



OHIO AUDITOR OF STATE  
**KEITH FABER**





**NORTHRIDGE LOCAL SCHOOL DISTRICT  
LICKING COUNTY  
JUNE 30, 2023**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Management's Discussion and Analysis.....	5
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position .....	16
Statement of Activities .....	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	21
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budget Basis) – General Fund .....	22
Notes to the Basic Financial Statements .....	23
Required Supplementary Information:	
Schedule of the School District's Proportionate Share of the Net Pension/OPEB (Asset) Liability	
School Employees Retirement System of Ohio - Pension .....	72
School Employees Retirement System of Ohio - OPEB.....	74
State Teachers Retirement System of Ohio - Pension .....	76
State Teachers Retirement System of Ohio - OPEB .....	78
Schedule of the School District Contributions	
School Employees Retirement System of Ohio - Pension .....	80
School Employees Retirement System of Ohio - OPEB.....	82
State Teachers Retirement System of Ohio – Pension/OPEB .....	84
Notes to Schedules of Required Supplementary Information.....	86

**NORTHRIDGE LOCAL SCHOOL DISTRICT  
LICKING COUNTY  
JUNE 30, 2023**

**TABLE OF CONTENTS (Continued)**

<b>TITLE</b>	<b>PAGE</b>
Schedule of Expenditures of Federal Awards .....	91
Notes to the Schedule of Expenditures of Federal Awards .....	92
Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	93
Independent Auditor's Report on Compliance with Requirements Applicable to the Major Federal Program and on Internal Control Over Compliance required by the Uniform Guidance.....	95
Schedule of Findings.....	99

# OHIO AUDITOR OF STATE KEITH FABER



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

## INDEPENDENT AUDITOR'S REPORT

Northridge Local School District  
Licking County  
6097 Johnstown-Utica Road  
Johnstown, Ohio 43031

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 Northridge Local School District, Licking County, Ohio (the School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School 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 Northridge Local School District, Licking County, Ohio as of June 30, 2023, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

As discussed in Note 3 to the financial statements, during 2023, the School District posted a reduction of intergovernmental revenue that was related to 2022 revenue, which resulted in a restatement of the General Fund balance. Our opinion is not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School 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 School 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 School 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 School 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 February 23, 2024, on our consideration of the School 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 School 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 School District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

February 23, 2024

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Northridge Local School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
Unaudited

---

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

### **Financial Highlights**

Key financial highlights for the fiscal year 2023 are as follows:

- Net position of governmental activities increased \$1,080,939.
- General revenues accounted for \$19,712,230 in revenues or 86 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, and contributions accounted for \$3,115,217, 14 percent of total revenues of \$22,827,447.
- The School District had \$21,746,508 in expenses related to governmental activities; only \$3,115,217 of these expenses were offset by program specific charges for services and sales, grants, and contributions. General revenues in the amount of \$19,712,230 were adequate to provide for these programs.
- Total governmental funds had \$29,999,866 in revenues and other financing sources and \$21,396,517 in expenditures and other financing use. Total governmental balances increased \$8,603,349.

### **Using this Annual Financial Report**

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 Northridge Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School 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 School District's most significant funds with all other non-major funds presented in total in one column.

### ***Reporting the School District as a Whole***

#### **Statement of Net Position and Statement of Activities**

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School 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

**Northridge Local School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
Unaudited

---

all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in that position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's 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, all of the School District's activities are reported as governmental including instruction, support services, operation of non-instructional services, debt service, and extracurricular activities.

***Reporting the School District's Most Significant Funds***

***Fund Financial Statements***

The analysis of the School District's major funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Permanent Improvement Capital Projects Fund, and the District Stadium Capital Projects Fund.

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

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2023 compared to 2022.

**Northridge Local School District, Ohio**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2023  
Unaudited

**Table 1 - Net Position**

	2023	Restated 2022 *	Change
<b>Assets</b>			
Current and Other Assets	\$27,196,719	\$21,637,500	\$5,559,219
Net OPEB Asset	1,344,599	1,047,512	297,087
Capital Assets	35,794,360	36,813,298	(1,018,938)
<b>Total Assets</b>	<b>64,335,678</b>	<b>59,498,310</b>	<b>4,837,368</b>
<b>Deferred Outflows of Resources</b>			
Asset Retirement Obligation	18,400	19,200	(800)
Pension	4,472,423	4,271,573	200,850
OPEB	595,879	667,133	(71,254)
<b>Total Deferred Outflows of Resources</b>	<b>5,086,702</b>	<b>4,957,906</b>	<b>128,796</b>
<b>Liabilities</b>			
Current and Other Liabilities	2,213,180	3,208,756	(995,576)
Long-Term Liabilities:			
Due Within One Year	1,248,559	771,251	477,308
Due in More Than One Year:			
Net Pension Liability	15,723,890	9,119,124	6,604,766
Net OPEB Liability	1,109,368	1,459,988	(350,620)
Other Amounts	27,137,227	22,011,020	5,126,207
<b>Total Liabilities</b>	<b>47,432,224</b>	<b>36,570,139</b>	<b>10,862,085</b>
<b>Deferred Inflows of Resources</b>			
Property Taxes	8,122,366	9,591,962	(1,469,596)
Pension	1,257,295	7,011,043	(5,753,748)
OPEB	2,335,878	2,089,394	246,484
<b>Total Deferred Inflows of Resources</b>	<b>11,715,539</b>	<b>18,692,399</b>	<b>(6,976,860)</b>
<b>Net Position</b>			
Net Investment in Capital Assets	15,113,231	14,962,134	151,097
Restricted	1,373,774	1,451,529	(77,755)
Unrestricted (Deficits)	(6,212,388)	(7,219,985)	1,007,597
<b>Total Net Position</b>	<b>\$10,274,617</b>	<b>\$9,193,678</b>	<b>\$1,080,939</b>

\*See Note 3 for additional details on the restatement.

The net pension liability (NPL) is one of the largest liabilities reported by the School District at June 30, 2023. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but

**Northridge Local School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
Unaudited

---

does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

During fiscal year 2023, the School District issued \$6,000,000 in Certificates of Participation (COPs) which include serial and term certificates in the amount of \$3,215,000 and \$2,785,000, respectively. The COPs were issued for the construction of a new School District Stadium estimated to be completed in the fall of 2024. The Cops were issued through a series of lease agreements and trust indentures. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually.

Total assets increased \$4,837,368 during fiscal year 2023. Current and other assets increased by \$5,559,219 primarily due to an increase in investments and property taxes receivable. Investments increased due to the unspent proceeds related to the certificates of participation issued during fiscal year 2023 discussed above. The increase in property taxes receivable is due to an increase in the amounts certified to be collected by the individual county auditors. These increases were offset by decreases in capital assets in the amount of \$1,018,938 and a decrease in intergovernmental receivable in the amount of \$629,386. The decrease in capital assets is a direct result of the demolition of the old Alexandria Elementary School during fiscal year 2023 and current year depreciation. The decrease in intergovernmental receivable is directly related to the School District being timelier in their grant reimbursement requests during fiscal year 2023 compared to prior years.

Total deferred outflows of resources increased in the amount of \$128,796. This increase was primarily due to the increase in the changes of assumptions related to the School District's proportionate share of the pension and the increase in projected versus actual earnings on pension plan investments.

Total liabilities increased \$10,862,085. Current and other liabilities decreased \$995,576 primarily due to a decrease in retainage payable of \$588,418 and a decrease in contracts payable of \$69,544. The decrease in both contracts and retainage payable is a direct result of the elementary school building project being completed in fiscal year 2022. Long-term liabilities increased \$11,857,661, due to increases in due within one year in the amount of \$477,308, the net pension liability in the amount of \$6,604,766, and an increase in other long-term liabilities in the amount of \$5,126,207. These amounts were offset by a decrease in the net OPEB liability. The net pension/OPEB liability represents the School District's proportionate share of the STRS and SERS unfunded benefits. Changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension/OPEB liability. The reason for the increases in due within one year and other long-term liabilities were due to the issuance of the COPs financing as mentioned earlier. This issuance exceeded current year principal payments.

**Northridge Local School District, Ohio**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2023  
Unaudited

Total deferred inflows of resources decreased \$6,976,860. This overall decrease was the result of three factors; a decrease in deferred inflows of resources for property taxes, a decrease in deferred inflows of resources related to pension due to changes in pension plan investments, and an increase in deferred inflows of resources related to OPEB due to changes in assumptions.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2023 and comparisons to fiscal year 2022.

**Table 2 - Changes in Net Position**

	2023	Restated 2022 *	Change
<b>Program Revenues:</b>			
Charges for Services and Sales	\$1,183,031	\$766,945	\$416,086
Operating Grants and Contributions	1,880,352	2,644,877	(764,525)
Capital Grants and Contributions	51,834	0	51,834
Total Program Revenues	<u>3,115,217</u>	<u>3,411,822</u>	<u>(296,605)</u>
<b>General Revenues:</b>			
Property Taxes	12,194,399	10,236,740	1,957,659
Income Taxes	1,677,975	1,350,004	327,971
Grants and Entitlements	5,596,871	5,502,397	94,474
Investment Earnings	58,045	(197,867)	255,912
Miscellaneous	184,940	143,076	41,864
Total General Revenues	<u>19,712,230</u>	<u>17,034,350</u>	<u>2,677,880</u>
Total Revenues	<u>22,827,447</u>	<u>20,446,172</u>	<u>2,381,275</u>
<b>Program Expenses</b>			
<b>Instruction:</b>			
Regular	6,423,870	5,550,447	873,423
Special	2,919,585	2,486,290	433,295
Vocational	112,524	74,987	37,537
<b>Support Services:</b>			
Pupils	1,073,231	777,892	295,339
Instructional Staff	1,340,961	1,275,849	65,112
Board of Education	168,350	124,785	43,565
Administration	1,731,954	1,400,624	331,330
Fiscal	800,826	664,877	135,949
Operation and Maintenance of Plant	2,480,033	2,735,590	(255,557)
Pupil Transportation	2,428,449	2,161,346	267,103
Central	246,824	180,072	66,752
<b>Operation of Non-Instructional Services:</b>			
Food Service Operations	554,651	543,614	11,037
Community Services	0	1,773	(1,773)
Extracurricular Activities	790,616	681,094	109,522
Interest	674,634	655,408	19,226
Total Program Expenses	<u>21,746,508</u>	<u>19,314,648</u>	<u>2,431,860</u>
<i>Change in Net Position</i>	1,080,939	1,131,524	(50,585)
Net Position Beginning of Year - Restated	9,193,678	8,062,154	1,131,524
Net Position End of Year	<u>\$10,274,617</u>	<u>\$9,193,678</u>	<u>\$1,080,939</u>

\* See Note 3 for additional details on the restatement.

**Northridge Local School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
 Unaudited

The School District's net position increased \$1,080,939. Overall revenues reflect an increase in the amount of \$2,381,275. Program revenues decreased in the amount of \$296,605 and general revenues increased \$2,677,880. Operating grants and contributions decreased due to a decrease in State and Federal grants related to COVID-19. Property taxes increased due to increases in property assessed valuations and an increase in the amount available as an advance, which is collected by the various county auditors. The amount available fluctuates according to the tax bill due dates and the amount of taxpayers that paid their taxes earlier in 2023 compared to 2022.

