NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2023

OHIO AUDITOR OF STATE
KEITH FABER

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

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OHIO AUDITOR OF STATE
KEITH FABER

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

INDEPENDENT AUDITOR'S REPORT

North Olmsted City School District
Cuyahoga County
26669 Butternut Ridge Road
North Olmsted, Ohio 44070

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Olmsted City School District, Cuyahoga County, Ohio (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the North Olmsted City School District, Cuyahoga County, Ohio as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows 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 Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2024, 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

Keith Faber
Auditor of State
Columbus, Ohio

March 25, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The management's discussion and analysis of the North Olmsted City School District's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2023 are as follows:

- In total, net position of governmental activities increased $11,109,871 which represents a 32.61% increase from June 30, 2022's net position.

- General revenues accounted for $66,643,902 in revenue or 89.38% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions and capital grants and contributions accounted for $7,919,598 or 10.62% of total revenues of $74,563,500.

- The District had $67,296,951 in expenses related to governmental activities; $7,919,598 of these expenses were offset by program specific charges for services and operating and capital grants and contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) were adequate to provide for these programs.

- The District has two major funds: the general fund and the building fund. The general fund had $61,068,052 in revenues and other financing sources and $56,554,690 in expenditures. The general fund's fund balance increased $4,513,362 from $9,060,318 to $13,573,680.

- The building fund had $57,810,522 in revenues and other financing sources and $38,292 in expenditures. The building fund's fund balance increased $57,772,230 from $68,303 to $57,840,533.

Using these Basic Financial Statements

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

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

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?" The statement of net position and the statement of activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenses* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net position* and changes in that net position. This change in net position is important because it tells the reader that, for the District as a whole, the *financial position* of the 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 District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the statement of net position and the statement of activities, the governmental activities include the District's programs and services, including instruction, support services, operation and maintenance of facilities, pupil transportation, extracurricular activities, and food service operations.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

The District maintains a proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District's internal service funds account for employee benefits self-insurance and Bureau of Workers' Compensation (BWC) retro claims.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension liability and net OPEB liability/asset.

The District as a Whole

The statement of net position provides the perspective of the District as a whole.

The table below provides a summary of the District's net position at June 30, 2023 and June 30, 2022. The amounts at June 30, 2022 have been restated as described in Note 3.

Net Position

	Governmental Activities 2023	Restated Governmental Activities 2022	Change
Assets			
Current and other assets	$ 147,126,422	$ 73,678,559	$ 73,447,863
Net OPEB asset	5,785,608	4,842,867	942,741
Capital assets, net	87,122,498	90,604,375	(3,481,877)
Total assets	240,034,528	169,125,801	70,908,727
Deferred Outflows of Resources			
Unamortized deferred loss on debt refunding	1,628,366	1,704,104	(75,738)
Pension	13,656,431	14,457,505	(801,074)
OPEB	1,206,411	1,484,655	(278,244)
Total deferred outflows of resources	16,491,208	17,646,264	(1,155,056)
Liabilities			
Current liabilities	8,646,314	9,591,116	(944,802)
Long-term liabilities:			
Due within one year	3,168,218	2,931,257	236,961
Due in more than one year:			
Net pension liability	62,721,258	38,714,537	24,006,721
Net OPEB liability	3,474,995	4,957,155	(1,482,160)
Other amounts	140,234,813	82,134,869	58,099,944
Total liabilities	218,245,598	138,328,934	79,916,664
Deferred Inflows of Resources			
Property taxes and PILOTs levied for next year	43,783,446	40,715,008	3,068,438
Pension	8,087,823	32,959,350	(24,871,527)
OPEB	9,372,315	8,842,090	530,225
Total deferred inflows of resources	61,243,584	82,516,448	(21,272,864)
Net Position			
Net investment in capital assets	16,805,403	18,378,037	(1,572,634)
Restricted	14,406,407	15,383,737	(977,330)
Unrestricted	(54,175,256)	(67,835,091)	13,659,835
Total net position	$ (22,963,446)	$ (34,073,317)	$ 11,109,871

The net pension liability (NPL) is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and the net OPEB liability/asset is reported pursuant to GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and net OPEB asset.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OBEP liability/asset*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

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

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 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.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer.* State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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/asset. 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.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability/asset, respectively, not accounted for as deferred inflows/outflows.

Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2023, the District's assets plus deferred outflows of resources did not exceed liabilities plus deferred inflows of resources by $22,963,446.

Assets of the District increased approximately $71,383,200. Current and other assets increased primarily due to an increase in equity in pooled and cash equivalents.

At year-end, capital assets represented 36.30% of total assets. Capital assets include land, construction in progress, land improvements, buildings and improvements, equipment, vehicles and intangible right to use assets. Net investment in capital assets at June 30, 2023, was $16,805,403. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

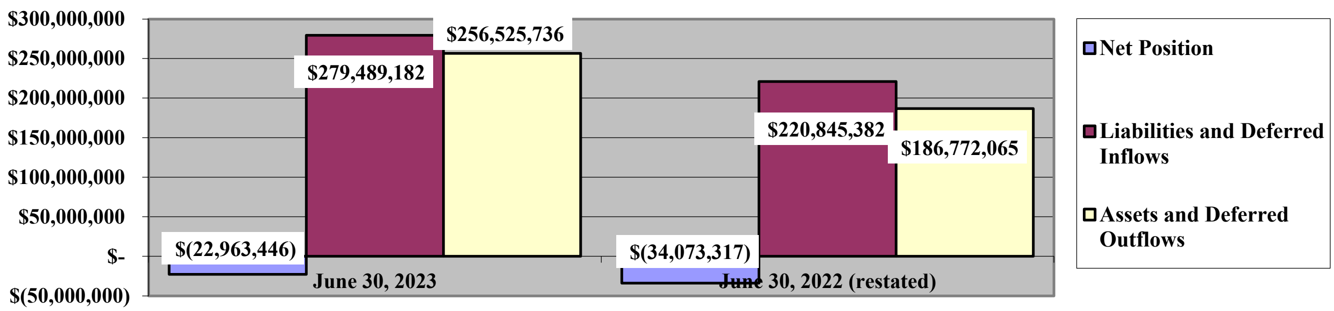
Deferred outflows of resources decreased approximately $1,155,056 due to pension system related amounts.

The net pension liability increased $24,006,721 or 62.01% and deferred inflows of resources related to pension decreased $24,871,527 or 75.46%. These changes were the result of changes at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS). Primarily, net investment income on investments at both pension systems were negative for the fiscal year 2022 measurement date that are used for the fiscal year 2023 reporting. This caused a large decrease in their respective fiduciary net positions which was a drastic change from the previous fiscal year's large positive investment returns.

A portion of the District's net position, $14,406,407, represents resources that are subject to external restriction on how they may be used. Of the restricted net position, $5,363,799 is restricted for capital projects and $3,028,476 is restricted for debt service. The remaining balance of unrestricted net position is ($54,175,256).

The graph below shows the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2023 and June 30, 2022. The amounts at June 30, 2022 have been restated as described in Note 3.

Governmental Activities



The table below shows the change in net position for fiscal years 2023 and 2022.

Change in Net Position

	Governmental Activities 2023	Governmental Activities 2022	Change
Revenues			
Program revenues:			
Charges for services and sales	$ 1,827,231	$ 1,263,587	$ 563,644
Operating grants and contributions	6,047,367	5,774,460	272,907
Capital grants and contributions	45,000	-	45,000
Total program revenues	7,919,598	7,038,047	881,551
General revenues:			
Property taxes	52,277,193	45,729,443	6,547,750
Payment in lieu of taxes	1,370,407	1,721,246	(350,839)
Grants and entitlements	12,001,780	14,157,856	(2,156,076)
Investment earnings	571,256	165,281	405,975
Other	423,266	242,327	180,939
Total general revenues	66,643,902	62,016,153	4,627,749
Total revenues	74,563,500	69,054,200	5,509,300
Expenses			
Program expenses:			
Instruction:			
Regular	26,169,234	23,595,882	2,573,352
Special	12,168,981	10,220,417	1,948,564
Vocational	129,123	441,776	(312,653)
Other	588,182	679,320	(91,138)
Support services:			
Pupil	4,596,608	4,149,032	447,576
Instructional staff	2,103,887	1,818,295	285,592
Board of education	75,911	60,094	15,817
Administration	3,641,443	5,891,760	(2,250,317)
Fiscal	1,551,941	1,435,096	116,845
Business	301,221	679,494	(378,273)
Operations and maintenance	5,091,686	4,306,793	784,893
Pupil transportation	2,766,155	2,805,724	(39,569)
Central	716,642	632,134	84,508
Operations of non-instructional services:			
Food service operations	1,387,494	1,778,166	(390,672)
Other non-instructional services	279,209	69,797	209,412
Extracurricular activities	2,061,166	1,699,184	361,982
Interest and fiscal charges	3,668,068	3,172,700	495,368
Total expenses	67,296,951	63,435,664	3,861,287
Special Items	3,843,322	-	3,843,322
Change in net position	11,109,871	5,618,534	5,491,337
Net position at beginning of year (restated)	(34,073,317)	(39,691,851)	5,618,534
Net position at end of year	$ (22,963,446)	$ (34,073,317)	$ 11,109,871

Governmental Activities

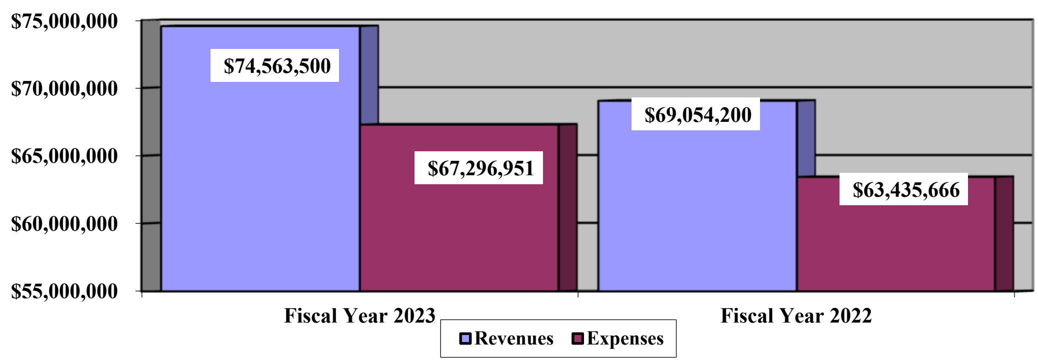
Net position of the District's governmental activities increased $11,109,871. Total governmental expenses of $67,296,251 were offset by program revenues of $7,919,598 and general revenues of $66,643,902. Program revenues supported 11.77% of the total governmental expenses.

The primary sources of revenue for governmental activities are derived from property taxes and unrestricted grants and entitlements from the State. These revenue sources account for 86.21% of total governmental revenue. The most significant increases were in the areas of property taxes and earnings on investments. The increase in property taxes was due to an increase in collections compared to the previous year. The increase on earnings on investments was due to more favorable interest rates on said investments during the year.

Overall, expenses of the governmental activities increased $3,861,287 or 6.09%. This increase is primarily the result of an increase in pension expense. Pension expense increased $6,563,287. This increase was the result of an increase in expenses incurred at the pension system level for the State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) due to a decrease in net investment income on investments compared to previous years.

The graph below presents the District's governmental activities revenue and expenses for fiscal years 2023 and 2022.

