, Incorporated	Special Trades Contractor	506	0.20
Nordonia Hills City School District	Public Education	421	0.17
Great Day Improvements, LLC	Patio Enclosures	414	0.16
City of Macedonia	Government	248	0.10
Wal-Mart Associates, Inc.	Retail	185	0.07
Tradesmen International LLC	Construction Labor Support	170	0.07
TPC Wire and Cable Corporation	Supplies of Industrial Wire and Cable	153	0.06
Hy-Ko Products Company LLC	Portfolio Products Supplier	126	0.05
Total		<u>3,665</u>	<u>1.44 %</u>
Total Employment within County		<u>253,900</u>	

2014			
Employer	Nature of Business or Activity	Number of Employees	Percentage of Total County Employment
Nordonia Hills City School District	Public Education	440	0.17 %
Ohio State Home Services, Incorporated	Special Trades Contractor	250	0.09
Great Day Improvements, LLC	Patio Enclosures	210	0.08
Empire Die Casting Company, Incorporated	Manufacturing	195	0.07
IER Fujikura, Incorporated	Custom Molded Rubber	170	0.06
City of Macedonia	Government	160	0.06
Ohio Materials Handling, Incorporated	Equipment Dealership	150	0.06
TPC Wire and Cable Corporation	Supplies of Industrial Wire and Cable	150	0.06
Design Molded Plastics, Incorporated	Manufacturing	140	0.05
Total		<u>1,865</u>	<u>0.70 %</u>
Total Employment within County		<u>265,400</u>	

(1) Information prior to 2014 is not available.

Source: Regional Income Tax Agency (RITA)
Summit County Fiscal Officer's Office

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

	2022	2021	2020	2019	2018
Lee Eaton Elementary					
Constructed in 1953					
Total Building Square Footage	64,719	64,719	64,719	64,719	64,719
Enrollment - Grades 5 - 6	487	501	558	608	576
Ledgeview Elementary					
Constructed in 1963					
Total Building Square Footage	66,438	66,438	66,438	66,438	66,438
Enrollment - Grades K - 4	445	410	486	468	467
Northfield Elementary					
Constructed in 1963					
Total Building Square Footage	63,072	63,072	63,072	63,072	63,072
Enrollment - Grades K - 4	334	348	382	375	397
Rushwood Elementary					
Constructed in 1970					
Total Building Square Footage	49,194	49,194	49,194	49,194	49,194
Enrollment - Grades K - 4	328	322	363	386	400
Nordonia Middle School					
Constructed in 1928					
Total Building Square Footage	115,067	115,067	115,067	115,067	115,067
Enrollment - Grades 7 - 8	566	638	606	554	544
Nordonia High School					
Constructed in 1960					
Total Building Square Footage	227,862	227,862	227,862	227,862	227,862
Enrollment - Grades 9 - 12	1,143	1,162	1,217	1,220	1,237