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

**Table 3 - Governmental Activities**

	2023 Total Cost of Services	2023 Net Cost of Services	2022 Total Cost of Services	2022 Net Cost of Services
Instruction:				
Regular	\$6,423,870	\$5,465,827	\$5,550,447	\$4,684,675
Special	2,919,585	2,016,654	2,486,290	1,677,489
Vocational	112,524	91,037	74,987	48,465
Support Services:				
Pupils	1,073,231	935,219	777,892	665,314
Instructional Staff	1,340,961	1,155,156	1,275,849	1,070,266
Board of Education	168,350	168,350	124,785	124,785
Administration	1,731,954	1,654,190	1,400,624	1,368,240
Fiscal	800,826	781,220	664,877	643,332
Operation and Maintenance of Plant	2,480,033	2,354,471	2,735,590	2,438,669
Pupil Transportation	2,428,449	2,417,794	2,161,346	1,911,346
Central	246,824	241,424	180,072	174,672
Operation of Non-Instructional Services:				
Food Service Operations	554,651	125,495	543,614	(108,066)
Community Services	0	0	1,773	162
Extracurricular Activities	790,616	549,820	681,094	548,069
Interest	674,634	674,634	655,408	655,408
<b>Totals</b>	<b>\$21,746,508</b>	<b>\$18,631,291</b>	<b>\$19,314,648</b>	<b>\$15,902,826</b>

Table 3 clearly shows the dependence upon tax revenues and State subsidies for governmental activities. For 2023, only 14 percent of the governmental activities performed by the School District are supported through program revenues such as charges for services, grants, and contributions. The remaining 86 percent is provided through taxes and entitlements.

**Northridge Local School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
Unaudited

---

Instructional programs comprise approximately 43 percent of total governmental program expenses and support services are approximately 47 percent of program expenses. The other remaining expenses were in the areas of other non-instructional expenses at 3 percent, and extracurricular activities and interest at 7 percent of the program expenses of the School District.

***The School District Funds***

The School District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$23,363,408, expenditures of \$20,992,832, other financing sources (use) of \$6,232,773, with an overall increase in fund balance of \$8,603,349.

***General Fund*** - The General Fund had total revenues of \$17,546,017, expenditures of \$16,188,917, and other financing source (use) in the amount of (\$402,850) resulting in an increase in fund balance of \$954,250. Total revenues increased by \$1,893,584 and total expenditures increased by \$774,587. During fiscal year 2023, this increase in revenue was due to an increase in property taxes revenue resulting from the increases in assessed valuations and available tax advances as discussed earlier.

***Other Governmental Major Fund***

***Permanent Improvement Fund*** - The fund balance of the Permanent Improvement Fund, formerly known as Building Fund, at June 30, 2023, is \$547,598, an increase of \$1,044,843 from the prior year due to the completed construction of the new elementary school. This fund was created in fiscal year 2020 to account for the proceeds from the sale of bonds and the receipt of yearly income tax revenues to be used for the capital maintenance of the School District's facilities. Total revenues increased \$465,954 and total expenditures decreased by \$1,375,249 as a result of increased income tax collections and the completion of the elementary construction project.

***District Stadium Fund*** - The fund balance of the District Stadium Fund at June 30, 2023, is \$5,836,822. This fund was created in fiscal year 2023, to account for the proceeds from the sale of the COPs, to be used for the construction of the new School District stadium.

***General Fund Budgeting Highlights***

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

During the course of fiscal year 2023, the School District amended its General Fund budget. The School District closely monitors its resources and uses and if necessary, modifies appropriations on a timely basis.

**Northridge Local School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
 Unaudited

---

The General Fund had original revenue budget estimates, including other financing sources, of \$16,183,019. The original budget estimates for revenues and other financing sources were decreased to a final budget amount of \$15,683,019 due to a decrease in the amounts estimated to be received from the State foundation. Actual revenues and other financing sources were \$15,888,014 for the fiscal year ended June 30, 2023.

Original appropriations, including other financing uses, were \$16,707,654. The final appropriations, including other financing uses, were increased to \$17,137,835 due mainly to budgeting for advances out of \$572,777 to grant funds to cover deficit balances. Actual expenditures were \$16,040,913, transfers out were \$406,450, and advances out were \$572,775 for the fiscal year ended June 30, 2023.

The School District's ending unobligated fund balance was \$5,609,742.

**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2023, the School District had \$35,794,360 invested in land, construction in progress, land improvements, buildings and improvements, furniture and equipment, vehicles, and intangible right to use - equipment. Table 4 shows fiscal year 2023 balances compared to 2022.

**Table 4 - Capital Assets at June 30, 2023**  
 (Net of Depreciation/Amortization)

	2023	2022
Land	\$338,545	\$338,545
Construction in Progress	219,474	15,421
Land Improvements	1,762,931	1,849,532
Buildings and Improvements	28,851,415	29,574,656
Furniture and Equipment	4,571,076	4,935,408
Vehicles	16,118	29,933
Intangible Right to Use - Equipment	34,801	69,803
<b>Totals</b>	<b>\$35,794,360</b>	<b>\$36,813,298</b>

See Note 11 for more detailed information of the School District's capital assets.

*Debt*

At June 30, 2023, the School District had \$27,744,229 in School Improvement Bonds (including bond premiums), Certificates of Participation (including COPs premiums), financed purchase, and leases payable outstanding. The changes from fiscal year 2023 follows:

**Northridge Local School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
 Unaudited

**Table 5 - Outstanding Debt, at Fiscal Year End**

	2023	2022
School Improvement Bonds	\$19,535,000	\$20,090,000
Bond Premium	1,044,447	1,089,857
Series 2023 Certificates of Participation (COPs)	6,000,000	0
COPs Premium	231,726	0
Financed Purchase	898,255	956,163
Leases Payable	34,801	69,803
<b>Totals</b>	<b>\$27,744,229</b>	<b>\$22,205,823</b>

See Note 16 for more detailed information of the School District's debt. The net pension liability under GASB 68 and the net OPEB liability under GASB 75 are also reported as a long-term obligation that have been previously disclosed within the management's discussion and analysis.

***Economic Factors***

The School District continues to closely monitor all financial activity. The School District will continue to be conservative in the area of expenses in the future. The School District continues to utilize a Board of Education Finance Committee formed during fiscal year 2007. The Finance Committee's job is to monitor the School District's financial stability and to meet once a month where it approves the monthly financial statements and reports to the Board of Education and finance related recommendations. The Ohio Department of Education released the School District from fiscal caution during fiscal year 2013. The Board of Education and Administration of the School District must continue to maintain careful financial planning and prudent fiscal management in order to preserve the opportunities of our students and staff.

According to the most recent five-year forecast approved by the Board of Education, the School District is projecting deficit spending beginning in fiscal year 2028. The School District is concerned with the State of Ohio House of Representatives legislation (HB187) which currently approved to change how the County Auditors are assessing property taxes. This bill is currently in the State of Ohio Senate (SB153) for consideration. The issue of not having a reliable and uniform Ohio School Funding Formula could be catastrophic to the finances of Ohio School Districts. Due to the tax nature of Ohio and the School Funding Formula relying heavily on the Local Tax Share, it becomes extremely difficult for school districts to pass levies when truly needed. It also makes it almost impossible to complete a reliable Five-Year Forecast, when the State Legislature continues to deviate from the Funding Formula. The State of Ohio has yet to tap into the rainy-day funds to help schools remain whole in the State Funding Model.

The voters approved in May 2019, a combination twenty-seven-year, 4.3 mill bond levy and a one-half percent earned income tax levy to provide \$24.5 million to construct the new elementary school. The School District issued bonds in fiscal year 2020 for \$22 million. The Permanent Improvement Capital Projects Fund will raise approximately \$1.3 million per year with \$2.0 million earmarked to the new building construction and future maintenance of all facilities. During fiscal year 2023, the School District Board of Education voted 3-1, with one absence, based on unanimous support and recommendation of the Finance Committee, to approve the issuance of \$6 million in Certificates of Participation (COPs) against future revenues of the Permanent Improvement Capital Projects Fund to construct a new athletic

**Northridge Local School District, Ohio**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
Unaudited

---

stadium with a 15-year payback. The cost to the School District for this transaction will be approximately \$2 million in interest over the 15-year period. This decision could have an impact on the future ability to maintain current facilities within the revenues collected into the Permanent Improvement Capital Projects Fund.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact Britt Lewis, Treasurer/CFO at Northridge Local School District, 6097 Johnstown-Utica Road, Johnstown, Ohio 43031. You may also e-mail the Treasurer at [blewis@laca.org](mailto:blewis@laca.org).

This page intentionally left blank.

**Northridge Local School District, Ohio**  
*Statement of Net Position*  
*June 30, 2023*

	Governmental Activities
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$8,898,211
Cash and Cash Equivalents with Escrow Agents	77,966
Investments	5,912,783
Income Taxes Receivable	634,222
Materials and Supplies Inventory	18,548
Inventory Held for Resale	5,381
Accrued Interest Receivable	24,249
Intergovernmental Receivable	810,349
Accounts Receivable	66,840
Prepaid Items	113,718
Property Taxes Receivable	10,634,452
Net OPEB Asset	1,344,599
Nondepreciable Capital Assets	558,019
Depreciable Capital Assets, Net	35,236,341
<i>Total Assets</i>	<i>64,335,678</i>
<b>Deferred Outflows of Resources</b>	
Asset Retirement Obligation	18,400
Pension	4,472,423
OPEB	595,879
<i>Total Deferred Outflows of Resources</i>	<i>5,086,702</i>
<b>Liabilities</b>	
Accounts Payable	138,778
Contracts Payable	77,236
Accrued Wages and Benefits Payable	1,263,165
Intergovernmental Payable	456,065
Matured Compensated Absences Payable	565
Accrued Interest Payable	209,344
Unearned Revenue	68,027
Long-Term Liabilities:	
Due Within One Year	1,248,559
Due in More Than One Year:	
Net Pension Liability	15,723,890
Net OPEB Liability	1,109,368
Other Amounts	27,137,227
<i>Total Liabilities</i>	<i>47,432,224</i>
<b>Deferred Inflows of Resources</b>	
Property Taxes	8,122,366
Pension	1,257,295
OPEB	2,335,878
<i>Total Deferred Inflows of Resources</i>	<i>11,715,539</i>
<b>Net Position</b>	
Net Investment in Capital Assets	15,113,231
Restricted for:	
Capital Projects	433,558
Facilities Maintenance	324,688
OPEB Plans	302,353
Food Service Operations	206,473
Local, State, and Federal Grants	57,189
Technology Improvements	28,800
Student Activities	20,713
Unrestricted (Deficit)	(6,212,388)
<i>Total Net Position</i>	<i>\$10,274,617</i>