Governmental Activities - Revenues and Expenses



The statement of activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

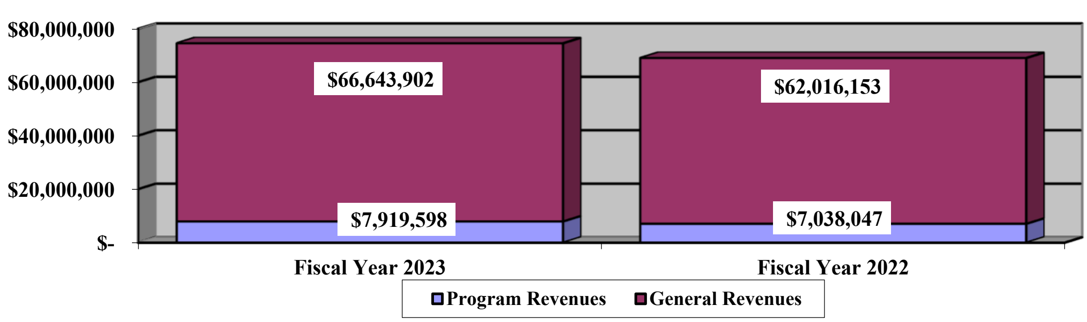
Governmental Activities

	Total Cost of Services 2023	Net Cost of Services 2023	Total Cost of Services 2022	Net Cost of Services 2022
Program expenses				
Instruction:				
Regular	$ 26,169,234	$ 25,335,468	$ 23,595,882	$ 22,789,077
Special	12,168,981	9,608,773	10,220,419	8,782,894
Vocational	129,123	129,123	441,776	441,776
Other	588,182	102,943	679,320	101,911
Support services:				
Pupil	4,596,608	3,890,185	4,149,032	3,618,261
Instructional staff	2,103,887	1,699,915	1,818,295	1,677,001
Board of education	75,911	75,911	60,094	53,125
Administration	3,641,443	3,617,528	5,891,760	5,776,516
Fiscal	1,551,941	1,551,941	1,435,096	1,435,096
Business	301,221	301,221	679,494	678,584
Operations and maintenance	5,091,686	5,028,825	4,306,793	4,218,072
Pupil transportation	2,766,155	2,292,496	2,805,724	2,755,000
Central	716,642	703,122	632,134	617,534
Operations of non-instructional services:				
Food service operations	1,387,494	(285,144)	1,778,166	(910,666)
Other non-instructional services	279,209	56,937	69,797	(85,914)
Extracurricular activities	2,061,166	1,600,041	1,699,184	1,276,652
Interest and fiscal charges	3,668,068	3,668,068	3,172,700	3,172,700
Total	$ 67,296,951	$ 59,377,353	$ 63,435,666	$ 56,397,619

The dependence upon tax and other general revenues for governmental activities is apparent as 90.07% of instruction activities are supported through taxes and other general revenues. For all governmental activities, general revenue support is 88.23%. The District's taxpayers and unrestricted grants and entitlements are the primary support for District's students.

The graph below presents the District's governmental activities revenue for fiscal years 2023 and 2022.

Governmental Activities - General and Program Revenues



The District's Funds

The District's governmental funds reported a combined fund balance of $90,744,183, which is higher than last year's total of $19,471,003.

The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2023 and 2022.

	Fund Balance June 30, 2023	Fund Balance June 30, 2022	Change	Percentage Change
General	$ 13,573,680	$ 9,060,318	$ 4,513,362	49.81 %
Building	57,840,533	68,303	57,772,230	84,582.27 %
Other Governmental	19,329,970	10,342,382	8,987,588	86.90 %
Total	$ 90,744,183	$ 19,471,003	$ 71,273,180	366.05 %

General Fund

During fiscal year 2023, the District's general fund balance increased $4,513,362.

The table that follows assists in illustrating the financial activities of the general fund.

	2023 Amount	2022 Amount	Change	Percentage Change
Revenues				
Taxes	$ 44,244,638	$ 40,558,337	$ 3,686,301	9.09 %
PILOTs	1,370,407	1,721,246	(350,839)	(20.38)
Tuition and fees	797,819	690,373	107,446	15.56 %
Earnings on investments	429,235	89,424	339,811	380.00 %
Intergovernmental	13,445,560	13,968,239	(522,679)	(3.74) %
Other revenues	475,508	335,725	139,783	41.64 %
Total	$ 60,763,167	$ 57,363,344	$ 3,399,823	5.93 %
Expenditures				
Instruction	$ 36,010,072	$ 36,177,807	$ (167,735)	(0.46) %
Support services	18,532,251	20,986,884	(2,454,633)	(11.70) %
Non-instructional services	47,278	51,896	(4,618)	(8.90) %
Extracurricular activities	1,244,408	1,198,295	46,113	3.85 %
Facilities acquisition and construction	304,885	-	304,885	100.00 %
Debt service	415,796	342,929	72,867	21.25 %
Total	$ 56,554,690	$ 58,757,811	$ (2,203,121)	(3.75) %

Overall revenues of the general fund increased $3,399,823 or 5.93%. Earnings on investments were positive due to an increase in fair value of investments from more favorable interest rates on said investments. Other revenues increased due to an increase in miscellaneous revenues received in the general fund.

Expenditures decreased $2,203,121 or 3.75%. The main decrease was in the area of support services.

General Fund Budgeting Highlights

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

During the course of fiscal year 2023, the District amended its general fund estimated revenue budget. For the general fund, original revenues were $46,661,369. Final revenues were $46,673,196. Actual revenues and other financing sources of $59,935,235 were $13,262,039 higher than the final budgeted amounts and $13,273,866 higher than the original budgeted amounts.

General fund actual expenditures and other financing uses of $58,017,555 were $1,391,288 and $1,403,115 lower than original and final appropriations (appropriated expenditures plus other financing uses), respectively.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023, the District had $87,122,498 invested in land, construction in progress, land improvements, buildings and improvements, equipment, vehicles and intangible right to use assets. This entire amount is reported in governmental activities.

The table that follows shows June 30, 2023 balances compared to June 30, 2022. The balances at June 30, 2022 have been restated as described in Note 3.

Capital Assets at June 30
(Net of Depreciation/Amortization)

	Governmental Activities	
		Restated
	2023	2022
Land	$ 1,504,554	$ 1,504,554
Land improvements	9,940,740	10,420,480
Buildings and improvements	69,505,282	72,490,400
Equipment	4,460,246	4,561,718
Vehicles	1,068,923	1,085,187
Intangible right to use assets - Leases	284,559	67,563
Intangible right to use assets - SBITAs	358,194	474,473
Total	$ 87,122,498	$ 90,604,375

The overall decrease of $3,481,877 is the result of depreciation/amortization expense of $3,996,025, disposals net of accumulated depreciation/amortization of $382,059 and additions of $896,207. See Note 10 to the basic financial statements for detail on the District's capital assets.

Debt Administration

At June 30, 2023 the District had $135,662,877 in general obligation bonds, leases payable, and SBITAs payable. Of this total, $2,200,283 is due within one year and $133,462,594 is due in more than one year.

The table below summarizes the bonds outstanding. The amounts at June 30, 2022 have been restated as described in Note 3.

Outstanding Debt, at Year End

	Governmental Activities 2023	Restated Governmental Activities 2022
Energy Conversion Bonds	$ 610,000	$ 905,000
Facility Improvement Bonds	18,655,675	19,781,169
Refunding Bonds	55,070,381	54,999,587
Series 2023B Bonds	60,981,448	-
Leases payable	272,327	70,446
SBITAs payable	73,046	121,835
Total	$ 135,662,877	$ 75,878,037

See Note 13 to the basic financial statements for detail on the District's debt administration.

District Outlook

During fiscal years 2018 and 2019, the North Olmsted City Schools, like most school districts in Ohio, faced a serious decline in operating revenues due to the nationwide economic recession, the real estate foreclosure crisis, and cutbacks in state funding. The Board of Education was able to stabilize the School District's finances through a combination of budgetary cuts, employee concessions, and community support of a new operating levy.

The District did not experience significant revenue growth from the State's Fair Funding Formula, however there was a large decrease in expenditures. Purchased services were reduced due to scholarship, open enrollment and tuition payments to other districts no longer being deducted from the district but directly paid to the entities.

The Board of Education approved the closure of two elementary buildings, Forest and Spruce. These buildings closed at the end of the 2021-2022 school year. The district redistricted and students will attend the four remaining elementary buildings. This was a temporary solution, as these four buildings need over $47M in capital improvements.

The Board of Education has taken steps to improve the financial forecast of the district. Steps include a employee severance plan for retirement/resignation purposes, cost reductions and the use of ESSER funds to sustain district operations during these difficult financial times. The district moved to State minimum bussing requirements at the beginning of the 2022-2023 school year. The district asked voters to approve a combined operating/bond issue for 5 mills operating and $58,000,000 bond in May 2022, which was not successful. The Board of Education took the necessary steps to put the same issue on the ballot in November 2022, which was successful and provided stability throughout the five-year forecast.

The issue passed in November 2022 will provide needed operating funds in addition to the bonds necessary to provide a new elementary campus. This campus will replace the four elementary buildings and is slated to open in the 2026-2027 school year. The project is part of the Ohio Facilities Project ELPP program and is funded at 18%.

A copy of the School District's Financial Forecast and the major assumptions used in its preparation are posted on the School District's website at www.northolmstedschools.org/treasurer.

In September 2018, the Administration completed the construction of a new middle/high school, a performing arts center, and sport complex. The project was funding with the proceeds from an $ 80.5 million capital bond levy and $ 9.0 million in matching state for constructing a new middle/high school complex.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact Katie Henes, Treasurer at North Olmsted City School District, 26669 Butternut Ridge Road, North Olmsted, Ohio 44070, by telephone at (440) 588-5317 or by email at Katie.henes@nocseagles.org.

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities
Assets:	
Equity in pooled cash and cash equivalents	$ 96,260,555
Receivables:	
Property taxes	50,077,884
Accounts	27,665
Accrued interest	237,092
Intergovernmental	461,536
Prepayments	61,690
Net OPEB asset	5,785,608
Capital assets:	
Nondepreciable capital assets	1,504,554
Depreciable capital assets, net	85,617,944
Capital assets, net	87,122,498
Total assets	240,034,528
Deferred outflows of resources:	
Unamortized deferred charges on debt refunding	1,628,366
Pension	13,656,431
OPEB	1,206,411
Total deferred outflows of resources	16,491,208
Liabilities:	
Accounts payable	209,508
Accrued wages and benefits payable	6,225,595
Intergovernmental payable	161,148
Pension and postemployment benefits payable	971,186
Accrued interest payable	319,837
Unearned revenue	5,826
Claims payable	753,214
Long-term liabilities:	
Due within one year	3,168,218
Due in more than one year:	
Net pension liability	62,721,258
Net OPEB liability	3,474,995
Other amounts due in more than one year	140,234,813
Total liabilities	218,245,598
Deferred inflows of resources:	
Property taxes levied for the next fiscal year	43,783,446
Pension	8,087,823
OPEB	9,372,315
Total deferred inflows of resources	61,243,584
Net position:	
Net investment in capital assets	16,805,403
Restricted for:	
Capital projects	5,363,799
OPEB	1,105,385
Classroom facilities maintenance	2,840,415
Debt service	3,028,476
State funded programs	238,946
Food service operations	1,474,961
Student activities	348,283
Other purposes	6,142
Unrestricted (deficit)	(54,175,256)
Total net position	$ (22,963,446)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction:					
Regular	$ 26,169,234	$ 673,893	$ 159,873	$ -	$ (25,335,468)
Special	12,168,981	164,961	2,395,247	-	(9,608,773)
Vocational	129,123	-	-	-	(129,123)
Other	588,182	-	485,239	-	(102,943)
Support services:					
Pupil	4,596,608	-	706,423	-	(3,890,185)
Instructional staff	2,103,887	-	403,972	-	(1,699,915)
Board of education	75,911	-	-	-	(75,911)
Administration	3,641,443	49	23,866	-	(3,617,528)
Fiscal	1,551,941	-	-	-	(1,551,941)
Business	301,221	-	-	-	(301,221)
Operations and maintenance	5,091,686	-	62,861	-	(5,028,825)
Pupil transportation	2,766,155	-	428,659	45,000	(2,292,496)
Central	716,642	-	13,520	-	(703,122)
Operation of non-instructional services:					
Food service operations	1,387,494	564,661	1,107,977	-	285,144
Other non-instructional services	279,209	-	222,272	-	(56,937)
Extracurricular activities	2,061,166	423,667	37,458	-	(1,600,041)
Interest and fiscal charges	3,668,068	-	-	-	(3,668,068)
Totals	$ 67,296,951	$ 1,827,231	$ 6,047,367	$ 45,000	(59,377,353)