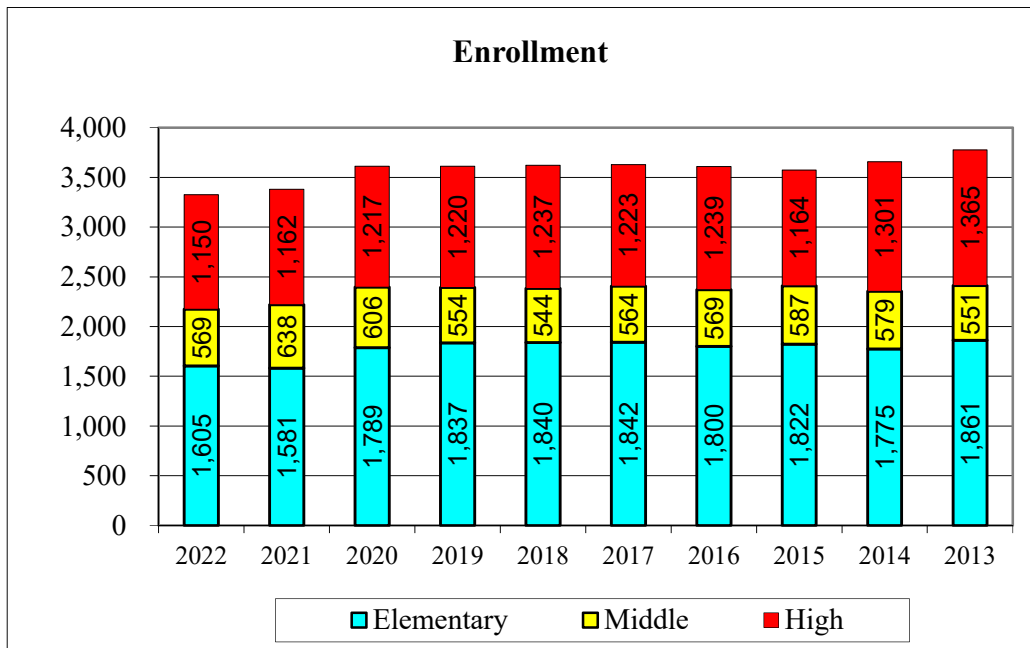
Source: School District Records

2017	2016	2015	2014	2013
64,719 541	64,719 519	64,719 543	64,719 564	64,719 566
66,438 470	66,438 488	66,438 470	66,438 468	66,438 487
63,072 413	63,072 386	63,072 419	63,072 374	63,072 421
49,194 418	49,194 407	49,194 390	49,194 369	49,194 387
115,067 564	115,067 569	115,067 587	115,067 579	115,067 551
227,862 1,223	227,862 1,239	227,862 1,164	227,862 1,301	227,862 1,365

Nordonia City School District

Enrollment Statistics Last Ten Fiscal Years

Fiscal Year	Elementary Schools	Middle Schools	High School	Total
2022	1,605	569	1,150	3,324
2021	1,581	638	1,162	3,381
2020	1,789	606	1,217	3,612
2019	1,837	554	1,220	3,611
2018	1,840	544	1,237	3,621
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



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>
2022	94.10%	90.40%	97.30%	87.00%
2021	95.60	91.50	97.33	87.20
2020	96.70	95.60	96.30	85.90
2019	95.70	94.50	98.00	85.30
2018	95.80	93.90	96.90	84.10
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

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
2022	3,324	(1.69) %	\$61,011,924	\$18,355
2021	3,381	(6.40)	55,866,988	16,524
2020	3,612	0.03	52,767,957	14,609
2019	3,611	(0.28)	50,467,492	13,976
2018	3,621	(0.22)	48,665,502	13,440
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

(1) Debt Service totals have been excluded.

(2) Due to the coronavirus pandemic, the School District was allowed to provide universal free lunches from the federal government during fiscal years 2021 and 2022.

Source: School District Records
Ohio Department of Education

Governmental Activities		Students Receiving Free and Reduced Lunches		
Total Expenses (1)	Per Pupil Cost	Number of Lunches Served	Percentage of Free Lunches (2)	Percentage of Reduced Lunches
\$55,985,091	\$16,843	328,703	100.00 %	0.00 %
59,178,348	17,503	162,697	100.00	0.00
57,016,817	15,785	107,072	25.10	6.42
47,861,475	13,254	220,752	23.50	6.73
28,885,571	7,977	209,605	27.74	6.11
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

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

Function/Program	2022	2021	2020	2019	2018
Regular Instruction					
Elementary Classroom Teachers	80.0	79.0	76.0	78.0	77.0
Middle School Classroom Teachers	29.0	27.0	24.0	22.0	23.0
High School Classroom Teachers	56.0	55.0	55.0	55.0	54.0
Special Teachers (Art, Music, PE)	24.0	27.0	28.0	28.0	28.0
Tutors/Small Group Instructors	2.0	2.0	2.0	1.8	2.8
Special Instruction					
Gifted Education Teachers	3.0	3.0	3.0	2.0	2.0
Special Education Teachers	40.5	37.5	36.5	36.5	33.5
Vocational Instruction					
	2.0	2.0	2.0	2.0	2.0
Pupil Support Services					
Guidance Counselors	11.0	11.0	11.0	10.0	10.0
Psychologist	4.7	4.3	4.6	4.6	4.6
Speech Pathologists	4.0	4.0	4.0	4.0	4.0
Community Intervention	1.0	1.0	1.0	1.0	1.0
Instructional Staff Support Services					
Teacher Aides	61.0	48.0	0.0	5.0	6.0
Attendants	45.0	54.0	71.0	68.0	76.0
Monitors	13.0	11.0	49.0	43.0	32.0
Technicians	1.0	1.0	1.0	1.0	1.0
Media Specialist/Librarian	1.0	1.0	1.0	1.0	1.0
Library Aides	7.0	8.0	8.0	9.0	9.0
Administration Support Services					
Elementary Schools	5.0	5.0	5.0	5.0	5.0
Middle School	2.0	2.0	2.0	2.0	2.0
High School	4.0	4.0	4.0	4.0	4.0
Districtwide	6.0	6.0	6.0	6.0	6.0
Clerical	20.0	18.0	18.0	18.0	18.0
Fiscal Staff	7.0	7.0	7.0	7.0	7.0
Operation of Plant					
Supervisor	1.0	1.0	1.0	1.0	1.0
Custodians	35.0	28.0	25.0	25.0	25.0
Part-Time Cleaners	0.0	1.0	0.0	1.0	2.0
Maintenance	4.0	4.0	4.0	4.0	4.0
Courier	1.0	1.0	1.0	1.0	1.0
Food Service Program					
Supervisor	1.0	1.0	1.0	1.0	1.0
Food Service Workers	29.0	24.0	25.0	24.0	25.0
Total	<u>500.2</u>	<u>477.8</u>	<u>476.1</u>	<u>470.9</u>	<u>467.9</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