See accompanying notes to the basic financial statements

**Northridge Local School District, Ohio**  
*Statement of Activities*  
*For the Fiscal Year Ended June 30, 2023*

	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions		
<b>Governmental Activities</b>					
Instruction:					
Regular	\$6,423,870	\$667,608	\$290,435	\$0	(\$5,465,827)
Special	2,919,585	97,854	805,077	0	(2,016,654)
Vocational	112,524	0	21,487	0	(91,037)
Support Services:					
Pupils	1,073,231	0	138,012	0	(935,219)
Instructional Staff	1,340,961	0	185,805	0	(1,155,156)
Board of Education	168,350	0	0	0	(168,350)
Administration	1,731,954	66,154	11,610	0	(1,654,190)
Fiscal	800,826	0	19,606	0	(781,220)
Operation and Maintenance					
of Plant	2,480,033	25,645	99,917	0	(2,354,471)
Pupil Transportation	2,428,449	0	10,655	0	(2,417,794)
Central	246,824	0	5,400	0	(241,424)
Operation of Non-Instructional					
Services:					
Food Service Operations	554,651	141,418	287,738	0	(125,495)
Extracurricular Activities	790,616	184,352	4,610	51,834	(549,820)
Interest	674,634	0	0	0	(674,634)
<b>Totals</b>	<b>\$21,746,508</b>	<b>\$1,183,031</b>	<b>\$1,880,352</b>	<b>\$51,834</b>	<b>(\$18,631,291)</b>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					10,708,738
Debt Service					1,485,661
Income Taxes Levied for:					
Capital Improvements					1,677,975
Grants and Entitlements not Restricted					
to Specific Programs					5,596,871
Investment Earnings/Interest					58,045
Miscellaneous					184,940
<b>Total General Revenues</b>					<b>19,712,230</b>
<b>Change in Net Position</b>					<b>1,080,939</b>
<b>Net Position Beginning of Year -</b>					
<b>Restated Note 3</b>					<b>9,193,678</b>
<b>Net Position End of Year</b>					<b>\$10,274,617</b>

See accompanying notes to the basic financial statements

**Northridge Local School District, Ohio**

*Balance Sheet*

*Governmental Funds*

*June 30, 2023*

	General Fund	Permanent Improvement Fund	District Stadium Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$5,424,379	\$1,554,025	\$0	\$1,919,807	\$8,898,211
Cash and Cash Equivalents					
in Escrow Accounts	0	77,966	0	0	77,966
Investments	0	0	5,912,783		5,912,783
Income Taxes Receivable	0	634,222	0	0	634,222
Materials and Supplies Inventory	16,299	0	0	2,249	18,548
Inventory Held for Resale	0	0	0	5,381	5,381
Accrued Interest Receivable	16,305	4,730	3,214	0	24,249
Intergovernmental Receivable	232,963	0	0	577,386	810,349
Accounts Receivable	59,522	3,900	0	3,418	66,840
Prepaid Items	102,990	0	0	10,728	113,718
Interfund Receivable	2,172,775	0	0	0	2,172,775
Property Taxes Receivable	9,294,326	0	0	1,340,126	10,634,452
<i>Total Assets</i>	<u>\$17,319,559</u>	<u>\$2,274,843</u>	<u>\$5,915,997</u>	<u>\$3,859,095</u>	<u>\$29,369,494</u>
<b>Liabilities</b>					
Accounts Payable	\$125,574	\$0	\$0	\$13,204	\$138,778
Contracts Payable	0	0	77,236	0	77,236
Accrued Wages					
and Benefits Payable	1,193,899	0	0	69,266	1,263,165
Matured Compensated					
Absences Payable	565	0	0	0	565
Interfund Payable	0	1,600,000	0	572,775	2,172,775
Unearned Revenue	0	0	0	68,027	68,027
Intergovernmental Payable	392,856	7,720	0	55,489	456,065
<i>Total Liabilities</i>	<u>1,712,894</u>	<u>1,607,720</u>	<u>77,236</u>	<u>778,761</u>	<u>4,176,611</u>
<b>Deferred Inflows of Resources</b>					
Property Taxes not Levied to Finance					
Current Year Operations	7,053,173	0	0	1,069,193	8,122,366
Unavailable Revenue	427,371	119,525	1,939	601,073	1,149,908
<i>Total Deferred Inflows of Resources</i>	<u>7,480,544</u>	<u>119,525</u>	<u>1,939</u>	<u>1,670,266</u>	<u>9,272,274</u>
<b>Fund Balances</b>					
Nonspendable	1,319,289	0	0	12,977	1,332,266
Restricted	0	547,598	5,836,822	1,742,091	8,126,511
Assigned	25,772	0	0	266,056	291,828
Unassigned (Deficit)	6,781,060	0	0	(611,056)	6,170,004
<i>Total Fund Balances</i>	<u>8,126,121</u>	<u>547,598</u>	<u>5,836,822</u>	<u>1,410,068</u>	<u>15,920,609</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$17,319,559</u>	<u>\$2,274,843</u>	<u>\$5,915,997</u>	<u>\$3,859,095</u>	<u>\$29,369,494</u>

See accompanying notes to the basic financial statements

**Northridge Local School District, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2023*

<b>Total Governmental Fund Balances</b>	\$15,920,609
---	--------------

*Amounts reported for governmental activities in the Statement of Net Position are different because of the following:*

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	35,794,360
---	------------

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources: unavailable revenue in the funds:

Delinquent Property Taxes	188,893	
Income Taxes	119,525	
Intergovernmental Revenues	580,656	
Investment Earnings/Interest	11,758	
Tuition and Fees	203,461	
Extracurricular Activities	1,725	
Charges for Services	2,044	
Miscellaneous	41,846	
	1,149,908	1,149,908

Deferred outflows of resources represent the asset retirement obligation which are not reported in the funds.	18,400
---	--------

Accrued Interest Payable is recognized for outstanding long-term liabilities with interest accrual that are not expected to be paid with expendable available financial resources and therefore are not reported in the funds.	(209,344)
--	-----------

Some liabilities are not due and payable in the current period and, therefore, not reported in the funds:

Bonds Payable	(19,535,000)	
Bond Premium	(1,044,447)	
Certificates of Participation	(6,000,000)	
Certificates of Participation Premium	(231,726)	
Asset Retirement Obligation	(20,000)	
Financed Purchase	(898,255)	
Leases Payable	(34,801)	
Compensated Absences	(621,557)	
	(28,385,786)	(28,385,786)

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

Net OPEB Asset	1,344,599	
Deferred Outflows - Pension	4,472,423	
Deferred Outflows - OPEB	595,879	
Net Pension Liability	(15,723,890)	
Net OPEB Liability	(1,109,368)	
Deferred Inflows - Pension	(1,257,295)	
Deferred Inflows - OPEB	(2,335,878)	
	(14,013,530)	(14,013,530)

<i>Net Position of Governmental Activities</i>	<u><u>\$10,274,617</u></u>
--	----------------------------

See accompanying notes to the basic financial statements

**Northridge Local School District, Ohio**  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2023*

	General Fund	Permanent Improvement Fund	District Stadium Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Property Taxes	\$10,680,030	\$0	\$0	\$1,485,451	\$12,165,481
Income Taxes	0	1,674,519	0	0	1,674,519
Intergovernmental	5,893,491	0	0	2,152,661	8,046,152
Investment Earnings	46,052	4,730	49,895	2,026	102,703
Tuition and Fees	729,923	0	0	0	729,923
Extracurricular Activities	65,540	0	0	183,241	248,781
Rentals	25,645	0	0	0	25,645
Charges for Services	0	0	0	142,126	142,126
Contributions and Donations	1,004	0	0	18,842	19,846
Miscellaneous	104,332	103,900	0	0	208,232
<i>Total Revenues</i>	<u>17,546,017</u>	<u>1,783,149</u>	<u>49,895</u>	<u>3,984,347</u>	<u>23,363,408</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular	5,324,983	0	0	339,471	5,664,454
Special	2,006,046	0	0	543,894	2,549,940
Vocational	97,374	0	0	2,752	100,126
Support Services:					
Pupils	823,595	0	0	141,870	965,465
Instructional Staff	1,063,414	0	0	190,750	1,254,164
Board of Education	168,350	0	0	0	168,350
Administration	1,548,468	0	0	11,883	1,560,351
Fiscal	709,344	25,081	0	19,187	753,612
Operation and Maintenance of Plant	1,688,777	0	0	100,000	1,788,777
Pupil Transportation	2,361,236	0	0	4,734	2,365,970
Central	244,915	0	0	0	244,915
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	444,414	444,414
Extracurricular Activities	113,094	0	0	623,605	736,699
Capital Outlay	0	703,805	213,073	0	916,878
Debt Service:					
Principal Retirement	35,002	57,908	0	555,000	647,910
Interest	4,319	29,478	0	643,250	677,047
Certificate of Participation Issuance Costs	0	153,760	0	0	153,760
<i>Total Expenditures</i>	<u>16,188,917</u>	<u>970,032</u>	<u>213,073</u>	<u>3,620,810</u>	<u>20,992,832</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,357,100</u>	<u>813,117</u>	<u>(163,178)</u>	<u>363,537</u>	<u>2,370,576</u>
<b>Other Financing Sources (Use)</b>					
Transfers In	0	0	0	403,685	403,685
Certificates of Participation Issued	0	0	6,000,000	0	6,000,000
Premium on Certificates of Participation Issued	0	231,726	0	0	231,726
Proceeds from Sale of Capital Assets	835	0	0	212	1,047
Transfers Out	(403,685)	0	0	0	(403,685)
<i>Total Other Financing Sources (Use)</i>	<u>(402,850)</u>	<u>231,726</u>	<u>6,000,000</u>	<u>403,897</u>	<u>6,232,773</u>
<i>Net Change in Fund Balances</i>	954,250	1,044,843	5,836,822	767,434	8,603,349
<i>Fund Balances (Deficit) Beginning of Year - Restated Note 3</i>	7,171,871	(497,245)	0	642,634	7,317,260
<i>Fund Balances End of Year</i>	<u>\$8,126,121</u>	<u>\$547,598</u>	<u>\$5,836,822</u>	<u>\$1,410,068</u>	<u>\$15,920,609</u>

See accompanying notes to the basic financial statements

**Northridge Local School District, 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** \$8,603,349

*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/amortization expense. This is the amount by which depreciation/amortization exceeded capital outlay in the current period.