General revenues:	
Property taxes levied for:	
General purposes	45,002,449
Debt service	6,162,500
Capital outlay	671,074
Classroom facilities maintenance	441,170
Payments in lieu of taxes	1,370,407
Grants and entitlements not restricted to specific programs	12,001,780
Investment earnings	571,256
Miscellaneous	423,266
Total general revenues	66,643,902
Special item - gain on sale of buildings	3,843,322
Total general revenues and special item	70,487,224
Change in net position	11,109,871
Net position at beginning of year (restated)	(34,073,317)
Net position at end of year	$ (22,963,446)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Equity in pooled cash				
and cash equivalents	$ 16,615,689	$ 57,844,123	$ 19,335,517	$ 93,795,329
Receivables:				
Property taxes	44,279,708	-	5,798,176	50,077,884
Accounts	6,761	-	18,235	24,996
Accrued interest	20,298	202,783	5,421	228,502
Interfund loans	45,000	-	-	45,000
Intergovernmental	150	-	461,386	461,536
Prepayments	61,690	-	-	61,690
Due from other funds	260,077	-	-	260,077
Restricted assets:				
Equity in pooled cash				
and cash equivalents	223,073	-	-	223,073
Total assets	$ 61,512,446	$ 58,046,906	$ 25,618,735	$ 145,178,087
Liabilities:				
Accounts payable	$ 38,419	$ 3,590	$ 167,334	$ 209,343
Accrued wages and benefits payable	5,903,756	-	298,146	6,201,902
Compensated absences payable	647,277	-	-	647,277
Intergovernmental payable	136,006	-	25,142	161,148
Pension and postemployment benefits payable	912,265	-	58,921	971,186
Interfund loans payable	-	-	45,000	45,000
Due to other funds	-	-	260,077	260,077
Unearned revenue	-	-	5,826	5,826
Total liabilities	7,637,723	3,590	860,446	8,501,759
Deferred inflows of resources:				
Property taxes levied for the next fiscal year	38,725,898	-	5,057,548	43,783,446
Delinquent property tax revenue not available	1,569,711	-	205,544	1,775,255
Intergovernmental revenue not available	-	-	165,100	165,100
Accrued interest not available	5,434	202,783	127	208,344
Total deferred inflows of resources	40,301,043	202,783	5,428,319	45,932,145
Fund balances:				
Nonspendable:				
Prepaids	61,690	-	-	61,690
Unclaimed monies	6,142	-	-	6,142
Restricted:				
Debt service	-	-	8,897,145	8,897,145
Capital projects	-	57,840,533	5,293,297	63,133,830
Classroom facilities maintenance	-	-	2,826,153	2,826,153
Food service operations	-	-	1,523,141	1,523,141
State funded programs	-	-	238,946	238,946
Extracurricular	-	-	348,283	348,283
Committed:				
Capital projects	-	-	500,000	500,000
Termination benefits	423,901	-	-	423,901
Assigned:				
Student instruction	391,376	-	-	391,376
Student and staff support	1,032,068	-	-	1,032,068
Extracurricular activities	8,000	-	-	8,000
Facilities acquisition and construction	268,125	-	-	268,125
Subsequent year's appropriations	3,744,683	-	-	3,744,683
Other purposes	417,333	-	-	417,333
Unassigned (deficit)	7,220,362	-	(296,995)	6,923,367
Total fund balances	13,573,680	57,840,533	19,329,970	90,744,183
Total liabilities, deferred inflows and fund balances	$ 61,512,446	$ 58,046,906	$ 25,618,735	$ 145,178,087

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

Total governmental fund balances		$ 90,744,183
Amounts reported for governmental activities on the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		87,122,498
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred inflows in the funds.		
Property taxes receivable	$ 1,775,255	
Accrued interest receivable	208,344	
Intergovernmental receivable	165,100	
Total		2,148,699
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net position.		1,476,340
Unamortized premiums and discounts on bonds issued are not recognized in the funds.		(9,577,868)
Unamortized amounts on refundings are not recognized in the funds.		1,628,366
Accrued interest payable is not due and payable in the current period and therefore is not reported in the funds.		(319,837)
The net pension/OPEB assets & liabilities are not due and payable in the current period; therefore, the assets, liabilities and related deferred inflows/outflows are not reported in governmental funds.		
Deferred outflows - pension	13,656,431	
Deferred inflows - pension	(8,087,823)	
Net pension liability	(62,721,258)	
Deferred outflows - OPEB	1,206,411	
Deferred inflows - OPEB	(9,372,315)	
Net OPEB asset	5,785,608	
Net OPEB liability	(3,474,995)	
Total		(63,007,941)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	(125,739,636)	
Leases payable	(272,327)	
SBITAs payable	(73,046)	
Compensated absences	(7,092,877)	
Total		(133,177,886)
Net position of governmental activities		$ (22,963,446)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Building	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 44,244,638	$ -	$ 7,179,900	$ 51,424,538
Intergovernmental	13,445,560	-	4,350,176	17,795,736
Investment earnings	429,235	(189,478)	203,147	442,904
Tuition and fees	797,819	-	-	797,819
Extracurricular	52,242	-	412,509	464,751
Charges for services	-	-	564,661	564,661
Contributions and donations	23,687	-	16,793	40,480
Payment in lieu of taxes	1,370,407	-	-	1,370,407
Miscellaneous	399,579	-	45,141	444,720
Total revenues	60,763,167	(189,478)	12,772,327	73,346,016
Expenditures:				
Current:				
Instruction:				
Regular	24,569,868	-	230,904	24,800,772
Special	11,098,916	-	1,208,568	12,307,484
Vocational	225,229	-	-	225,229
Other	116,059	-	479,588	595,647
Support services:				
Pupil	4,289,558	-	474,757	4,764,315
Instructional staff	1,638,998	-	611,852	2,250,850
Board of education	75,537	-	-	75,537
Administration	3,786,134	-	23,782	3,809,916
Fiscal	1,542,742	-	2,363	1,545,105
Business	225,913	-	33,101	259,014
Operations and maintenance	3,592,294	-	367,924	3,960,218
Pupil transportation	2,663,193	-	64,728	2,727,921
Central	717,882	-	21,759	739,641
Operation of non-instructional services:				
Food service operations	-	-	1,312,845	1,312,845
Other non-instructional services	47,278	-	250,306	297,584
Extracurricular activities	1,244,408	-	397,813	1,642,221
Facilities acquisition and construction	-	38,292	553,118	591,410
Capital outlay	304,885	-	19,589	324,474
Debt service:				
Principal retirement	398,004	-	1,658,378	2,056,382
Interest and fiscal charges	17,792	-	2,489,234	2,507,026
Bond issuance costs	-	-	592,021	592,021
Total expenditures	56,554,690	38,292	10,792,630	67,385,612
Excess of revenues over (under) expenditures	4,208,477	(227,770)	1,979,697	5,960,404
Other financing sources (uses):				
Premium on bonds	-	-	3,656,030	3,656,030
Issuance of bonds	-	58,000,000	-	58,000,000
Transfers in	-	-	500,000	500,000
Transfers (out)	-	-	(500,000)	(500,000)
Lease transaction	304,885	-	-	304,885
Discount on bonds	-	-	(667,728)	(667,728)
SBITA transaction	-	-	19,589	19,589
Total other financing sources (uses)	304,885	58,000,000	3,007,891	61,312,776
Special item - sale of buildings	-	-	4,000,000	4,000,000
Net change in fund balances	4,513,362	57,772,230	8,987,588	71,273,180
Fund balances at beginning of year	9,060,318	68,303	10,342,382	19,471,003
Fund balances at end of year	$ 13,573,680	$ 57,840,533	$ 19,329,970	$ 90,744,183

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds		$ 71,273,180
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.		
Capital asset additions	$ 896,207	
Current year depreciation	(3,996,025)	
Total		(3,099,818)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, disposals, trade-ins, and donations) is to decrease net position.		(382,059)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	852,655	
Earnings on investments	208,344	
Intergovernmental	165,100	
Total		1,226,099
Repayment of bond, lease and SBITA principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position.		2,056,382
Issuance of bonds, leases and SBITAs are recorded as other financing sources in the funds; however, in the statement of activities, they are not reported as other financing sources as they increase liabilities on the statement of net position.		(58,324,474)
Premiums on bonds are amortized over the life of the issuance in the statement of activities		(2,988,302)
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The following items resulted in additional interest being reported in the statement of activities:		
Change in accrued interest payable	35,163	
Accreted interest on capital appreciation bonds	(788,373)	
Amortization of bond premiums	261,458	
Amortization of bond discounts	(1,531)	
Amortization of deferred charges	(75,738)	
Total		(569,021)
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.		
Pension		4,690,692
OPEB		157,175
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension		(4,626,960)
OPEB		1,459,257
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		1,201,494
An internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.		(963,774)
Change in net position of governmental activities		$ 11,109,871

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:				
Property taxes	$ 33,373,734	$ 33,382,581	$ 43,207,682	$ 9,825,101
Intergovernmental	10,560,170	10,562,847	13,487,299	2,924,452
Investment earnings	447,241	447,354	571,210	123,856
Tuition and fees	621,636	621,793	793,944	172,151
Extracurricular	8,775	8,777	11,207	2,430
Payment in lieu of taxes	1,529,638	1,529,638	1,370,407	(159,231)
Miscellaneous	120,175	120,206	153,486	33,280
Total revenues	46,661,369	46,673,196	59,595,235	12,922,039
Expenditures:				
Current:				
Instruction:				
Regular	23,074,166	24,521,022	23,904,285	616,737
Special	10,752,059	10,428,045	11,056,981	(628,936)
Vocational	310,759	380,578	290,501	90,077
Other	18,845	100,686	123,379	(22,693)
Support services:				
Pupil	5,152,674	4,834,594	4,255,369	579,225
Instructional staff	1,655,603	1,568,934	1,617,163	(48,229)
Board of education	81,942	116,110	92,653	23,457
Administration	4,112,537	3,992,759	3,961,816	30,943
Fiscal	3,618,861	2,005,178	1,610,841	394,337
Business	495,274	427,432	394,708	32,724
Operations and maintenance	3,856,733	4,078,937	3,915,315	163,622
Pupil transportation	3,236,219	3,242,695	3,035,874	206,821
Central	837,198	914,470	903,616	10,854
Operation of non-instructional services				
Other non-instructional services	603	577	2,590	(2,013)
Extracurricular activities	1,279,599	1,244,053	1,288,568	(44,515)
Facilities acquisition and construction	-	268,125	268,125	-
Debt service:				
Principal	295,000	295,000	295,000	-
Interest and fiscal charges	14,771	15,475	14,771	704
Total expenditures	58,792,843	58,434,670	57,031,555	1,403,115
Excess (deficiency) of revenues over (under) expenditures	(12,131,474)	(11,761,474)	2,563,680	14,325,154
Other financing sources (uses):				
Transfers (out)	(616,000)	(691,000)	(691,000)	-
Advances in	-	-	340,000	340,000
Advances (out)	-	(295,000)	(295,000)	-
Total other financing sources (uses)	(616,000)	(986,000)	(646,000)	340,000
Net change in fund balance	(12,747,474)	(12,747,474)	1,917,680	14,665,154
Fund balance at beginning of year	11,603,572	11,603,572	11,603,572	-
Prior year encumbrances appropriated	1,143,902	1,143,902	1,143,902	-
Fund balance at end of year	$ -	$ -	$ 14,665,154	$ 14,665,154

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023

		Governmental Activities - Internal Service Funds
Assets:		
Current assets:		
Equity in pooled cash and cash equivalents	$	2,242,153
Receivables:		
Accounts		2,669
Accrued interest		8,590
Total assets		2,253,412
Liabilities:		
Current liabilities:		
Accrued wages and benefits		23,858
Claims payable		753,214
Total liabilities		777,072
Net position:		
Unrestricted		1,476,340
Total net position	$	1,476,340