2017	2016	2015	2014	2013
77.0	78.0	81.0	75.0	75.0
22.0	21.0	20.0	20.0	20.0
54.0	56.0	55.0	55.0	54.0
28.0	27.0	28.0	28.0	27.0
2.8	3.0	3.0	2.0	2.0
2.0	2.0	2.0	2.0	2.0
32.5	31.0	31.0	30.0	29.0
2.0	1.0	1.0	1.0	1.0
10.0	10.0	10.0	10.0	10.0
4.0	5.0	5.0	5.0	5.0
4.6	4.0	4.0	4.0	4.0
1.0	1.0	1.0	1.0	1.0
8.0	11.0	13.0	13.0	13.0
66.0	58.0	55.0	60.0	54.0
30.0	34.0	31.0	21.0	20.0
1.0	1.0	1.0	1.0	0.0
1.0	1.0	1.0	1.0	1.0
9.0	9.0	8.0	8.0	8.0
5.0	5.0	5.0	5.0	4.0
2.0	2.0	2.0	2.0	2.0
4.0	4.0	4.0	4.0	4.0
6.0	6.0	6.0	6.0	6.0
18.0	18.0	18.0	17.0	17.0
7.0	7.0	7.0	7.0	7.0
1.0	1.0	1.0	1.0	1.0
25.0	25.0	25.0	28.0	26.0
3.0	0.0	0.0	0.0	0.0
4.0	3.5	4.0	4.0	3.0
1.0	1.0	1.0	1.0	1.0
1.0	1.0	1.0	1.0	1.0
25.0	31.0	28.0	28.0	27.0
456.9	457.5	452.0	441.0	425.0

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

Degree	2022	2021	2020	2019	2018
Bachelor	16.00	18.00	20.00	20.00	22.00
Bachelor + 15	9.00	9.00	7.00	7.00	8.00
Bachelor + 30	26.00	26.00	22.50	22.50	22.50
Master	37.00	68.00	66.00	74.00	77.00
Master + 15	53.00	58.00	58.00	52.00	51.00
Master + 30	111.00	72.00	69.60	66.40	58.40
PhD	4.00	4.00	5.00	4.00	4.00
Total	<u>256.00</u>	<u>255.00</u>	<u>248.10</u>	<u>245.90</u>	<u>242.90</u>

Source: School District Records

2017	2016	2015	2014	2013
21.00	18.00	19.50	15.00	9.00
6.00	8.00	4.00	6.00	6.00
24.50	28.00	31.00	31.00	32.00
77.00	89.00	97.00	101.50	103.40
53.00	49.00	43.79	38.76	37.60
55.40	43.00	40.60	37.00	40.00
4.00	4.00	3.00	2.00	3.00
<u>240.90</u>	<u>239.00</u>	<u>238.89</u>	<u>231.26</u>	<u>231.00</u>

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OHIO AUDITOR OF STATE KEITH FABER



NORDONIA HILLS CITY SCHOOL DISTRICT

SUMMIT COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 1/10/2023

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

This report is a matter of public record and is available online at
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