Capital Asset Additions	589,406	
Depreciation/Amortization Expense	<u>(1,177,873)</u>	(588,467)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount of the loss on disposal of capital assets:

Loss on Disposal of Capital Assets	(429,424)	
Proceeds from Sale of Capital Assets	<u>(1,047)</u>	(430,471)

Revenues and expenses in the Statement of Activities that do not provide current financial resources are not reported as revenues and expenditures in the funds:

Delinquent Property Taxes	28,918	
Income Taxes	3,456	
Intergovernmental Revenues	(590,801)	
Investment Earnings/Interest	9,202	
Tuition and Fees	35,539	
Extracurricular Activities	1,725	
Charges for Services	(708)	
Miscellaneous	<u>(23,292)</u>	(535,961)

Long-term debt proceeds are other financing sources in the governmental funds, but the issuance increases the long-term liabilities on the Statement of Net Position:

Certificates of Participation Issued	(6,000,000)	
Premium on Certificates of Participation Issued	<u>(231,726)</u>	(6,231,726)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

General Obligation Bonds Payable	555,000	
Financed Purchase	57,908	
Leases Payable	<u>35,002</u>	647,910

In the Statement of Activities interest is accrued on outstanding bonds, whereas in governmental funds, interest is expended when due. (42,997)

Compensated Absences Payable are reported in the Statement of Activities and do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (65,109)

The amortization of premiums are reported on the Statement of Activities. 45,410

Deferred outflows of resources represent the amortization of the asset retirement obligation which are not reported in the funds. (800)

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

Pension	1,476,060	
OPEB	<u>64,012</u>	1,540,072

Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB (asset) liability are reported as pension/OPEB expense in the statement of activities.

Pension	(2,126,228)	
OPEB	<u>265,957</u>	<u>(1,860,271)</u>

*Change in Net Position of Governmental Activities* \$1,080,939

See accompanying notes to the basic financial statements

**Northridge Local School District, Ohio**  
*Statement of Revenues, Expenditures, and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2023*

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$8,804,325	\$8,804,325	\$9,125,965	\$321,640
Intergovernmental	6,432,599	5,932,599	5,354,174	(578,425)
Interest	20,000	20,000	72,112	52,112
Tuition and Fees	386,050	386,050	794,072	408,022
Rentals	23,205	23,205	25,270	2,065
Contributions and Donations	0	0	1,004	1,004
Miscellaneous	116,840	116,840	106,748	(10,092)
<i>Total Revenues</i>	<u>15,783,019</u>	<u>15,283,019</u>	<u>15,479,345</u>	<u>196,326</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	5,353,308	5,309,789	5,297,612	12,177
Special	1,953,915	1,967,628	1,948,014	19,614
Vocational	75,758	94,180	93,835	345
Support Services:				
Pupil	748,656	792,257	785,687	6,570
Instructional Staff	1,190,621	1,139,299	1,129,266	10,033
Board of Education	120,051	165,686	165,357	329
Administration	1,585,516	1,510,257	1,500,498	9,759
Fiscal	799,386	708,020	705,130	2,890
Operation and Maintenance of Plant	1,839,203	1,712,342	1,680,317	32,025
Pupil Transportation	2,149,162	2,370,607	2,370,607	0
Central	226,840	266,008	245,918	20,090
Extracurricular Activities	115,238	121,581	118,672	2,909
<i>Total Expenditures</i>	<u>16,157,654</u>	<u>16,157,654</u>	<u>16,040,913</u>	<u>116,741</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(374,635)</u>	<u>(874,635)</u>	<u>(561,568)</u>	<u>313,067</u>
<b>Other Financing Sources (Uses)</b>				
Advances In	400,000	400,000	400,000	0
Transfers In	0	0	7,834	7,834
Proceeds from Sale of Capital Assets	0	0	835	835
Advances Out	0	(572,777)	(572,775)	2
Transfers Out	(550,000)	(407,404)	(406,450)	954
<i>Total Other Financing Sources (Uses)</i>	<u>(150,000)</u>	<u>(580,181)</u>	<u>(570,556)</u>	<u>9,625</u>
<i>Net Change in Fund Balance</i>	(524,635)	(1,454,816)	(1,132,124)	322,692
<i>Fund Balance Beginning of Year</i>	6,199,170	6,199,170	6,199,170	0
Prior Year Encumbrances Appropriated	542,696	542,696	542,696	0
<i>Fund Balance End of Year</i>	<u>\$6,217,231</u>	<u>\$5,287,050</u>	<u>\$5,609,742</u>	<u>\$322,692</u>

See accompanying notes to the basic financial statements

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**Note 1 - Description of the School District and Reporting Entity**

The Northridge Local School District (the School District) is organized under Article VI, Sections 2 and 3 of the Constitution of the State of Ohio. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The School District provides educational services as authorized by State statute and federal guidelines.

The School District was established in 1962 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 120 square miles. It is located in Licking, Knox, and Delaware Counties, and includes Burlington Township and the Villages of Alexandria and Croton. The School District is staffed by 54 classified employees, 112 certificated full-time teaching personnel, and 9 administrative employees who provide services to 1,106 students and other community members. The School District currently operates three instructional buildings and one garage.

***Reporting Entity***

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; (4) or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The School District has no component units.

The School District is associated with two jointly governed organizations and two insurance purchasing pools. These organizations are the Licking Area Computer Association, the META Solutions, the Ohio School Boards Association Workers' Compensation Group Rating Program, and the Ohio School Plan, which are presented in Notes 18 and 19 to the basic financial statements. The School District is associated with a related organization, the Alexandria Public Library, which is discussed in Note 20.

**Note 2 - Summary of Significant Accounting Policies**

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

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**Basis of Presentation**

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

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements usually distinguish between those activities of the School District that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District has no business-type activities.

The statement of net position presents the financial condition of the governmental activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department, and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. 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 School District.

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

**Fund Accounting**

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The School District uses only governmental funds.

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

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

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

**Permanent Improvement Fund** The Permanent Improvement Fund accounts for income taxes that are restricted for the construction and maintenance of school buildings. The fund name was changed in fiscal year 2023. In prior years, this fund was referred to as the Building Fund and was used for the construction of the new elementary school that was finished in fiscal year 2022.

**District Stadium Fund** The District Stadium Fund accounts for the issuance of Certificates of Participation (COPs) that are restricted for the construction of a new stadium.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

**Measurement Focus**

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

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

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the 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. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

On 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, income taxes, investment earnings/interest, grants, tuition and fees, and charges for services.

***Unearned Revenue*** Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

On governmental fund financial statements, revenue received as of June 30, 2023, for fiscal year 2024 services, has been recorded as unearned revenue.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for the asset retirement obligation, pension, and OPEB plans. The deferred outflows of resources related to the asset retirement obligation is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 19. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, 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 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. For the School District, unavailable revenue includes delinquent property taxes, income taxes, intergovernmental revenues, investment earnings/interest, tuition and fees, extracurricular activities, charges for services, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 13 and 14)

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

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

**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 is required under the Ohio Revised Code; however, this requirement is waived by the Licking County Budget Commission (Budget Commission). The Budget Commission accepts the School District's five year forecast in place of the tax budget. 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 sets 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. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

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

The appropriation resolution is subject to amendment by the Board of Education throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. 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 of Education during the fiscal year.

**Cash and Cash Equivalents**

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool, except for the cash and cash equivalents that were purchased with bond proceeds. Individual fund integrity is maintained through School District records. Interest in the pool is presented as equity in pooled cash and cash equivalents on the financial statements.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an original maturity of greater than three months and not purchased from the cash management pool are presented on the financial statements as investments. For fiscal year 2023, investments were shown in the District Stadium Major Capital Projects Fund due to the investment of COPs proceeds related to the construction of a new stadium.

During fiscal year 2023, investments were limited to the State Treasury Asset Reserve of Ohio (STAR Ohio), money market mutual funds, federal agency securities, treasury bonds and notes, commercial paper, and negotiable certificates of deposit.

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

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

For fiscal year 2023, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, 24 hours advance notice for deposits and withdrawals of \$100 million or more is appreciated. STAR Ohio reserves the right to limit the transaction to \$250 million per day.

Under existing Ohio statutes, all investment earnings/interest are assigned to the General Fund unless statutorily required to be credited to a specific fund. The Board of Education has, by resolution, specified the funds to receive an allocation of investment earnings/interest. Investment earnings/interest revenue credited to the General Fund during fiscal year 2023 amounted to \$46,052, which includes \$8,635 assigned from other School District funds.

**Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund services provided and used are reported as "Interfund Receivable/Payable." Interfund balances are eliminated on the statement of net position.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2023, are recorded as prepaid items 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 fiscal year in which services are consumed.

**Inventory**

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

**Capital Assets**

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

All capital assets (except for intangible right-to-use lease assets which are discussed later) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of capital assets by backtrending (i.e., estimating the current replacement cost of the assets to be capitalized and using an appropriate price-index to deflate the costs to the acquisition year or estimated acquisition year). Donated

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	25-50 Years
Buildings and Improvements	25-100 Years
Furniture and Equipment	10-25 Years
Vehicles	5-15 Years

The School District is reporting intangible right to use assets related to lease assets. The lease assets include equipment and represent nonfinancial assets which are being utilized for a period of time through leases from another entity. These intangible right to use assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

**Internal Activity**

Transfers within governmental activities are eliminated on the government-wide statements. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

**Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for vacation eligible employees with more than one year of service. The vacation balances earned can be carried over up to a maximum of three years of accrual per vacation eligible employee.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School 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 School District's termination policy. The School District records a liability for accumulated unused sick leave for employees with twelve years of experience with the School District.

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

The entire compensated absences liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the funds from which these payments will be made.

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. 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 pension is not sufficient for payment of those benefits. Bonds, COPs, leases, and financed purchases are recognized as liabilities on the governmental fund financial statements when due.

**Premiums and Issuance Costs**

On government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Premiums are amortized over the term of the debt using the straight-line method, which approximates the effective interest method. On the governmental fund financial statements, debt premiums are recognized in the period in which the debt is issued. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent. The School District issued COPs during fiscal year 2023, which were issued with a premium. The premium was deposited into the Permanent Improvement Capital Project Fund where the COPs will be retired using permanent improvement income tax levy funds.

Debt issuance costs are shown as expensed in the year of the debt issuance.

**Leases**

The School District serves as the lessee in various noncancellable leases which are accounted for as follows:

*Lessee* At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**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 pension/OPEB of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plans. 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.

**Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in 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 are legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

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

**Committed** The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School District Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the School District Board of Education, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for the 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. These amounts are assigned by the School District Board of Education. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education or by State statute. State statute authorizes the School District’s Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The Board of Education has also assigned fund balance for public school support.

**Unassigned** The 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

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

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

**Net Position**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted Net Position for OPEB plans represent the corresponding restricted asset amounts after considering the related deferred outflows and deferred inflows.

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

**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. There were no extraordinary or special items in fiscal year 2023.

**Estimates**

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

**Note 3 - Change in Accounting Principles and Restatement of Fund Balances and Net Position**

**Change in Accounting Principles**

For fiscal year 2023, the School District implemented Governmental Accounting Standards Board (GASB) No. 91, *Conduit Debt Obligations*, Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022*.

GASB 91 clarifies 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 School District did not have any debt that met the definition of conduit debt.

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The School District did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The School District did not have any long-term contracts that met the GASB 96 definition of a SBITA.