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds
Operating revenues:	
Charges for services	$ 11,810,188
Operating expenses:	
Personal services	216,940
Purchased services	94,559
Claims	12,453,848
Total operating expenses	12,765,347
Operating loss	(955,159)
Nonoperating revenues:	
Interest revenue	(8,615)
Change in net position	(963,774)
Net position at beginning of year	2,440,114
Net position at end of year	$ 1,476,340

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Governmental Activities - Internal Service Funds
Cash flows from operating activities:	
Cash received from interfund services	$ 11,777,678
Cash payments for personal services	(195,714)
Cash payments for purchased services	(94,559)
Cash payments for claims	(12,666,034)
Net cash used in operating activities	(1,178,629)
Cash flows from investing activities:	
Interest received and fair value adjustment	48,378
Fair value adjustment	(65,583)
Net cash used in investing activities	(17,205)
Net change in cash and cash cash equivalents	(1,195,834)
Cash and cash equivalents at beginning of year	3,437,987
Cash and cash equivalents at end of year	$ 2,242,153
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (955,159)
Changes in assets and liabilities:	
Accounts receivable	(2,669)
Accrued wages and benefits	(8,615)
Claims payable	(212,186)
Net cash used in operating activities	$ (1,178,629)

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Custodial
Deductions:	
Other custodial fund disbursements	$ 1,368
Total deductions	1,368
Change in net position	(1,368)
Net position at beginning of year	1,368
Net position at end of year	$ -

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT

The North Olmsted City School District (the "District") was established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is a city school district as defined by Section 3311.03 of the Ohio Revised Code. The District operates under an elected Board of Education consisting of five members and is responsible for providing public education to residents of the District. Average daily membership on, or as of, October 1, 2022 was 3,501. The District employs 309 certificated and 286 non-certificated employees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The reporting entity is composed of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student related activities of the District.

Within the District boundaries, there are various nonpublic schools. Current State legislation provides funding to these nonpublic schools. These monies are received and disbursed by the District on behalf of the nonpublic schools by the Treasurer of the District, as directed by the nonpublic schools. These transactions are reported as a governmental activity of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organizations' governing board and, 1) the District is able to significantly influence the programs or services performed or provided by the organization; or 2) the District is legally entitled to or can otherwise access the organizations' resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provided financial support to the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

The District is associated with the Polaris Career Center, the North Olmsted City Schools Education Foundation, the Ohio Schools Council, and the Northern Buckeye Education Council, which are considered to be jointly governed organizations. The District also participates in a public risk pool managed by the Ohio Association of School Business Officials Workers' Compensation Group Rating Program. The District also participates in the Great Lakes Regional Council of Governments which is considered to be an insurance purchasing pool. These organizations and their relationships with the District are described in more detail in Notes 10 and 15 of these financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

B. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

Building Fund - The Building Fund is used to account for revenues and expenditures related to all special bond funds in the District.

The other governmental funds of the District (a) are used to account for and report proceeds of specific revenue sources that are rested or committed to expenditures for specific purpose other than debt service or capital projects and (b) used to account and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

PROPRIETARY FUNDS

The proprietary fund focuses on the determination of the changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the District has no enterprise funds.

Internal Service Fund - The Internal Service Funds accounts for the financing of services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. The District's internal service funds account for revenue received from other funds and the settlement expenses for medical, surgical, prescription drug, and dental claims of District employees.

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The District's custodial fund accounts for the collections of fees to be distributed to the Ohio High School Athletic Association for athletic tournaments.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

C. Basis of Presentation

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

Government-wide Financial Statements - The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. However, internal fund services provided and used are not eliminated in the process of consolidation.

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

During the year, the District segregates transactions related to certain 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 District at this more detailed level. The focus of governmental financial statements is on major funds rather than reporting funds by type. The major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

D. 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 along with all liabilities and deferred inflows of resources associated with the operation of the District are included on the Statement of Net Position. The Statement of Activities presents increases (revenues) and decreases (expenses) in the 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 along with current liabilities and deferred inflows of resources 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources along with all liabilities and deferred inflows of resources associated with the operation of this fund are included on the statement of net position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus. The statement of revenues, expenses and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activity. Fiduciary funds present a statement of changes in fiduciary net position which reports additions to and deductions from custodial funds.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and the fiduciary funds also use the 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 Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Outflows of Resources and Deferred Inflows of Resources - In addition to assets, the government-wide statement of net position will 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. See Notes 11 and 12 for deferred outflows of resources related to net pension liability and net OPEB liability/asset, respectively. In addition, deferred outflows of resources include a deferred charge on debt refunding. 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

In addition to liabilities, both the government-wide statement of net position and the governmental fund financial statements report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow of resources on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. Unavailable revenue includes, but is not limited to, delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

See Notes 11 and 12 for deferred inflows of resources related to net pension liability and net OPEB liability/asset, respectively. These deferred inflows of resources are only reported on the government-wide statement of net position.

Expenditures/Expenses - On the accrual basis of accounting, expenses are recognized at the time they are incurred. 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.

F. Budgetary Process

All funds, other than custodial 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 amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds. The Treasurer has been authorized to allocate appropriations to the function and object level 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 District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate that were in effect at the time the final appropriations were passed by the Board of Education.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. Cash and Investments

Cash received by the District is deposited in one central bank account with individual fund balance integrity maintained through District records. Monies for all funds are maintained in this account or temporarily transferred to the State Treasurer's investment pool (STAR Ohio) or other short term investments. Following Ohio statutes, the Board of Education has, by resolution, identified the funds to receive an allocation of interest earnings. During fiscal year 2023, interest revenue credited to the General Fund amounted to $429,235, none of which was assigned from other funds.

Except for investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase, investments are reported at fair value, which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

Investments with an original maturity of three months or less at the time of purchase are considered to be cash equivalents.

Investments were limited to commercial paper, Federal Agriculture Mortgage Corporation (FAMC) securities, Federal Farm Credit Bank (FFCB) securities, Federal Home Loan Bank (FHLB) securities, Federal Home Loan Bank Discount Notes (FHLB DN) securities, Federal Home Loan Mortgage Corporation (FHLMC) securities, Federal National Mortgage Association (FNMA) securities, U.S. government money market mutual funds, U.S. treasury notes and investments in the State Treasury Asset Reserve of Ohio (STAR Ohio).

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

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

H. Inventory

Inventories are presented on a first-in, first-out basis and are expended/expensed when used. Inventories of supplies are reported at cost, whereas inventories held for resale are reported at the lower of cost or market. The District did not have any inventory at year-end.

I. Prepaid Expenses

Payments made to vendors for services that will benefit periods beyond the current year-end are recorded as prepaid expenses using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. The District did not have any prepaid expenses at year-end.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

J. 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 laws of other government or imposed by enabling legislation. Restricted assets include the amount required by State statute to be set aside to create a reserve for budget stabilization.

K. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. 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 on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at acquisition values as of the date received. The District maintains a capitalization threshold of $ 2,500. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. The majority of capital outlay is made from the Permanent Improvements Fund. Actual amounts capitalized for reporting purposes may differ due to the capitalization policy.

All reported capital assets, other than land and construction in progress, are depreciated/amortized. Improvements are depreciated/amortized over the remaining useful lives of the related capital assets. Depreciation/amortization is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land improvements	25 - 30 years
Buildings	60 - 80 years
Building improvements	25 years
Furniture, fixtures and equipment	5 - 15 years
Vehicles	10 - 15 years
Leased assets	5 years
SBITA assets	5 years

The District is reporting intangible right to use assets related to leases and Subscription Based Information Technology Arrangements (SBITAs). The intangible assets are being amortized in a systematic and rational manner of the shorter of the lease/subscription term or the useful life of the underlying asset.

L. 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 column of the statement of net position.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

M. Compensated Absences

Vacation benefits are accrued as a liability in the government wide financial statements as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued in the government wide financial statements as a liability using the vesting method. The liability is based on an estimate of the amount of accumulated sick leave that will be paid as a termination benefit. The liability includes employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the District's termination policy.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences 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. Net pension/OPEB liability 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.

O. Net Position

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

P. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the 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. It also includes the long-term amount of loans receivable, as well as property acquired for resale, unless the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned.

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 District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the District Board of Education.

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 resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which 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.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the District, these revenues are charges for services for the self-insurance program. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of this fund. Revenues and expenses not meeting those definitions are reported as nonoperating.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

R. 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.

S. Interfund Transactions

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.

T. Estimates

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

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. During fiscal year 2023, the District sold Spruce and Forest Elementary Schools for $4,000,000. This amount is reported as a special item on the statement of revenues, expenditures and changes in fund balances - governmental funds. On the statement of activities, the District reported a special item - gain on sale of buildings of $3,843,322.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Change in Accounting Principles/Restatement of Net Position

For fiscal year 2023, the District has implemented GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the District.

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

These changes were incorporated in the District's fiscal year 2023 financial statements. The District recognized $121,835 in governmental activities in subscriptions payable at July 1, 2022; however, this entire amount was offset by the intangible asset, right to use subscription assets.

A net position restatement is required in order implement GASB Statement No. 96. The governmental activities have been restated as follows:

	Governmental Activities
Net position as previously reported	$ (34,425,955)
SBITAs	352,638
Restated net position at July 1, 2022	$ (34,073,317)

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the District.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the District.

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)

B. Deficit Fund Balances

Fund balances at June 30, 2023 included the following individual fund deficits:

Nonmajor funds	Deficit
Auxilary	$ 232
ESSER	111,003
Title III	3,750
Title I	50,063
Early Childhood Special Education	284
Miscellaneous federal grants	131,663

The general fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations, and changes in fund balances 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 Balances - Budget (Non-GAAP Budgetary 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 statements are the following:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

	General fund
Budget basis	$ 1,917,680
Net adjustment for revenue accruals	854,179
Net adjustment for expenditure accruals	365,274
Net adjustment for other sources/uses	259,885
Funds budgeted elsewhere	109,064
Adjustment for encumbrances	1,007,280
GAAP basis	$ 4,513,362

** As part of Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting”, certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund on a GAAP basis.

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

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

Inactive deposits are public deposits the Board of Education 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.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Interim monies may be 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, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

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

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

7. Commercial paper and bankers' acceptances (if authorized by the Board of Education), and

8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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 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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

A. Deposits with Financial Institutions

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk. At fiscal year end, the carrying amount of the District's deposits was $1,424,057 and the bank balance was $2,143,336. Of the bank balance, $444,109 was covered by federal depository insurance and $1,699,227 was uninsured.

At fiscal year end, the District had $5,392 in cash on hand which is included on the balance sheet of the District as part of "Equity in pooled cash".

B. Investments

As of June 30, 2023, the District had the following investments:

		Investment Maturities				
Measurement/ Investment type	Measurement Value	6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 months
Fair Value:						
Commercial paper	$ 26,878,234	$ 12,178,987	$ 14,699,247	$ -	$ -	$ -
FAMC	261,397	-	-	-	-	261,397
FFCB	7,994,416	444,857	2,194,443	358,874	793,827	4,202,415
FHLB	7,352,044	-	1,896,358	2,361,510	2,690,080	404,096
FHLB DN	2,688,144	2,557,039	131,105	-	-	-
FHLMC	2,040,054	171,458	-	-	46,381	1,822,215
FNMA	469,363	244,885	-	-	-	224,478
Negotiable CDs	2,528,212	742,277	1,214,290	238,017	-	333,628
US Treasury notes	22,897,836	715,966	4,575,248	11,790,528	5,816,094	-
US Government money market	2,838,338	2,838,338	-	-	-	-
Amortized Cost:						
STAR Ohio	18,883,068	18,883,068	-	-	-	-
Total	$ 94,831,106	$ 38,776,875	$ 24,710,691	$ 14,748,929	$ 9,346,382	$ 7,248,229

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above table identifies the District's recurring fair value measurements as of June 30, 2023. STAR Ohio is reported at its share price. All other investments of the District are valued using quoted market prices (Level 1 inputs).