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

**Restatement of Fund Balances and Net Position**

During fiscal year 2022, there was an error in the transportation documentation sent to the Ohio Department of Education. This resulted in the School District being overpaid by \$533,674 in State foundation payments as of June 30, 2022. This correction of an error had the following effect on fund balance as of June 30, 2022:

	General	Building Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances, June 30, 2022	\$7,705,545	(\$497,245)	\$642,634	\$7,850,934
Adjustments:				
Payable Modifications	(533,674)	0	0	(533,674)
Restated Fund Balances, June 30, 2022	\$7,171,871	(\$497,245)	\$642,634	\$7,317,260

This correction of an error had the following effect on net position as of June 30, 2022:

	Governmental Activities
Net Position, June 30, 2022	\$9,727,352
Adjustments:	
Payable Modifications	(533,674)
Restated Net Position, June 30, 2022	\$9,193,678

**Note 4 - Fund Balances**

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

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

Fund Balances	General Fund	Permanent Improvement Fund	District Stadium Fund	Other Governmental Funds	Total
<u>Nonspendable:</u>					
Long-Term Advance	\$1,200,000	\$0	\$0	\$0	\$1,200,000
Prepays	102,990	0	0	10,728	113,718
Materials and Supplies Inventory	16,299	0	0	2,249	18,548
<i>Total Nonspendable</i>	<u>1,319,289</u>	<u>0</u>	<u>0</u>	<u>12,977</u>	<u>1,332,266</u>
<u>Restricted for:</u>					
Capital Projects	0	315,872	5,836,822	0	6,152,694
Debt Service	0	231,726	0	1,116,598	1,348,324
Facilities Maintenance	0	0	0	324,688	324,688
Food Service Operations	0	0	0	196,713	196,713
Local, State, and Federal Grants	0	0	0	57,189	57,189
Technology Improvements	0	0	0	28,800	28,800
Student Activities	0	0	0	18,103	18,103
<i>Total Restricted</i>	<u>0</u>	<u>547,598</u>	<u>5,836,822</u>	<u>1,742,091</u>	<u>8,126,511</u>
<u>Assigned to:</u>					
Capital Improvements	0	0	0	266,056	266,056
Public School Support	25,772	0	0	0	25,772
<i>Total Assigned</i>	<u>25,772</u>	<u>0</u>	<u>0</u>	<u>266,056</u>	<u>291,828</u>
Unassigned	6,781,060	0	0	(611,056)	6,170,004
<i>Total Fund Balances</i>	<u><u>\$8,126,121</u></u>	<u><u>\$547,598</u></u>	<u><u>\$5,836,822</u></u>	<u><u>\$1,410,068</u></u>	<u><u>\$15,920,609</u></u>

**Note 5 – Fund Deficits**

The following funds had deficit fund balances as of June 30, 2023:

	<u>Deficit Fund Balances</u>
<u>Special Revenue Funds:</u>	
Title IV-A	(\$388)
Title I	(2,047)
Miscellaneous Federal Grants	(4,989)
Title VI-B	(18,532)
High School Athletics	(26,666)
ESSER	(558,434)
	<u><u>(\$611,056)</u></u>

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

**Note 6 - Budgetary Basis of Accounting**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than as committed or assigned fund balance for governmental fund types (GAAP basis).
4. Changes in fair market value, prepaid items, and negative cash advances to other funds are reported on the GAAP Basis, but not on budgetary basis.
5. Advances are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP).
6. Certain funds are accounted for as separate funds internally with legally adopted budgets (budget basis) that do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

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

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

Net Change in Fund Balance	
GAAP Basis	\$954,250
Net Adjustment for Revenue Accruals	(942,582)
Net Adjustment for Expenditure Accruals	131,182
Beginning:	
Change in Market Value of Investments	(188,375)
Prepaid Items	60,493
Negative cash advances to other funds	(1,088,824)
Ending:	
Change in Market Value of Investments	218,649
Prepaid Items	(102,990)
To reclassify excess of revenues and other sources of financial resources over expenditures and other uses of financial resources into financial statement fund types	8,606
Advances In	400,000
Advances Out	(572,775)
Adjustment for Encumbrances	(9,758)
Budget Basis	<u><u>(\$1,132,124)</u></u>

**Note 7 - Deposits and Investments**

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

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

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian. At fiscal year-end, the School District had no undeposited cash on hand.

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

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

Measurement/Investment	Measurement Amount	Maturity	Ratings	Percentage of Total Investment
Net Asset Value Per Share:				
STAR Ohio	\$476,517	Average 39 Days	AAAm	4.04%
Fair Value - Level One Inputs:				
Money Market Mutual Funds	181,568	Less than one year	AAAm	1.54
Fair Value - Level Two Inputs:				
Federal Farm Credit Bank Notes	1,739,538	Under five years	Aaa	14.73
Federal National Mortgage Association Notes	435,598	Under four years	Aaa	3.69
Federal Home Loan Bank Notes	2,749,156	Under five years	Aaa	23.28
United States Treasury Bonds	1,099,218	Under three years	Aaa	9.31
United States Treasury Notes	2,268,067	Under five years	Aaa	19.21
Commercial Paper	1,902,498	Under one year	P-1	16.12
Negotiable Certificates of Deposit	953,439	Under two years	n/a	8.08
Total Fair Value - Level Two Inputs	11,147,514			
Total	\$11,805,599			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2023. The money market mutual funds are measured at fair value and is valued using quoted market prices (Level 1 inputs). The School District's remaining investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data (Level 2 inputs).

**Interest Rate Risk** The School District'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 except for commercial paper and bankers' acceptances which will be limited to 180 days. The Treasurer cannot make investments which he does not reasonably believe can be held until the maturity date.

**Credit Risk** STAR Ohio and the Money Market Mutual Funds carry a rating of AAAM by Standard and Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service. All other investments ratings are Moody's ratings. The School 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 School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The commercial paper investments are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department agent but not in the School District's name. The School District has no investment policy dealing with

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

investment custodial 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** Concentration of credit risk is defined by the Governmental Accounting Standards Board as having five percent or more invested in the securities of a single issuer. The School District places no limit on the amount it may invest in any one issuer.

**Note 8 - Property Taxes**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at thirty-five 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 2023 represents collections of calendar year 2022 taxes. Public utility real property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Licking, Knox, and Delaware Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 were levied to finance current fiscal year operations and is reflected 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 inflow of resources for property taxes.

The amount available as an advance at June 30, 2023, was \$2,323,193, \$2,072,792 was available to the General Fund and \$250,401 was available to the Bond Retirement Debt Service Fund. The amount available as an advance at June 30, 2022, was \$603,271, \$518,727 was available to the General Fund and \$84,544 was available to the Bond Retirement Debt Service Fund.

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

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

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

	2022 Second - Half Collections		2023 First - Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$338,231,077	91.16%	\$349,453,957	90.81%
Public Utility Personal	32,788,200	8.84%	35,369,570	9.19%
	\$371,019,277	100.00%	\$384,823,527	100.00%
Tax rate per \$1,000 of assessed valuation	\$42.10		\$41.30	

The decrease in the tax rates was due to an adjustment in the emergency levy. Tax rates are adjusted according to the amount to be generated for the emergency levy.

**Note 9 - Income Tax**

On May 7, 2019, voters of the School District approved a combination 4.3 mills bond issue and a one-half percent earned income tax levy for the construction of a new elementary school and the purpose of permanent improvements. The tax was effective on January 1, 2020, through December 31, 2047. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the Permanent Improvement Fund. A receivable has been recorded at June 30, 2023, for income tax revenue amounts that were provided by the Ohio Department of Taxation.

**Note 10 - Receivables**

Receivables at June 30, 2023, consist of property taxes, income taxes, accrued interest, accounts (billings for user charged services, vendors commissions, and tuition and fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables, except property taxes, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The delinquent property taxes amounted to \$188,893 as of June 30, 2023.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<b>Governmental Activities</b>	
ESSER	\$558,434
State Foundation Adjustments	210,806
Early Childhood Special Education	4,894
IDEA B Special Education	11,757
Medicaid Reimbursements	12,267
Fuel Tax Refund	5,668
Ohio School Plan Cyber Grant	3,268
Title I	1,913
Miscellaneous	954
Drug Free Schools Grant	388
Total	\$810,349

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

**Note 11 - Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
<b>Nondepreciable Capital Assets</b>				
Land	\$338,545	\$0	\$0	\$338,545
Construction in Progress	15,421	204,053	0	219,474
<i>Total Nondepreciable Capital Assets</i>	<u>353,966</u>	<u>204,053</u>	<u>0</u>	<u>558,019</u>
<b>Depreciable Capital Assets</b>				
Land Improvements	2,654,781	0	(7,831)	2,646,950
Buildings and Improvements	35,267,380	375,668	(1,277,834)	34,365,214
Furniture and Equipment	6,830,829	9,685	(143,476)	6,697,038
Vehicles	102,310	0	0	102,310
Intangible Right to Use Lease - Equipment**	102,122	0	0	102,122
<i>Total Depreciable Capital Assets</i>	<u>44,957,422</u>	<u>385,353</u>	<u>(1,429,141)</u>	<u>43,913,634</u>
<i>Less Accumulated Depreciation/Amortization:</i>				
Land Improvements	(805,249)	(86,601)	7,831	(884,019)
Buildings and Improvements	(5,692,724)	(686,969)	865,894	(5,513,799)
Furniture and Equipment	(1,895,421)	(355,486)	124,945	(2,125,962)
Vehicles	(72,377)	(13,815)	0	(86,192)
Intangible Right to Use Lease - Equipment**	(32,319)	(35,002)	0	(67,321)
<i>Total Accumulated Depreciation/Amortization</i>	<u>(8,498,090)</u>	<u>(1,177,873) *</u>	<u>998,670</u>	<u>(8,677,293)</u>
<i>Total Depreciable Capital Assets, Net</i>	<u>36,459,332</u>	<u>(792,520)</u>	<u>(430,471)</u>	<u>35,236,341</u>
<i>Total Governmental Capital Assets, Net</i>	<u>\$36,813,298</u>	<u>(\$588,467)</u>	<u>(\$430,471)</u>	<u>\$35,794,360</u>

\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$389,463
Special	217,641
Vocational	5,727
Support Services:	
Pupil	45,819
Instructional Staff	34,364
Administration	104,623
Fiscal	28,637
Operation and Maintenance of Plant	159,336
Pupil Transportation	62,479
Extracurricular Activities	38,856
Food Service Operations	90,928
Total Depreciation Expense	<u>\$1,177,873</u>

\*\* Of the current year depreciation total of \$1,177,873, \$35,002 is presented as administration expense in the amount of \$30,167 and operation of maintenance expense in the amount of \$4,835 on the Statement of Activities related to the School District's intangible assets of copiers and phone system, which are included as an Intangible Right to Use Lease. With the implementation of Governmental Accounting Standards

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

Board Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

**Note 12 - Risk Management**

During fiscal year 2023, the School District joined together with other school districts in Ohio to participate in the Ohio School Plan (OSP), a public entity insurance purchasing pool, for insurance coverage (See Note 19). Each individual school district enters into an agreement with the OSP and its premium is based on types of coverage, limits of coverage, and deductibles that it selects. The School District pays this annual premium to the OSP. Coverage provided by Ohio School Plan is as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$72,142,731
Educational General Liability:	
Bodily Injury and Property Damage – Each Occurrence and Each Wrongful Act and Sexual Abuse Injury Limit – Each Sexual Abuse Offense	3,000,000
Personal and Advertising Injury – Each Offense Limit	3,000,000
Fire Damage – Any One Event Limit	500,000
Medical Expense - Any One Person Limit	10,000
Each Accident Limit	10,000
General Aggregate Limit	5,000,000
Products-Completed Operations Aggregate Limit	3,000,000
Employers Liability – Stop Gap – Occurrence:	
Bodily Injury by Accident - Each Accident Limit	3,000,000
Bodily Injury by Disease - Endorsement Limit	3,000,000
Bodily Injury by Disease - Each Employee Limit	3,000,000
Fiduciary Liability – Claims Made:	
Each Offense Limit	3,000,000
Aggregate Limit	5,000,000
Educational Legal Liability:	
Errors and Omissions Injury Limit (\$2,500 Deductible)	\$3,000,000
Errors and Omissions Injury Aggregate Limit	5,000,000
Employment Practices Injury Limit (\$2,500 Deductible)	3,000,000
Employment Practices Injury Aggregate Limit	5,000,000
Automobile Liability (\$1,000 Comprehensive/\$1,000 collision):	
Auto Liability-Combined Single Limit	3,000,000
Uninsured Motorists	1,000,000
Medical Payments	5,000

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

For fiscal year 2023, the School District participated in the Ohio School Boards Associations Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sedgwick provides administrative, cost control, and actuarial services to the GRP.