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Interest Rate Risk: The District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, unless matched to a specific obligation or debt of the District. The Treasurer cannot make investments which he does not reasonably believe can be held until the maturity date.

Credit Risk: The District's investment policy limits investments to those authorized by State statute. The District has no investment policy that addresses credit risk.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investment policy dealing with investment custodial credit risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk: The District places no limit on the amount it may invest in any one issuer except for commercial paper and bankers' acceptances. The following table includes the percentage of each investment type held by the District at June 30, 2023:

Measurement/Investment type	Measurement Value	% of total
Fair value:		
Commercial paper	$ 26,878,234	28.34
FAMC	261,397	0.28
FFCB	7,994,416	8.43
FHLB	7,352,044	7.75
FHLB DN	2,688,144	2.83
FHLMC	2,040,054	2.15
FNMA	469,363	0.49
Negotiable CDs	2,528,212	2.67
U.S. Treasury Note	22,897,836	24.15
U.S. Government Money Market	2,838,338	2.99
Amortized cost:		
STAR Ohio	18,883,068	19.92
Total	$ 94,831,106	100.00

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

C. Reconciliation of Cash and Investments to the Statement of Net Position

The following is a reconciliation of cash and investments as reported in the note above to cash and investments as reported on the statement of net position as of June 30, 2023:

Cash and investments per note	
Cash on hand	$ 5,392
Carrying amount of deposits	1,424,057
Investments	94,831,106
Total	$ 96,260,555

Cash and investments per statement of net position	
Governmental activities	$ 96,260,555

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the 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, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 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 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 2021 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 District receives property taxes from Cuyahoga County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 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, public utility property and tangible personal 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 late settlement of tangible personal property taxes and 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.

NOTE 6 - PROPERTY TAXES - (Continued)

The amount available as an advance at June 30, 2023, was $3,984,099 in the General Fund, $425,680 in the Debt Service Fund, $36,468 in the Classroom Facilities Fund, and $72,936 in the Permanent Improvements Fund. The amount available as an advance at June 30, 2022, was $2,947,143 in the General Fund, $28,261 in the Classroom Facilities Fund, $314,887 in the Debt Service Fund and $80,929 in the Permanent Improvements Fund.

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

The assessed values upon which fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/residential, commercial and other	$ 946,884,550	97.75	$ 960,997,230	97.48
Public utility personal	21,839,210	2.25	24,824,820	2.52
Total	$ 968,723,760	100.00	$ 985,822,050	100.00
Tax rate per $1,000 of assessed valuation	$ 96.50		$103.80	

NOTE 7 - RECEIVABLES

Receivables at June 30, 2023, consisted of property taxes, accounts, interfund and due from other governments. All receivables are considered substantially 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 are expected to be collected within one year.

NOTE 8 - CAPITAL ASSETS

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the District has reported capital assets for the right to use SBITA assets which are reflected below. Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Restated Balance 06/30/22	Additions	Deductions	Balance 06/30/23
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 1,504,554	$ -	$ -	$ 1,504,554
Total capital assets, not being depreciated/amortized	1,504,554	-	-	1,504,554
Capital assets, being depreciated/amortized:				
Land improvements	12,456,682	-	(43,228)	12,413,454
Buildings and improvements	85,527,847	44,027	(2,007,871)	83,564,003
Furniture and equipment	10,774,864	343,121	(235,447)	10,882,538
Vehicles	3,520,600	184,585	(148,875)	3,556,310
Intangible right to use, leased assets	150,141	304,885	(150,141)	304,885
Intangible right to use, SBITAs	474,473	19,589	-	494,062
Total capital assets, being depreciated/amortized	112,904,607	896,207	(2,585,562)	111,215,252
Less: accumulated depreciation/amortized:				
Land improvements	(2,036,202)	(479,406)	42,894	(2,472,714)
Buildings and improvements	(13,981,258)	(1,801,891)	1,724,428	(14,058,721)
Furniture and equipment	(5,269,335)	(1,360,631)	207,674	(6,422,292)
Vehicles	(2,435,413)	(197,903)	145,929	(2,487,387)
Intangible right to use, leased assets	(82,578)	(20,326)	82,578	(20,326)
Intangible right to use, SBITAs	-	(135,868)	-	(135,868)
Total accumulated depreciation/amortized	(23,804,786)	(3,996,025)	2,203,503	(25,597,308)
Governmental activities capital assets, net	$ 90,604,375	$ (3,099,818)	$ (382,059)	$ 87,122,498

Depreciation/amortization expense charged to governmental functions as follows:

Instruction:	
Regular	$ 2,366,814
Special	67,738
Support services:	
Pupil	534
Instructional staff	49,960
Board of Education	1,179
Administration	140,487
Business	89,396
Operations and maintenance	562,144
Pupil transportation	167,982
Central services	2,658
Operation of non-instructional services:	851
Food service	75,968
Extracurricular activities	470,314
Total depreciation expense	$ 3,996,025

NOTE 9 - RETIREMENT INCENTIVE PLAN

The District offered an employee severance plan during the 2020-2021 school year. In order for employees to be eligible to participate, they needed to retire with STRS/SERS, make $ 95,000 or more, or have ten years or more years of service with the District. The employee did not have to retire, they could resign, however they needed to do so by June 30, 2021 or July 31, 2021 depending on their classification. Employees who elected to participate in the plan will receive payments into a District sponsored 403-B plan as an employer contribution. The payments will begin 60 days after their service ended and will be spread equally over five years. Employees who retired would receive their severance this same way. Employees who resigned were not eligible for severance. The District worked with a third-party administrator to facilitate this plan. The District will fund these payments over the next three years to the third-party administrator, even though employees are receiving the payments over five years. As of June 30, 2023 the District's liability related to this retirement incentive plan was $412,874.

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The District is exposed to various risks of loss related to torts, theft, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. Currently the District contracts with Schools of Ohio Risk Sharing Authority (SORSA) for property, liability and auto insurance. General liability coverage is $1 million per occurrence, $2 million aggregate with a $5 million supplemental umbrella policy. Automobile liability coverage is $1 million for each occurrence with a $5 million supplemental umbrella policy. Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant reductions in coverage from prior years. Position bonds of $75,000 are maintained for the Superintendent and Board President and $100,000 for the Treasurer from Ohio Casualty Insurance Company. The District provides life insurance, offers disability and accidental death and dismemberment insurance to its employees, through Unum Life Insurance Company.

B. Worker's Compensation

The District participated in the Ohio Association of School Business Officials Workers' Compensation Group Retrospective Rating Program (GRRP), an insurance purchasing pool. The intent of the GRRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRRP. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the GRRP. Participation in the GRRP is limited to school districts that can meet the GRRP's selection criteria.

C. Employee Medical Benefits

The District provides employee medical, surgical, prescription drug and dental benefits through a self-insurance program administered by Great Lakes Regional Council of Governments. The District limits its liability for medical and surgical claims by maintaining a specific stop-loss threshold of $160,000.

The claim liability of $753,214 reported at June 30, 2023 was estimated by Medical Mutual of Ohio and is based on the requirements of Governmental Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs related to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

NOTE 10 - RISK MANAGEMENT - (Continued)

Changes in the balance of claims liability during the year ended June 30, 2023 and 2022 are summarized below. Incurred claims and claims payments are not segregated between current and prior years' claims due to the impracticability of obtaining such information.

Fiscal Year	Beginning Balance	Claims Incurred	Claims Payments	Ending Balance
2023	$ 965,400	$ 12,453,848	$ (12,666,034)	$ 753,214
2022	916,500	12,571,190	(12,522,290)	965,400

NOTE 11 - 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 represents a liability or asset to employees for pensions and OPEB, respectively.

Pensions and OPEB are a component of exchange transactions–between an employer and its employees–of salaries and benefits for employee services. Pensions/OPEB are provided to an employee–on a deferred-payment basis–as part of the total compensation package offered by an employer for employee services each financial period. The 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) represent the District's proportionate share of each pension/OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension/OPEB plan's fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

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

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

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

Plan Description - School Employees Retirement System (SERS)

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

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire after August 1, 2017
Full benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially reduced benefits	Age 60 with 5 years of service credit; or 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% for the first thirty years of service and 2.5% 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. Beginning April 1, 2018, 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. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5% and with a floor of 0%. In 2022, the Board of Trustees approved a 2.5% cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2023.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Funding Policy - Plan members are required to contribute 10.00% of their annual covered salary and the District is required to contribute 14.00% 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 10.00% for plan members and 14.00% 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, 2023, the allocation to pension, death benefits, and Medicare B was 14.00%. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The District's contractually required contribution to SERS was $818,712 for fiscal year 2023. Of this amount, $818,712 is reported as pension and postemployment benefits payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description - Licensed teachers participate in STRS, a cost-sharing multiple-employer public employee retirement 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 website 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 (CO) 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 2.20% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 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, 2023 when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit regardless of age.

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% 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% of the 14% member rate goes to the DC Plan and the remaining 2% 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 after termination of employment at age 50 and after termination of employment.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2023 employer and employee contribution rate of 14% was equal to the statutory maximum rates. For fiscal year 2023, the full employer contribution was allocated to pension.

The District's contractually required contribution to STRS was $3,871,980 for fiscal year 2023. Of this amount, $698,220 is reported as pension and postemployment benefits 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, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.

Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportion of the net pension liability prior measurement date	0.253308600%	0.229691982%	
Proportion of the net pension liability current measurement date	0.241278700%	0.223440160%	
Change in proportionate share	-0.012029900%	-0.006251822%	
Proportionate share of the net pension liability	$ 13,050,229	$ 49,671,029	$ 62,721,258
Pension expense	$ 292,176	$ 4,334,784	$ 4,626,960

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 528,545	$ 635,855	$ 1,164,400
Net difference between projected and actual earnings on pension plan investments	-	1,728,440	1,728,440
Changes of assumptions	128,770	5,944,129	6,072,899
Contributions subsequent to the measurement date	818,712	3,871,980	4,690,692
Total deferred outflows of resources	$ 1,476,027	$ 12,180,404	$ 13,656,431

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 85,672	$ 190,009	$ 275,681
Net difference between projected and actual earnings on pension plan investments	455,395	-	455,395
Changes of assumptions	-	4,474,221	4,474,221
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	492,925	2,389,601	2,882,526
Total deferred inflows of resources	$ 1,033,992	$ 7,053,831	$ 8,087,823

$4,690,692 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (327,708)	$ (2,361,091)	$ (2,688,799)
2025	(185,046)	(2,495,177)	(2,680,223)
2026	(43,966)	(3,400,806)	(3,444,772)
2027	180,043	9,511,667	9,691,710
Total	$ (376,677)	$ 1,254,593	$ 877,916

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Actuarial Assumptions - SERS

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

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

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, 2022, are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
COLA or ad hoc COLA:	
Current measurement date	2.00%
Prior measurement date	2.00%
Investment rate of return:	
Current measurement date	7.00% net of system expenses
Prior measurement date	7.00% net of system expenses
Discount rate:	
Current measurement date	7.00%
Prior measurement date	7.00%
Actuarial cost method	Entry age normal (level percent of payroll)

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% 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% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

In the prior measurement date, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% 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% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

The long-term return expectation for the Pension Plan Investments has been determined 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 a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate - The total pension liability was calculated using the discount rate of 7.00%. 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%). 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 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%, 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%), or one percentage point higher (8.00%) than the current rate.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 19,209,314	$ 13,050,229	$ 7,861,283

Actuarial Assumptions - STRS

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

	June 30, 2022	June 30, 2021
Inflation	2.50%	2.50%
Projected salary increases	Varies by service from 2.50% to 8.50%	12.50% at age 20 to 2.50% at age 65
Investment rate of return	7.00%, net of investment expenses, including inflation	7.00%, net of investment expenses, including inflation
Discount rate of return	7.00%	7.00%
Payroll increases	3.00%	3.00%
Cost-of-living adjustments (COLA)	0.00%	0.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

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

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 the rates described previously. 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 Ohio's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following table represents the net pension liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net pension liability	$ 75,034,842	$ 49,671,029	$ 28,221,096

Changes Between Measurement Date and Reporting Date - STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

NOTE 12 - DEFINED BENEFIT OPEB PLANS

Net OPEB Liability/Asset

See Note 11 for a description of the net OPEB liability (asset).

Plan Description - School Employees Retirement System (SERS)

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

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% of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2023, SERS did not allocate any employer contributions to post-employment 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 2023, this amount was $25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the District's surcharge obligation was $157,175.

The surcharge added to the allocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was $157,175 for fiscal year 2023. Of this amount, $157,175 is reported pension and postemployment benefits payable.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liabilities/Assets, 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, 2022, and the total OPEB liability/asset used to calculate the net OPEB liability/asset was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability/asset was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	Total
Proportion of the net OPEB liability/asset prior measurement date	0.261925500%	0.229691982%	
Proportion of the net OPEB liability/asset current measurement date	0.247504900%	0.223440160%	
Change in proportionate share	-0.014420600%	-0.006251822%	
Proportionate share of the net OPEB liability	$ 3,474,995	$ -	$ 3,474,995
Proportionate share of the net OPEB asset	$ -	$ (5,785,608)	$ (5,785,608)
OPEB expense	$ (353,613)	$ (1,105,644)	$ (1,459,257)

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	SERS	STRS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 29,213	$ 83,876	$ 113,089
Net difference between projected and actual earnings on OPEB plan investments	18,060	100,714	118,774
Changes of assumptions	552,742	246,445	799,187
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	236	17,950	18,186
Contributions subsequent to the measurement date	157,175	-	157,175
Total deferred outflows of resources	$ 757,426	$ 448,985	$ 1,206,411

	SERS	STRS	Total
Deferred inflows of resources			
Differences between expected and actual experience	$ 2,222,863	$ 868,899	$ 3,091,762
Changes of assumptions	1,426,511	4,102,561	5,529,072
Difference between employer contributions and proportionate share of contributions/ change in proportionate share	593,733	157,748	751,481
Total deferred inflows of resources	$ 4,243,107	$ 5,129,208	$ 9,372,315

$157,175 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability/asset in the fiscal year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	$ (815,132)	$ (1,390,022)	$ (2,205,154)
2025	(809,407)	(1,382,876)	(2,192,283)
2026	(702,698)	(626,824)	(1,329,522)
2027	(460,579)	(259,373)	(719,952)
2028	(323,802)	(337,709)	(661,511)
Thereafter	(531,238)	(683,419)	(1,214,657)
Total	$ (3,642,856)	$ (4,680,223)	$ (8,323,079)

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2022 are presented below:

Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation:	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Investment rate of return:	
Current measurement date	7.00% net of investment expense, including inflation
Prior measurement date	7.00% net of investment expense, including inflation
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense, including price inflation:	
Current measurement date	4.08%
Prior measurement date	2.27%
Medical trend assumption:	
Current measurement date	7.00 to 4.40%
Prior measurement date	
Medicare	5.125 to 4.400%
Pre-Medicare	6.750 to 4.400%

In 2022, mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% 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% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

In the prior measurement date, mortality rates 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% for males and set forward 2 years and adjusted 81.35% 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% for males and set forward 3 years and adjusted 106.8% for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the actuarial 5-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 long-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%, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	(0.45) %
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08%. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27%. 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% of projected covered payroll each year, which includes a 1.50% 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, 2022 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 3.69% at June 30, 2022 and 1.92% at June 30, 2021.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates - The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability, what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%). Also shown is what the net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 4,315,996	$ 3,474,995	$ 3,796,078

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	$ 2,679,844	$ 3,474,995	$ 4,513,589

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2022 actuarial valuation, compared with June 30, 2021 actuarial valuation, are presented below:

	June 30, 2022		June 30, 2021	
Inflation	2.50%		2.50%	
Projected salary increases	Varies by service from 2.50% to 8.50%		12.50% at age 20 to 2.50% at age 65	
Investment rate of return	7.00%, net of investment expenses, including inflation		7.00%, net of investment expenses, including inflation	
Payroll increases	3.00%		3.00%	
Cost-of-living adjustments (COLA)	0.00%		0.00%	
Discount rate of return	7.00%		7.00%	
Blended discount rate of return	N/A		N/A	
Health care cost trends				
	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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

For the June 30, 2022 actuarial valuation, for healthy retirees the post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

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

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

Assumption Changes Since the Prior Measurement Date - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

Benefit Term Changes Since the Prior Measurement Date - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

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

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

* Target allocation percentage is effective as of July 1, 2022. Target weights were phased in over a 3-month period concluding on October 1, 2022.
**10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and is net of investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate - The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on those 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, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

NOTE 12 - DEFINED BENEFIT OPEB PLANS - (Continued)

Sensitivity of the 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, 2022, calculated using the current period discount rate assumption of 7.00%, 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%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 5,357,581	$ 5,785,608	$ 6,159,908

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB asset	$ 6,001,084	$ 5,785,608	$ 5,513,625

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NOTE 13 - LONG-TERM OBLIGATIONS

Due to the implementation of GASB Statement No. 96 (see Note 3.A for detail), the District has reported obligations for SBITA payable which are reflected in the schedule below. Changes in the District's long-term obligations during fiscal year 2023 were as follows:

	Restated Balance Outstanding June 30, 2022	Additions	Reductions	Balance Outstanding June 30, 2023	Amounts Due in One Year
Governmental activities:					
General obligation bonds:					
Energy conservation	$ 905,000	$ -	$ (295,000)	$ 610,000	$ 300,000
Facilities improvements	19,625,000	-	(1,125,000)	18,500,000	1,150,000
Premiums	156,169	-	(494)	155,675	-
General obligation bonds	-	58,000,000	-	58,000,000	210,000
Premiums	-	3,656,030	(8,385)	3,647,645	-
Discounts	-	(667,728)	1,531	(666,197)	-
Refunding bonds					
Term and serial interest bonds	45,590,000	-	(465,000)	45,125,000	-
Capital appreciation bonds	768,668	-	-	768,668	90,587
Accreted interest	1,947,595	788,373	-	2,735,968	322,453
Premiums	6,693,324	-	(252,579)	6,440,745	-
Total general obligation bonds payable	75,685,756	61,776,675	(2,144,927)	135,317,504	2,073,040
Other long-term obligations:					
Leases payable	70,446	304,885	(103,004)	272,327	60,776
SBITAs payable	121,835	19,589	(68,378)	73,046	66,467
Net pension liability	38,714,537	24,006,721	-	62,721,258	-
Net OPEB liability	4,957,155	-	(1,482,160)	3,474,995	-
Compensated absences	9,309,924	189,959	(1,759,729)	7,740,154	967,935
Total other long-term obligations	53,173,897	24,521,154	(3,413,271)	74,281,780	1,095,178
Total long-term obligations governmental activities	$ 128,859,653	$ 86,297,829	$ (5,558,198)	$ 209,599,284	$ 3,168,218

The original issue date, interest rate, original issuance and date of maturity for each of the District's bond obligations follows:

	Original Issue Date	Interest Rate	Original Issue Amount	Date of Maturity
General obligation bonds				
Energy conservation	2013	1.95%	$ 3,315,000	2025
School Facilities Improvement Series A	2015	0.8% - 3.0%	8,577,000	2049
School Facilities Improvement Series B	2015	1.5% - 5.0%	72,000,000	2049
Refunding bonds	2017	2.0% - 30.0%	48,273,668	2028
General obligation bonds	2023	4.125% - 5.000%	58,000,000	2059

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The energy conservation bonds issued in 2013 were for the installation, modification and remodeling of school buildings to conserve energy. The school facilities improvement bonds issued in 2015 are for construction of a new middle school building and a new high school building.

On June 8, 2023, the District issued general obligation bonds in the amount of $58,000,000 for the purpose of paying the costs of constructing a Pre-K through 5th grade educational campus. Interest rates on the current interest bonds range from 4.125% to 5.00% with interest payments due on April 15 and October 15 of each year until final maturity at October 15, 2059. The debt will be retired through the debt service fund. At June 30, 2023 there were $58,000,000 in unspent bond proceeds.

Bonds payable are repaid from the Debt Service Fund. The leases payable are paid from the General Fund. The government pays obligations related to employee compensation from the fund benefitting from their service.

There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the General Fund. For additional information related to the net pension and net OPEB liability see Note 11 and 12.

Principal and interest requirements to retire the general obligation bonds payable outstanding at June 30, 2023, are as follows:

	Current Interest Bonds			Capital Appreciation Bonds		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2024	$ 1,660,000	$ 4,897,292	$ 6,557,292	$ 90,587	$ 384,413	$ 475,000
2025	925,000	5,264,448	6,189,448	237,947	1,412,054	1,650,001
2026	645,000	5,229,925	5,874,925	187,004	1,527,996	1,715,000
2027	675,000	5,196,925	5,871,925	140,165	1,559,835	1,700,000
2028	710,000	5,162,300	5,872,300	106,601	1,603,399	1,710,000
2029 - 2033	13,730,000	24,318,025	38,048,025	6,364	128,636	135,000
2034 - 2038	17,630,000	20,946,600	38,576,600	-	-	-
2039 - 2043	22,440,000	16,644,280	39,084,280	-	-	-
2044 - 2048	28,610,000	8,549,625	37,159,625	-	-	-
2049 - 2053	15,310,000	6,387,188	21,697,188	-	-	-
2054 - 2058	13,485,000	3,405,544	16,890,544	-	-	-
2059 - 2060	6,415,000	320,919	6,735,919	-	-	-
Total	$ 122,235,000	$ 106,323,071	$ 228,558,071	$ 768,668	$6,616,333	$ 7,385,001

The District has entered into a lease agreement for the use of right to use equipment. Due to the implementation of GASB Statement No. 87, the District reports an intangible capital asset and corresponding liability for the future scheduled payments under the lease. The lease is paid from the General Fund.

The District lease agreement is for copier equipment with the following terms:

Company	Beginning Date	Years	Ending Date	Payment Method
Toshiba Business Solutions	2019	5	2024	Monthly
ComDoc Copier	2023	5	2028	Annual

NOTE 13 - LONG-TERM OBLIGATIONS - (Continued)

The following is the schedule of future lease payments under the lease agreement:

Fiscal Year	Principal	Interest	Total
2024	$ 60,776	$ 6,880	$ 67,656
2025	56,833	10,823	67,656
2026	59,740	7,916	67,656
2027	62,797	4,859	67,656
2028	32,181	1,646	33,827
Total	$ 272,327	$ 32,124	$ 304,451

The District has entered into agreements for the right to use subscription to software. Due to the implementation of GASB Statement No. 96, the District will report an intangible capital asset and corresponding liability for the future scheduled payments under the subscriptions. The subscription payments will be paid from the District Managed Student Activity fund (a nonmajor governmental fund), the Title I, Disadvantaged Children fund (a nonmajor governmental fund), and the Title IV fund (a nonmajor governmental fund).

The District has entered into agreements for subscriptions at varying years and terms as follows:

SBITA	Commencement Date	Years	End Date	Payment Method
Hudl	2022	2	2024	Annual
Edmentum	2022	2	2024	Annual
Navigate 360	2023	3	2025	Annual

The following is a schedule of future payments under the agreements:

Fiscal Year	Principal	Interest	Total
2024	$ 66,467	$ 3,737	$ 70,204
2025	6,579	336	6,915
Total	$ 73,046	$ 4,073	$ 77,119

NOTE 14 - DEFEASANCE OF DEBT

In December 2017 the District issued $48,273,668 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of $48,275,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the government-wide financial statements. As of June 30, 2023, $48,275,000 of bonds payable are considered to be defeased.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOLS

A. Northern Buckeye Education Council

The Northern Buckeye Education Council (the “Council”) is a 41 entity consortium organized under Chapter 167 of the Ohio Revised Code as a not-for profit Council of Governments and is directed by a thirteen member Board of Directors. The purpose of the Council is to provide educational entities in greater northwestern Ohio access to a variety of cooperative administrative services thereby reducing the cost of obtaining these services. Currently the Council provides data processing and internet access services through its Northwest Ohio Computer Association (NWOCA) subsidiary; assists in the preparation of financial reports and offers in-service training sessions to employees of its member entities.