**Note 13 - Defined Benefit Pension Plans**

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

**Net Pension Liability/Net OPEB Liability**

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

***Plan Description - School Employees Retirement System (SERS)***

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. The School District contracts with a private company for transportation services. Since these services are common to the normal daily operation of a school district, these workers are member of SERS and the School District is legally responsible for making employer contributions to SERS. This relationship is presented as a Special Funding Situation within the accompanying financial statements. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the allocation to pension, death benefits, and Medicare B was 14 percent. For fiscal year 2023, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

The School District's contractually required contribution to SERS was \$461,959 for fiscal year 2023. Of this amount, \$92,806 is reported as an intergovernmental payable. The Special Fund Situation contractually required contributions to SERS was \$147,827 (which is included as a part of the \$461,959) for fiscal year 2023.

***Plan Description - State Teachers Retirement System (STRS)***

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Effective July 1, 2022, an ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. 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 their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

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 that 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 2023 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2023, the full employer contribution was allocated to pension.

The School District’s contractually required contribution to STRS was \$1,014,101 for fiscal year 2023. Of this amount \$198,133 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS			
	Contributions made by School District	Special Funding Situation	STRS	
Proportion of the Net Pension Liability:				
Prior Measurement Date	0.07498670%	0.07498670%	0.04968233%	
Current Measurement Date	0.07728450%	0.07728450%	0.05192838%	
Change in Proportionate Share	0.00229780%	0.00229780%	0.00224605%	
				Total
Proportionate Share of the Net				
Pension Liability	\$2,842,499	\$1,337,647	\$11,543,744	\$15,723,890
Pension Expense	\$332,845	\$156,633	\$1,636,750	\$2,126,228

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

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

	SERS		STRS	Total
	Contributions made by School District	Special Funding Situation		
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$115,123	\$54,176	\$147,775	\$317,074
Changes of assumptions	28,047	13,199	1,381,439	1,422,685
Net difference between projected and actual earnings on pension plan investments	0	0	401,697	401,697
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	98,692	46,443	709,772	854,907
School District contributions subsequent to the measurement date	314,132	147,827	1,014,101	1,476,060
Total Deferred Outflows of Resources	\$555,994	\$261,645	\$3,654,784	\$4,472,423
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$18,661	\$8,781	\$44,158	\$71,600
Changes of assumptions	0	0	1,039,827	1,039,827
Net difference between projected and actual earnings on pension plan investments	99,190	46,678	0	145,868
Total Deferred Inflows of Resources	\$117,851	\$55,459	\$1,083,985	\$1,257,295

\$1,476,060 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 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
	Contributions made by School District	Special Funding Situation		
Fiscal Year Ending June 30:				
2024	\$90,758	\$42,711	\$299,236	\$432,705
2025	10,112	4,758	220,487	235,357
2026	(141,696)	(66,681)	(133,748)	(342,125)
2027	164,837	77,571	1,170,723	1,413,131
Total	\$124,011	\$58,359	\$1,556,698	\$1,739,068

***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

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

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 as follows:

	June 30, 2022
Inflation	2.4 percent
Future Salary Increases, including inflation COLA or Ad Hoc COLA	3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

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

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

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
For the Fiscal Year Ended June 30, 2023

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100.00 %</u>	

**Discount Rate** The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$4,184,024	\$2,842,499	\$1,712,284
Special Funding Situations proportionate share of the net pension liability	\$1,968,953	\$1,337,647	\$805,781

**Actuarial Assumptions – STRS**

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

	<u>June 30, 2022</u>
Inflation	2.50 percent
Salary increases	From 2.5 percent to 12.5 percent based on age
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

For 2021, post-retirement mortality rates are based on RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates, thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 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.

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:

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Rate of Return **</u>
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	<u>100.00%</u>	

\* Target allocation percentage is effective 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 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 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 rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2022.

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

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net pension liability	\$17,438,395	\$11,543,744	\$6,558,695

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2023, no members of the Board of Education have elected Social Security. The contribution rate would be 6.2 percent of wages.

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**Note 14 - Defined Benefit OPEB Plans**

See Note 13 for a description of the net OPEB liability.

***Plan Description - School Employees Retirement System (SERS)***

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981 do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured 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](http://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. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was \$64,012.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$64,012 for fiscal year 2023, which is reported as an intergovernmental payable. The Special Funding Situation contractually required contributions to SERS was \$20,484 (which is included as a part of the \$64,012) for fiscal year 2023.

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

***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 Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

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

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

The net OPEB liability (asset) was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS			
	Contributions made by School District	Special Funding Situation	STRS	
Proportion of the Net OPEB Liability (Asset):				
Prior Measurement Date	0.07714270%	0.07714270%	0.04968233%	
Current Measurement Date	0.07901420%	0.07901420%	0.05192838%	
Change in Proportionate Share	0.00187150%	0.00187150%	0.00224605%	
				Total
Proportionate Share of the:				
Net OPEB Liability	\$754,370	\$354,998	\$0	\$1,109,368
Net OPEB (Asset)	\$0	\$0	(\$1,344,599)	(\$1,344,599)
OPEB Expense	(\$20,781)	(\$9,780)	(\$235,396)	(\$265,957)

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

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

	SERS			
	Contributions made by School District	Speical Funding Situation	STRS	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$6,342	\$2,984	\$19,492	\$28,818
Changes of assumptions	119,992	56,467	57,276	233,735
Net difference between projected and actual earnings on OPEB plan investments	3,921	1,845	23,406	29,172
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	153,284	72,133	14,725	240,142
School District contributions subsequent to the measurement date	43,528	20,484	0	64,012
Total Deferred Outflows of Resources	\$327,067	\$153,913	\$114,899	\$595,879
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$482,550	\$227,083	\$201,933	\$911,566
Changes of assumptions	309,675	145,729	953,450	1,408,854
Changes in Proportionate Share and Difference between School District contributions and proportionate share of contributions	9,313	4,383	1,762	15,458
Total Deferred Inflows of Resources	\$801,538	\$377,195	\$1,157,145	\$2,335,878

\$64,012 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the 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			
	Contributions made by School District	Special Funding Situation	STRS	Total
Fiscal Year Ending June 30:				
2024	(\$120,969)	(\$56,929)	(\$301,484)	(\$479,382)
2025	(115,811)	(54,499)	(299,287)	(469,597)
2026	(96,010)	(45,181)	(143,489)	(284,680)
2027	(57,820)	(27,210)	(59,668)	(144,698)
2028	(45,000)	(21,176)	(78,663)	(144,839)
Thereafter	(82,389)	(38,771)	(159,655)	(280,815)
Total	(\$517,999)	(\$243,766)	(\$1,042,246)	(\$1,804,011)

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

***Actuarial Assumptions - SERS***

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

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

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

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

	<u>June 30, 2022</u>
Inflation	2.40 percent
Future Salary Increases, including inflation	
Wage Increases	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation
Fiduciary Net Position is Projected to be Depleted	2044
Municipal Bond Index Rate:	
Measurement Date	3.69 percent
Prior Measurement Date	1.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	4.08 percent
Prior Measurement Date	2.27 percent
Health Care Cost Trend Rate	
Medicare	5.125 to 4.40 percent
Pre-Medicare	6.75 to 4.40 percent
Medical Trend Assumption	7.00 to 4.40 percent

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

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

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

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2022, was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2021, was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to 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 percent at June 30, 2022, and 1.92 percent at June 30, 2021.

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

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	\$936,939	\$754,370	\$606,987
Special Funding Situation proportionate share of the net OPEB liability	\$440,912	\$354,998	\$285,641

  

	1% Decrease (6.00% decreasing to 3.40%)	Current Trend Rate (7.00% decreasing to 4.40%)	1% Increase (8.00% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$581,754	\$754,370	\$979,834
Special Funding Situation proportionate share of the net OPEB liability	\$273,767	\$354,998	\$461,098

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the June 30, 2022, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by age from 2.5 percent to 12.50 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 3.94 percent ultimate	5.00 percent initial 4 percent ultimate
Medicare	-68.78 percent initial 3.94 percent ultimate	-16.18 percent initial 4 percent ultimate
Prescription Drug		
Pre-Medicare	9.00 percent initial 3.94 percent ultimate	6.50 percent initial 4 percent ultimate
Medicare	-5.47 percent initial 3.94 percent ultimate	29.98 percent initial 4 percent ultimate

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

For 2022, healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For 2021, healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 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.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** The following table represents the net OPEB asset as of June 30, 2022, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
School District's proportionate share of the net OPEB asset	(\$1,243,046)	(\$1,344,599)	(\$1,431,587)
		<u>Current Trend Rate</u>	<u>1% Increase</u>
School District's proportionate share of the net OPEB asset	(\$1,394,676)	(\$1,344,599)	(\$1,281,388)

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**Note 15 - Employee Benefits**

**Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated by employees with no maximum carrying amount. Upon retirement, payment is made for one-fourth of accrued unused sick leave up to a maximum of two hundred and seventy days.

**Health Care Benefits**

The School District provides health and drug insurance for all eligible employees through United Healthcare. For fiscal year 2023, employees had three health insurance options to choose from. The three options include a health plan with a \$250 deductible, a plan with a \$2,500 deductible, and the option of establishing a Health Savings Account (HSA). For the health plan with a \$250 deductible, the School District pays medical and drug monthly premiums for staff of \$1,526.21 for family coverage and \$625.06 for single coverage. For the health plan with a \$2,500 deductible, the School District pays medical and drug monthly premiums for staff of \$1,445.37 for family coverage and \$592.34 for single coverage. For the health plan that uses the HSA, the School District pays medical and drug monthly premiums for staff of \$1,349.88 for family coverage and \$553.20 for single coverage. The School District also provides dental insurance for all eligible employees through Delta Dental. The School District's share of the monthly premium for dental insurance coverage is \$68.52 for family and \$24.61 for single employees. The School District provides vision insurance through Vision Insurance Plan. The School District pays \$20.17 per month for family and \$8.91 for single employees. The School District provides life insurance and accidental death and dismemberment insurance to most employees through Standard Insurance Company. Premiums are paid from the same funds that pay the employees' salaries.