Financial information can be obtained by contacting the Council at 209 Nolan Parkway, P.O. Box 407, Archbold, Ohio 43502. During the year ended June 30, 2023, the District paid $101,204 to the Council.

B. Polaris Career Center

The Polaris Career Center is a separate body politic and corporate, established by the Ohio Revised Code to provide for the vocational and special needs of the students. Its Board of Education consists 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. North Olmsted City School District students may attend the vocational school. Each school district's control is limited to its representation on the Board. Financial information can be obtained by contacting the Polaris Career Center, 7285 Old Oak Blvd., Middleburg Heights, Ohio 44130.

C. North Olmsted City Schools Education Foundation

The North Olmsted City Schools Education Foundation (Foundation) is a jointly governed organization established by the Ohio Revised Code to support and enhance educational opportunities for the youth of the North Olmsted Community. The trustees of the Foundation consist of five ex officio trustees and up to fifteen members selected by a nominating committee appointed by the ex officio trustees.

The ex officio trustees are composed of the following individuals: the Superintendent of the North Olmsted City School District, a member of the North Olmsted Board of Education, a member of the North Olmsted PTA Council, a member of the North Olmsted City Schools' Financial Advisory Board, and a member of the Community Education Advisory Board. All trustees are voting members. The Foundation is responsible for approving its own budgets, appointing personnel, creation of committees, and accounting and financial related activities. Financial information can be obtained by contacting the Foundation treasurer, c/o The North Olmsted Board of Education, 26669 Butternut Ridge Road, North Olmsted, Ohio 44070.

D. Great Lakes Regional Council of Governments

The District participates in the Great Lakes Regional Council of Governments (COG), an insurance purchasing pool. The COG contracts with Medical Mutual, LLC. to process and pay health benefit claims incurred by its members.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOLS - (Continued)

E. Ohio Schools Council

The Ohio Schools Council (Council) is a jointly governed organization among over 250 members. 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 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 exercises total control over the operations of the Association including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. 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 2023, the District paid $90,098 to the Council. Financial information can be obtained by contacting William Zelei, the Executive Director of the Ohio Schools Council at 6393 Oak Tree Boulevard, Suite 377, Independence, Ohio 44131.

The District participates in the Council's natural gas purchase program. This program allows the District to purchase natural gas at reduced rates. Constellation New Energy (formerly Compass Energy) has been selected as the supplier and program manager for the period from July 1, 2018 through June 30, 2023. There are currently over 170 participants in the program, including the North Olmsted City School District. The participants make monthly payments based on estimated usage. Each September, these estimated payments are compared to their actual usage for the year (July to June). Districts that paid more in estimated billings than their actual billings are issued credits on future billings beginning in September until the credits are exhausted and districts that did not pay enough on estimated billings are invoiced for the difference on the September monthly estimate.

NOTE 16 - CONTINGENCIES

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies.

Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2023.

District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Traditional districts must comply with minimum hours of instruction, rather than a minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow, will continue to adjust as enrollment information is updated by the District, which can extend past the fiscal year-end. The impact of enrollment adjustments to the June 30, 2023 Foundation funding for the District was immaterial to the financial statements.

NOTE 17 - SET-ASIDES

The District is required by State statute to annually set aside, in the General Fund, an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by the end of the fiscal year or offset by similarly restricted resources received during the year must be held in cash at year end. These amounts must be carried forward and used for the same purposes in future years. In addition, the District has set aside money for budget stabilization. The following cash basis information identifies the changes in the fund balance reserves for capital improvements and budget stabilization during fiscal year 2023.

	Capital Improvements
Set-aside balance June 30, 2022	$ -
Current year set-aside requirement	787,223
Current year qualifying expenditures	-
Current year offsets	(789,713)
Total	$ (2,490)
Balance carried forward to fiscal year 2024	$ -
Set-aside balance June 30, 2023	$ -

Although the District had qualifying disbursements and offsets during the fiscal year that reduced the set-aside amount below zero for capital maintenance set-aside, this amount may not be used to reduce the set-aside requirement for future years.

NOTE 18 - INTERFUND BALANCES

A. Interfund receivables/payable consisted of the following at year end as reported on the fund statements:

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	$ 45,000

The primary purpose of the interfund balances is to cover costs in specific funds where revenues were not received by year end. These interfund balances will be repaid once the revenues are received. Interfund balances between governmental funds are eliminated on the government-wide financial statements.

B. Interfund transfers for the fiscal year ended June 30, 2023, consisted of the following, as reported on the fund statements:

Transfers from the nonmajor governmental fund to:	Amount
Nonmajor governmental fund	$ 500,000
Total	$ 500,000

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 18 - INTERFUND BALANCES - (Continued)

Interfund transfers between governmental funds are eliminated for reporting in the statement of activities

All transfers made during fiscal year 2023 were made in accordance with Ohio Revised Code Sections 5704.14, 5705.15 and 5705.16.

C. Due to/from other funds consisted of the following at June 30, 2023, as reported on the fund statement:

Receivable fund	Payable fund	Amount
General fund	Nonmajor governmental funds	$ 260,077

The primary purpose of the amount due to the general fund from the nonmajor governmental fund was to eliminate negative cash balances. The amount will be repaid once cash is received.

Amounts due to/from between governmental funds are eliminated on the government-wide statements.

NOTE 19 - OTHER COMMITMENTS

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

Fund	Year-End Encumbrances
General fund	$ 990,270
Building fund	1,276,285
Other nonmajor governmental funds	1,547,022
Total	$ 3,813,577

NOTE 20 - TAX ABATEMENTS

As of December 31, 2021, the City of North Olmsted (the City) provides tax incentives under three programs: the Community Reinvestment Area (CRA), known as the North Olmsted Community Reinvestment Area (NOCRA), the Job Retention Grant Program, and the Job Creation Grant Program.

Pursuant to Ohio Revised Code 3735, the City established a CRA in 1992, and later amended it in 2014, which included all land within the boundaries of the City. The City created the Job Retention Grant Program. The purpose of the program is to maintain the City's competitiveness as a site for location of new businesses and the expansion of existing businesses, pursuant to Article XVIII, Section 3 and Article VIII, Section 13 of the Ohio Constitution (Ordinance #2016-76). The City created the Job Creation Grant Program. The purpose of the program is to provide an economic incentive for businesses to locate or expand within the City.

Foregone tax dollars for the District for the tax year 2023 amounted to $418,103.

NOTE 21 - 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 ended in April 2023. During fiscal year 2023, the District received COVID-19 funding. The District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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REQUIRED SUPPLEMENTARY INFORMATION

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.24127870%	0.25330860%	0.25493060%	0.26082080%
District's proportionate share of the net pension liability	$ 13,050,229	$ 9,346,353	$ 16,861,647	$ 15,605,366
District's covered payroll	$ 8,628,183	$ 9,235,069	$ 7,744,700	$ 8,745,010
District's proportionate share of the net pension liability as a percentage of its covered payroll	151.25%	101.21%	217.72%	178.45%
Plan fiduciary net position as a percentage of the total pension liability	75.82%	82.86%	68.55%	70.85%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017		2016		2015		2014	
	0.27513570%		0.27542750%		0.28366860%		0.28510120%		0.29826900%		0.29826900%
$	15,757,531	$	16,456,185	$	20,761,924	$	16,268,151	$	15,095,224	$	17,737,100
$	8,661,674	$	8,148,014	$	7,323,529	$	8,244,609	$	8,191,847	$	6,744,335
	181.92%		201.97%		283.50%		197.32%		184.27%		262.99%
	71.36%		69.50%		62.98%		69.16%		71.70%		65.52%

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net pension liability	0.223440160%	0.229691982%	0.23311038%	0.23928559%
District's proportionate share of the net pension liability	$ 49,671,029	$ 29,368,184	$ 56,404,417	$ 52,916,570
District's covered payroll	$ 28,551,817	$ 28,226,605	$ 27,172,730	$ 27,812,288
District's proportionate share of the net pension liability as a percentage of its covered payroll	173.97%	104.04%	207.58%	190.26%
Plan fiduciary net position as a percentage of the total pension liability	78.88%	87.78%	75.48%	77.40%

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
0.24308821%	0.25480111%	0.25309363%	0.25519910%	0.25079500%	0.25079500%
$ 53,449,639	$ 60,528,550	$ 84,718,067	$ 70,529,568	$ 61,002,024	$ 72,665,211
$ 27,347,250	$ 25,778,279	$ 26,978,250	$ 26,704,226	$ 26,541,248	$ 24,369,023
195.45%	234.80%	314.02%	264.11%	229.84%	298.19%
77.31%	75.30%	66.80%	72.10%	74.70%	69.30%

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 818,712	$ 1,207,946	$ 1,292,910	$ 1,084,258
Contributions in relation to the contractually required contribution	(818,712)	(1,207,946)	(1,292,910)	(1,084,258)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,847,943	$ 8,628,186	$ 9,235,071	$ 7,744,700
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 1,180,576	$ 1,169,326	$ 1,140,722	$ 1,025,294	$ 1,084,003	$ 1,135,390
(1,180,576)	(1,169,326)	(1,140,722)	(1,025,294)	(1,084,003)	(1,135,390)
$ -	$ -	$ -	$ -	$ -	$ -
$ 8,745,007	$ 8,661,674	$ 8,148,014	$ 7,323,529	$ 8,224,605	$ 8,191,847
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 3,871,980	$ 3,997,254	$ 3,951,725	$ 3,804,182
Contributions in relation to the contractually required contribution	(3,871,980)	(3,997,254)	(3,951,725)	(3,804,182)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 27,657,000	$ 28,551,814	$ 28,226,607	$ 27,172,729
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ 3,893,720	$ 3,828,615	$ 3,608,959	$ 3,776,955	$ 3,738,592	$ 3,400,109
(3,893,720)	(3,828,615)	(3,608,959)	(3,776,955)	(3,738,592)	(3,400,109)
$ -	$ -	$ -	$ -	$ -	$ -
$ 27,812,286	$ 27,347,250	$ 25,778,279	$ 26,978,250	$ 26,704,229	$ 26,154,685
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability	0.24750490%	0.26192550%	0.26412480%	0.26787420%
District's proportionate share of the net OPEB liability	$ 3,474,995	$ 4,957,155	$ 5,740,296	$ 6,736,473
District's covered payroll	$ 8,628,183	$ 9,235,069	$ 7,744,700	$ 8,745,010
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	40.27%	53.68%	74.12%	77.03%
Plan fiduciary net position as a percentage of the total OPEB liability	30.34%	24.08%	18.17%	15.57%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017	
	0.27911380%		0.27964740%		0.28783180%
$	7,743,371	$	7,505,001	$	8,204,271
$	8,661,674	$	8,148,014	$	7,323,529
	89.40%		92.11%		112.03%
	13.57%		12.46%		11.49%

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
THE NET OPEB LIABILITY/ASSETS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST SEVEN FISCAL YEARS

	2023	2022	2021	2020
District's proportion of the net OPEB liability/asset	0.223440160%	0.229691982%	0.23311038%	0.23928559%
District's proportionate share of the net OPEB liability/(asset)	$ (5,785,608)	$ (4,842,867)	$ (4,096,910)	$ (3,963,144)
District's covered payroll	$ 28,551,817	$ 28,226,605	$ 27,172,730	$ 27,812,288
District's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	20.26%	17.16%	15.08%	14.25%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	230.73%	174.73%	182.10%	174.70%