**Note 16 - Long-Term Obligations**

Changes in long-term obligations of the School District during fiscal year 2023 were as follows:

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

	Principal Outstanding 6/30/2022	Additions	Deductions	Principal Outstanding 6/30/2023	Due Within One Year
<b>Bonds:</b>					
<b>School Improvement General</b>					
<b>Obligation Bonds Series 2019</b>					
Series Bonds - 1.50% - 4.00%	\$14,570,000	\$0	\$555,000	\$14,015,000	\$575,000
Term Bonds 3.00%	5,520,000	0	0	5,520,000	0
Bond Premium	1,089,857	0	45,410	1,044,447	0
<b>Total Bonds</b>	<b>21,179,857</b>	<b>0</b>	<b>600,410</b>	<b>20,579,447</b>	<b>575,000</b>
<b>Certificate of Participation:</b>					
<b>Certificates of Participation</b>					
<b>Series 2023</b>					
Serial Certificates - 4.573%	0	3,215,000	0	3,215,000	450,000
Term Certificates - 4.000%	0	2,785,000	0	2,785,000	0
Certificate Premium	0	231,726	0	231,726	0
<b>Total Certificate of Participation</b>	<b>0</b>	<b>6,231,726</b>	<b>0</b>	<b>6,231,726</b>	<b>450,000</b>
<b>Net Pension Liability</b>					
SERS	2,766,792	1,413,354	0	4,180,146	0
STRS	6,352,332	5,191,412	0	11,543,744	0
<b>Total Net Pension Liability</b>	<b>9,119,124</b>	<b>6,604,766</b>	<b>0</b>	<b>15,723,890</b>	<b>0</b>
<b>Net OPEB Liability - SERS</b>	<b>1,459,988</b>	<b>0</b>	<b>350,620</b>	<b>1,109,368</b>	<b>0</b>
<b>Financed Purchase from Direct Borrowing:</b>					
Energy Conservation - 3.13%	956,163	0	57,908	898,255	59,734
Leases Payable	69,803	0	35,002	34,801	34,801
Asset Retirement Obligation	20,000	0	0	20,000	0
Compensated Absences	556,448	140,861	75,752	621,557	129,024
<b>Total General</b>					
Long-Term Obligations	<b>\$33,361,383</b>	<b>\$12,977,353</b>	<b>\$1,119,692</b>	<b>\$45,219,044</b>	<b>\$1,248,559</b>

*School Improvement General Obligation Bonds* – On July 31, 2019, the School District issued \$22,000,000 in School Improvement General Obligation Bonds, Series 2019, at a variable interest rate. The bonds were issued for a twenty-seven year period with a final maturity at October 1, 2045. The bond proceeds represented the School District’s construction of new elementary instruction building for grades kindergarten through fifth. The bond issue included serial and term bonds in the amount of \$16,480,000 and \$5,520,000, respectively. The bonds were issued at a premium in the amount of \$1,226,087 which will be amortized over the life of the bonds using the straight-line method. The amortized premium for fiscal year 2023 was \$45,410. This bond will be retired from the Bond Retirement Debt Service Fund through property taxes.

The bonds maturing on and after October 1, 2030, are subject to optional redemption, in whole or in part on any date at the option of the School District on or after October 1, 2029, at a price of par, which is 100% of the face value of such bonds, plus accrued interest to the redemption date.

The bonds due October 1, 2042, are subject to mandatory sinking fund redemption on October 1, 2041, in the principal amount of \$1,040,000 at the redemption price of 100% of such principal amount plus accrued interest to the date of redemption. Unless otherwise redeemed, the remaining \$1,070,000 principal amount of such bond is to be paid at stated maturity.

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

The current interest term bonds due October 1, 2045, are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on October 1 in the years and in the respective principal amounts as follows:

Year	Principal Amount To Be Redeemed
2043	\$1,105,000
2044	1,135,000

The remaining principal amount of \$1,170,000 will be paid at stated maturity on October 1, 2045.

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

Fiscal Year Ending June 30	Serial		Term	
	Principal	Interest	Principal	Interest
2024	\$575,000	\$620,650	\$0	\$0
2025	600,000	604,650	0	0
2026	605,000	588,050	0	0
2027	630,000	563,350	0	0
2028	655,000	537,650	0	0
2029-2033	3,650,000	2,317,250	0	0
2034-2038	4,355,000	1,608,700	0	0
2039-2043	2,945,000	630,975	2,110,000	268,350
2044-2046	0	0	3,410,000	155,400
	<u>\$14,015,000</u>	<u>\$7,471,275</u>	<u>\$5,520,000</u>	<u>\$423,750</u>

*2023 Certificates of Participation* – On April 20, 2023, the School District issued \$6,000,000 in Certificates of Participation (COPs) which include serial and term certificates in the amount of \$3,215,000 and \$2,785,000, respectively. The COPs were issued for the construction of a new School District Stadium estimated to be completed in the fall of 2024. The COPs issuance included a premium of \$231,726, which will be amortized over the life of the COPs. Issuance costs in the amount of \$153,760 were expensed during fiscal year 2023. The COPs were issued through a series of lease agreements and trust indentures in accordance with Section 3313.375 of the Ohio Revised Code. In accordance with the lease terms, the project assets are leased to the Buckeye Leasing Services Corporation, and then subleased back to the School District. The COPs were issued through a series of annual leases with an initial lease term expiring June 30, 2023 which includes the right to renew for 15 successive one-year terms through December 1, 2037 subject to annual appropriations. To satisfy the trustee agreements, the School District is required to make annual base rent payments, subject to the lease terms and appropriations, semi-annually. The base rent includes an interest component ranging from 4.000 to 4.573 percent. The School District has the option to purchase the project facilities on any lease payment date by paying the amount necessary to defease the indenture. At June 30, 2023, \$5,786,927 of the COPs issue remain unspent. The COPs will be retired from the Permanent Improvement Capital Projects Fund through income taxes.

Upon the occurrence of an Event of Default by the Lessee (School District), the Lessor (Buckeye Leasing Services Corporation) has the following remedies:

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

1. The Lessor may request the Lessee to promptly return possession of the Leased Real Property to the Lessor or, at the Lessor's option, the Lessor may enter upon the Leased Real Property and take immediate possession of and remove personal property constituting Leased Real Property;
2. The Lessor may sublease the Leased Real Property for the account of the Lessee, and hold the Lessee liable for all lease payments and other payments due prior to the effective date of the sublease and for the difference between the rental and other amounts paid by the sublease pursuant to such sublease and the amounts payable by the Lessee pursuant to the Lease during the then-current Lease Term; and
3. The Lessor may exercise any other right, remedy, or privilege available under Ohio or any other applicable law, or proceed by appropriate court action to enforce the terms of the Lease or rescind the Lease or recover damages.

The Term Certificates maturing on December 1, 2033 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2032	\$420,000

The remaining principal amount of such Term Certificates (\$435,000) will be paid at stated maturity on December 1, 2043.

The Term Certificates maturing on December 1, 2035 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the year and in the respective principal amount as follows:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2034	\$455,000

The remaining principal amount of such Term Certificates (\$475,000) will be paid at stated maturity on December 1, 2035.

The Term Certificates maturing on December 1, 2037 are subject to mandatory sinking fund redemption at a redemption price of 100 percent of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the year and in the respective principal amount as follows:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
2036	\$490,000

The remaining principal amount of such Term Certificates (\$510,000) will be paid at stated maturity on December 1, 2037.

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

Optional Redemption

The Certificates maturing after December 1, 2031 are subject to redemption at the option of the Trustee, under the direction of the School District, either in whole or in part, in such order as the Trustee shall determine, under the direction of the School District, on any date on or after December 1, 2031, at a redemption price equal to 100 percent of the principal amount redeemed plus, in each case, accrued interest to the date fixed for redemption.

Annual base rent requirements to retire the certificates of participation outstanding at June 30, 2023 are as follows:

Fiscal Year Ending June 30	Serial		Term	
	Principal	Interest	Principal	Interest
2024	\$450,000	\$283,039	\$0	\$0
2025	290,000	234,450	0	0
2026	305,000	219,575	0	0
2027	320,000	203,950	0	0
2028	335,000	187,575	0	0
2029-2033	1,515,000	577,800	420,000	103,000
2034-2038	0	0	2,365,000	243,900
	<u>\$3,215,000</u>	<u>\$1,706,389</u>	<u>\$2,785,000</u>	<u>\$346,900</u>

The School District's overall legal debt margin was \$10,215,715, with an unvoted debt margin of \$384,824 at June 30, 2023.

*Compensated Absences and Net Position/OPEB Liability* - Compensated absences are paid from the fund from which the employees' salaries are paid, which includes the General Fund and the Food Service, District Managed Activities, and ESSER Special Revenue Funds. There is no repayment schedule for the net pension/OPEB liabilities. However, employee pension contributions are made from the following funds: the General Fund and the Food Service, District Managed Activities, and ESSER Special Revenue Funds. For additional information related to the net pension/OPEB liabilities, see Notes 13 and 14.

*Asset Retirement Obligations* - The School District will be required to pay future obligations related to the asset retirement of certain capital assets when they are removed from service. For additional information related to the asset retirement obligations, see Note 24.

*Financed Purchase* - The School District has entered into a financed purchase for an energy conservation project for the high school and middle school. Ownership of the assets transfers to the School District by the end of the contract. The School District disbursed \$87,386 from the Permanent Improvement Capital Projects Fund to pay these costs for the fiscal year ended June 30, 2023. Future finance purchase payments are as follows:

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$59,734	\$27,652	\$87,386
2025	61,619	25,767	87,386
2026	63,563	23,824	87,387
2027	65,568	21,818	87,386
2028	67,636	19,750	87,386
2029-2033	371,563	65,369	436,932
2034-2036	208,572	9,893	218,465
Total	<u>\$898,255</u>	<u>\$194,073</u>	<u>\$1,092,328</u>

In the event of default, means the occurrence of any one or more of the following events: (a) Lessee fails to make any Lease Payment or any other payment (other than by reason of Non-Appropriation Event or a Non-Renewal Event) required to be paid when due, and any such failure continues for ten (10) days after the due date thereof; (b) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder or an Escrow Agreement (if applicable) and such failure is not cured within ten ( 10) days after written notice thereof by Lessor; (c) the discovery by Lessor that any statement, representation, or warranty made by Lessee in this Agreement or in any writing ever delivered by Lessee pursuant hereto or in connection herewith is false, misleading, or erroneous in any material respect; (d) Lessee becomes insolvent, is unable to pay its debts as they become due, fails to promptly lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental functions, makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee, or of all or a substantial portion of its assets, the entry by Lessee into an agreement of composition with creditors, the approval by a court of competent jurisdiction of any adjustment of indebtedness of Lessee, or the dissolution or liquidation of Lessee, or a petition for relief is filed by or against Lessee under federal bankruptcy, insolvency or similar laws and is not dismissed within thirty (30) days thereafter, (e) any provision of this Agreement will at any time for any reason cease to be valid and binding on Lessee, or will be declared to be null and void, or the validity or enforceability thereof will be contested by Lessee or any governmental agency or authority if the loss of such provision would materially adversely affect the rights or security of Lessor, or Lessee will deny that it has any further liability or obligation under this Agreement, or (f) an order, judgment, or decree will be entered by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator of Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval, or consent, and such order, judgment or decree will continue unstayed and in effect for any period of 30 consecutive days.