Note: Information prior to 2017 was unavailable. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019		2018		2017	
	0.24308821%		0.25480110%		0.25309360%
$	(3,906,180)	$	9,941,399	$	13,535,512
$	27,347,250	$	25,778,279	$	26,978,250
	14.28%		38.57%		50.17%
	176.00%		47.10%		37.30%

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ 157,175	$ 145,877	$ 171,633	$ 172,566
Contributions in relation to the contractually required contribution	(157,175)	(145,877)	(171,633)	(172,566)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,847,943	$ 8,628,186	$ 9,235,071	$ 7,744,700
Contributions as a percentage of covered payroll	2.69%	1.69%	1.86%	2.23%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

	2019	2018	2017	2016	2015	2014
	$ 209,965	$ 194,047	$ 153,117	$ 147,209	$ 67,442	$ 164,260
	(209,965)	(194,047)	(153,117)	(147,209)	(67,442)	(164,260)
	$ -	$ -	$ -	$ -	$ -	$ -
	$ 8,745,007	$ 8,661,674	$ 8,148,014	$ 7,323,529	$ 8,224,605	$ 8,191,847
	2.40%	2.24%	1.88%	2.01%	0.82%	2.01%

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY, OHIO

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Contractually required contribution	$ -	$ -	$ -	$ -
Contributions in relation to the contractually required contribution	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 27,657,000	$ 28,551,814	$ 28,226,607	$ 27,172,729
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

SEE ACCOMPANYING NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

2019	2018	2017	2016	2015	2014
$ -	$ -	$ -	$ -	$ 267,042	$ 261,547
-	-	-	-	(267,042)	(261,547)
$ -	$ -	$ -	$ -	$ -	$ -
$ 27,812,286	$ 27,347,250	$ 25,778,279	$ 26,978,250	$ 26,704,229	$ 26,154,685
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%

PENSION

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the changes in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.
- For fiscal year 2019, with the authority granted the Board under Senate Bill 8, the Board has enacted a three year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2021.
- For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- For fiscal year 2017, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) the assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement and disability were updated to reflect recent experience, (e) mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates and 110% of female rates, (g) mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement and (h) the discount rate was reduced from 7.75% to 7.50%.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2018.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumptions affected the total pension liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2023.

(Continued)

PENSION (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2014.
- There were no changes in benefit terms from the amounts reported for fiscal year 2015.
- There were no changes in benefit terms from the amounts reported for fiscal year 2016.
- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- For fiscal year 2018, STRS decreased the Cost of Living Adjustment (COLA) to zero.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2019.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2020.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2021.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2022.
- There were no changes in benefit terms from amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2014.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2015.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2016.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.75% to 7.45%, (b) the inflation assumption was lowered from 2.75% to 2.50%, (c) the payroll growth assumption was lowered to 3.00%, (d) total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation, (e) the healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016 and (f) rates of retirement, termination and disability were modified to better reflect anticipated future experience.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2019.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2020.
- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2021.
- For fiscal year 2022, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00% and (b) the discount rate of return was reduced from 7.45% to 7.00%.
- For fiscal year 2023, the following changes of assumption affected the total pension liability since the prior measurement date: (a) the projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts reported for fiscal year 2017.
- There were no changes in benefit terms from the amounts reported for fiscal year 2018.
- There were no changes in benefit terms from the amounts reported for fiscal year 2019.
- There were no changes in benefit terms from the amounts reported for fiscal year 2020.
- There were no changes in benefit terms from the amounts reported for fiscal year 2021.
- There were no changes in benefit terms from the amounts reported for fiscal year 2022.
- There were no changes in benefit terms from the amounts reported for fiscal year 2023.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

SCHOOL EMPLOYEES RETIREMENT SYSTEM (SERS) OF OHIO (CONTINUED)

Changes in assumptions :

- For fiscal year 2017, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) assumed rate of inflation was reduced from 3.25% to 3.00%, (b) payroll growth assumption was reduced from 4.00% to 3.50%, (c) assumed real wage growth was reduced from 0.75% to 0.50%, (d) rates of withdrawal, retirement, and disability were updated to reflect recent experience, (e) mortality among active members was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females, (f) mortality among service retired members and beneficiaries was updated to the following: RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, (g) mortality among disabled members was updated to the following: RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, (h) the municipal bond index rate increased from 2.92% to 3.56% and (i) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 2.98% to 3.63%.
- For fiscal year 2019, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate increased from 3.63% to 3.70%, (b) the health care cost trend rates for Medicare were changed from a range of 5.50%-5.00% to a range of 5.375%-4.75% and Pre-Medicare were changed from a range of 7.50%-5.00% to a range of 7.25%-4.75%, (c) the municipal bond index rate increased from 3.56% to 3.62% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation increased from 3.63% to 3.70%.
- For fiscal year 2020, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.70% to 3.22%, (b) the health care cost trend rates for Medicare were changed from a range of 5.375%-4.75% to a range of 5.25%-4.75% and Pre-Medicare were changed from a range of 7.25%-4.75% to a range of 7.00%-4.75%, (c) the municipal bond index rate decreased from 3.62% to 3.13% and (d) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.70% to 3.22%.
- For fiscal year 2021, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate decreased from 3.22% to 2.63% and (b) the municipal bond index rate decreased from 3.13% to 2.45%, and (c) the single equivalent interest rate, net of plan investment expense, including price inflation decreased from 3.22% to 2.63%.
- For fiscal year 2022, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) wage inflation decreased from 3.00% to 2.40%, (b) future salary increases changed from 3.50%-18.20% to 3.25%-13.58%, (c) investment rate of return decreased from 7.50% to 7.00%, (d) discount rate decreased from 7.50% to 7.00% and (e) mortality tables changed from the RP-2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table.

- For fiscal year 2023, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) municipal bond index rate went from 1.92% to 3.69%, (b) single equivalent interest rate when from 2.27% to 4.08% and (c) medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare to 7.00% to 4.40%.

(Continued)

OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO

Changes in benefit terms :

- There were no changes in benefit terms from the amounts previously reported for fiscal year 2017.
- For fiscal year 2018, STRS reduced the subsidy multiplier for non-Medicare benefit recipients from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.
- For fiscal year 2019, STRS increased the subsidy multiplier for non-Medicare benefit recipients from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.
- For fiscal year 2020, STRS increased the subsidy percentage from 1.944% to 1.984% effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.
- For fiscal year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984% to 2.055% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.
- For fiscal year 2022, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.100%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.
- There were no changes in benefit terms from the amounts previously reported for fiscal year 2023.

Changes in assumptions :

- There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for fiscal year 2017.
- For fiscal year 2018, the following changes of assumptions affected the total OPEB liability since the prior measurement date: (a) the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), (b) the long term expected rate of return was reduced from 7.75% to 7.45%, (c) valuation year per capita health care costs were updated, and the salary scale was modified, (d) 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 and (e) 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 following changes of assumptions affected the total OPEB liability/asset since the prior measurement date: (a) the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB) and (b) decrease in health care cost trend rates from 6.00%-11.00% initial; 4.50% ultimate down to Medical Pre-Medicare 6.00% and Medicare 5.00% initial; 4.00% ultimate and Prescription Drug Pre-Medicare 8.00% and Medicare (5.23%) initial; 4.00% ultimate.
- For fiscal year 2020, health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

(Continued)

STATE TEACHERS RETIREMENT SYSTEM (STRS) OF OHIO (CONTINUED)

Changes in assumptions (continued) :

- For fiscal year 2021, health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.
- For fiscal year 2022, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) the long-term expected rate of return was reduced from 7.45% to 7.00%, (b) the discount rate of return was reduced from 7.45% to 7.00% and (c) health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

- For fiscal year 2023, the following changes of assumption affected the total OPEB liability since the prior measurement date: (a) projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50% and (b) health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR *Pass Through Grantor* Program / Cluster Title	Grant Year	Federal AL Number	Pass Through Entity Identifying Number	Expenditures	Non-Cash Expenditures
U.S. DEPARTMENT OF AGRICULTURE					
Passed Through Department of Education & Workforce					
Nutrition Cluster					
School Breakfast Program	2023	10.553		$ 132,727	
School Breakfast Program	2022	10.553		21,009	
National School Lunch Program	2023	10.555		589,017	$ 95,194
National School Lunch Program	2022	10.555		149,839	
Supply Chain Assistance	2023	10.555		93,644	
Total Nutrition Cluster				986,236	95,194
COVID-19 Pandemic Benefits Transfer (EBT) Administrative Costs	2023	10.649		3,135	
Total U.S. Department of Agriculture				989,371	95,194
U.S. DEPARTMENT OF EDUCATION					
Passed Through Department of Education & Workforce					
Title I Grants to Local Educational Agencies	2022	84.010		171,244	
Title I Grants to Local Educational Agencies	2023	84.010		601,159	
Expanding Opportunities For Each Child	2023	84.010		22,181	
Total Title I				794,584	-
Special Education Cluster					
Special Education Grants to States	2022	84.027		155,364	
Special Education Grants to States	2023	84.027		672,419	
COVID-19 ARP-IDEA	2022	84.027X		64,444	
COVID-19 ARP-IDEA	2023	84.027X		5,410	
Subtotal IDEA Part B				897,637	-
Special Education Preschool Grants	2022	84.173		3,314	
Special Education Preschool Grants	2023	84.173		18,033	
COVID -19 ARP Preschool	2022	84.173X		2,772	
Subtotal Preschool Grant				24,119	-
Total Special Education Cluster				921,756	-
English Language Acquisition State Grants	2022	84.365		5,226	
English Language Acquisition State Grants	2023	84.365		30,735	
Total Title III English Language Acquisition				35,961	-
Improving Teacher Quality State Grants	2022	84.367		16,144	
Improving Teacher Quality State Grants	2023	84.367		79,549	
Total Title II-A Supporting Effective Instruction				95,693	-
Student Support and Academic Enrichment Program	2022	84.424		28,688	
Student Support and Academic Enrichment Program	2023	84.424		71,079	
Total Title II-A Supporting Effective Instruction				99,767	-
COVID-19 ARP Education Stabilization Fund	2023	84.425U		550,186	
COVID-19 Education Stabilization Fund II	2023	84.425D		298,187	
COVID-19 Education Stabilization Fund	2023	84.425D		74,452	
COVID-19 ARP-Homeless	2023	84.425W		12,345	
Total Education Stabilization Fund				935,170	-
Total U.S. Department of Education				2,882,931	-
Total Federal Financial Assistance				$ 3,872,302	$ 95,194

NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the North Olmsted City School District (the District) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D – CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

OHIO AUDITOR OF STATE
KEITH FABER

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

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

North Olmsted City School District
Cuyahoga County
26669 Butternut Ridge Road
North Olmsted, Ohio 44070

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the North Olmsted City School District, Cuyahoga County, (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 25, 2024.

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

March 25, 2024

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

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

North Olmsted City School District
Cuyahoga County
26669 Butternut Ridge Road
North Olmsted, Ohio 44070

To the Board of Education:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited North Olmsted City School District's, Cuyahoga County, (District) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of North Olmsted City School District's major federal programs for the year ended June 30, 2023. North Olmsted 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, the North Olmsted 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, 2023.

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.

Keith Faber
Auditor of State
Columbus, Ohio

March 25, 2024

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NORTH OLMSTED CITY SCHOOL DISTRICT
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

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):**	Special Education Cluster: AL #84.027 – Special Education Grants to States; AL #84.027X – ARP-IDEA Education Stabilization Fund: AL #84.425D – Elementary and Secondary School Emergency Relief (ESSER I and II) Fund; AL #84.425U – American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund
(d)(1)(viii)	**Dollar Threshold: Type A\B Programs**	Type A: > $ 750,000 Type B: all others
(d)(1)(ix)	**Low Risk Auditee under 2 CFR § 200.520?**	Yes

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

None

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2023

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE
KEITH FABER

NORTH OLMSTED CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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

Certified for Release 5/7/2024

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