*Leases Payable* – The School District has outstanding agreements to lease copiers and phone equipment. The future lease payments were discounted based on the interest rate implicit in the lease or using the School District’s incremental borrowing rate. This discount is being amortized using the interest method over the life of the lease. These leases will be paid from the General Fund. A summary of the remaining principal and interest amounts for the lease are as follows:

Fiscal Year Ending June 30	Principal	Interest	Total
2024	<u>\$34,801</u>	<u>\$1,459</u>	<u>\$36,260</u>

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**Note 17 - Interfund Transactions**

Interfund balances at June 30, 2023, consist of the following individual fund receivables and payables:

	Interfund Receivable	Interfund Payable
Governmental Funds:		
Major Funds:		
General Fund	\$2,172,775	\$0
Permanent Improvement Fund	0	1,600,000
Total Major Funds	2,172,775	1,600,000
Other Nonmajor Governmental Funds:		
ESSER	0	515,758
Title I	0	5,425
Title VI-B	0	39,604
Title IV-A	0	4,225
Miscellaneous Federal Grants	0	7,763
Total Other Nonmajor Governmental Funds	0	572,775
Total All Funds	\$2,172,775	\$2,172,775

Interfund balances are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization; to segregate and to return money to the fund from which it was originally provided once a project is completed. The loans were made to cover actual cash deficits until grant monies are received. In fiscal year 2022, the General Fund advanced \$2,000,000 to the Permanent Improvement Capital Projects Fund for the purpose of financing the construction of certain permanent improvements associated with the new school building construction project. This advance will be repaid over a five-year period with income tax revenues. The School District repaid \$400,000 during fiscal year 2023 and anticipates repaying an additional \$400,000 in fiscal year 2024.

During fiscal year 2023, the General Fund transferred \$55,890 to Student Activities and \$347,795 to the District Managed Activities Special Revenue Funds for the purpose of covering operational expenses.

**Note 18 - Jointly Governed Organizations**

**Licking Area Computer Association**

The School District is a participant in the Licking Area Computer Association (LACA), a regional council of governments, computer consortium. LACA is an association which services 25 school districts, educational service centers, and community schools within the boundaries of Licking, Muskingum, Fairfield, Perry, and Knox Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of LACA consists of the superintendents from all participating districts. The continued existence of LACA is not dependent on the School District's continued participation and no equity interest exists.

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

The LACA constitution states that any school district withdrawing from the Association prior to dissolution forfeits their claim to the Association's capital assets. The Board exercises total control over the operations of LACA including budgeting, appropriating, contracting, and designating management. The School District's total payments to LACA for computer services for fiscal year 2023 were \$81,706. Financial statements for LACA can be obtained from the Licking Area Computer Association, 50 South Quentin Road, Newark, OH 43055.

**META Solutions**

The School District participates in the META Solutions (META), formerly the Metropolitan Educational Council (MEC), which is a jointly governed organization, created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During fiscal year 2023, the School District's membership for the purchasing cooperative was waived by META. Financial information can be obtained from the Metropolitan Educational Technology Association at 2100 Citygate Drive, Columbus, Ohio 43219.

**Note 19 - Insurance Purchasing Pools**

**Ohio School Boards Association Workers' Compensation Group Rating Program**

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program. The School District's enrollment fee of \$2,575 for policy year 2023 was paid to Sedgwick.

**Ohio School Plan**

The School District participates in the Ohio School Plan (OSP), and insurance purchasing pool. The OSP is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a twelve member Board of Directors consisting of school district superintendents and treasurers. Hylant Administrative Services, LLC is the Administrator of the OSP and is responsible for providing underwriting, claims management, risk management, accounting, system support services, sales, and marketing.

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**Note 20 - Related Organization**

**Alexandria Public Library**

The Alexandria Public Library is statutorily created as a separate and distinct political subdivision. Seven trustees of the District Library are appointed by the School District. The board of trustees possesses its own contracting and budgeting authority, hires and fires personnel, and does not depend on the School District for operational subsidies. Due process is required to remove board members. No subsidies are provided by the School District.

**Note 21 - Set-Aside Calculations**

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

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

	Capital Improvements Reserve
Set-aside Reserve Balance as of June 30, 2022	\$0
Current Year Set-aside Requirement	248,182
Current Year Offsets	(1,339,200)
Qualifying Disbursements	(212,397)
Total	<u><u>(\$1,303,415)</u></u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u><u>\$0</u></u>

The School District had qualifying disbursements and offsets during the fiscal year that reduced the set-aside amount below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future fiscal years.

**Note 22 - Contingencies**

**Grants**

The School 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2023.

**Northridge Local School District, Ohio**  
*Notes to the Basic Financial Statements*  
*For the Fiscal Year Ended June 30, 2023*

---

**School Foundation**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. ODE adjustments for fiscal year 2023 were finalized in November 2023.

**Litigation**

As of June 30, 2023, the School District is not a party to any lawsuits.

**Note 23 - Significant Commitments**

**Encumbrances**

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

Governmental Funds:	
General Fund	\$9,758
Permanent Improvement Fund	256,611
Nonmajor Governmental Funds	50,182
Total Governmental Funds	\$316,551

**Contractual Commitments**

As of June 30, 2023, the School District’s contractual purchase commitments are as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 6/30/2023
Stadium Project	Permanent Improvement Fund and District Stadium Fund	\$341,775	\$219,474	\$122,301

**Note 24 - Asset Retirement Obligation**

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

Ohio Revised Code Section 6111.44 requires the School District to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the School District would be responsible to address any public safety issues associated with their waste water treatment facilities. The School Districts’ Maintenance Supervisor estimates these public safety issues to include removing/filling any tankage, cleaning/removing certain equipment, and backfilling certain exposed areas. This asset retirement obligation (ARO) of \$20,000 associated with the School District waste water treatment facility was estimated by the School Districts’ Maintenance Supervisor. The remaining useful life of these facility is 23 years.

**Northridge Local School District, Ohio**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

**Note 25 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March 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 School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**Note 26 - Subsequent Events**

Effective September 18, 2023, the School District approved the contract with Robertson Construction Services for an Athletic Stadium Project in the amount of \$6,714,000. Of this amount, the Northridge Athletic Boosters are contributing \$1,514,000 towards this project in the form of a donation, while the School District has contributed the remaining \$5,200,000. The Stadium Project will be completed in the fall of 2024.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**Required  
Supplementary  
Information**

**Northridge Local School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years \**

	2023	2022	2021	2020
<b>School District Contributions:</b>				
School District's Proportion of the Net Pension Liability	0.07728450%	0.07498670%	0.06887220%	0.06464910%
School District's Proportionate Share of the Net Pension Liability	\$2,842,499	\$1,936,754	\$3,052,086	\$2,514,245
School District's Covered Payroll	\$2,034,255	\$1,741,336	\$1,578,721	\$1,413,467
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	139.73%	111.22%	193.33%	177.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.82%	82.86%	68.55%	70.85%
<b>Special Funding Situation:</b>				
School District's Proportion of the Net Pension Liability	0.07728450%	0.07498670%	0.06887220%	0.06464910%
School District's Proportionate Share of the Net Pension Liability	\$1,337,647	\$830,038	\$1,503,266	\$1,353,824

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

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
0.06469880%	0.06608490%	0.06435510%	0.06345840%	0.06214500%	0.06214500%
\$2,371,469	\$2,681,929	\$3,250,038	\$2,360,245	\$2,036,651	\$2,393,094
\$1,469,415	\$1,479,243	\$1,359,050	\$1,305,311	\$1,124,560	\$890,094
161.39%	181.30%	239.14%	180.82%	181.11%	268.86%
71.36%	69.50%	62.98%	69.16%	71.70%	65.52%
0.06469880%	0.06608490%	0.06435510%	0.06345840%	0.06214500%	0.06214500%
\$1,333,951	\$1,266,499	\$1,460,161	\$1,260,752	\$1,108,472	\$1,302,470

**Northridge Local School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability*  
*School Employees Retirement System of Ohio*  
*Last Seven Fiscal Years (1) \**

	2023	2022	2021	2020
<b>School District Contributions:</b>				
School District's Proportion of the Net OPEB Liability	0.07901420%	0.07714270%	0.07138680%	0.06608770%
School District's Proportionate Share of the Net OPEB Liability	\$754,370	\$1,021,992	\$1,039,484	\$1,080,279
School District's Covered Payroll	\$2,034,255	\$1,741,336	\$1,578,721	\$1,413,467
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	37.08%	58.69%	65.84%	76.43%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.34%	24.08%	18.17%	15.57%
<b>Special Funding Situation:</b>				
School District's Proportion of the Net OPEB Liability	0.07901420%	0.07714270%	0.07138680%	0.06608770%
School District's Proportionate Share of the Net OPEB Liability	\$354,998	\$437,996	\$511,984	\$581,688

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.06545590%	0.06687090%	0.06512480%
\$1,162,191	\$1,220,355	\$1,262,283
\$1,469,415	\$1,479,243	\$1,359,050
79.09%	82.50%	92.88%
13.57%	12.46%	11.49%
0.06545590%	0.06687090%	0.06512480%
\$653,732	\$574,285	\$594,015

**Northridge Local School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net Pension Liability*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years \**

	2023	2022	2021	2020
School District's Proportion of the Net Pension Liability	0.05192838%	0.04968233%	0.04764459%	0.04568644%
School District's Proportionate Share of the Net Pension Liability	\$11,543,744	\$6,352,332	\$11,528,295	\$10,103,282
School District's Covered Payroll	\$6,789,593	\$6,190,893	\$5,814,836	\$5,385,757
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	170.02%	102.61%	198.26%	187.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.90%	87.80%	75.50%	77.40%

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

See accompanying note to the required supplementary information

2019	2018	2017	2016	2015	2014
0.04528207%	0.04457624%	0.04424950%	0.04214519%	0.04063942%	0.04063942%
\$9,956,510	\$10,589,181	\$14,811,642	\$11,647,698	\$9,884,914	\$11,774,844
\$5,176,843	\$4,821,171	\$4,811,336	\$4,401,643	\$4,220,186	\$4,151,992
192.33%	219.64%	307.85%	264.62%	234.23%	283.60%
77.30%	75.30%	66.80%	69.16%	74.70%	69.30%

**Northridge Local School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB (Asset) Liability*  
*State Teachers Retirement System of Ohio*  
*Last Seven Fiscal Years (1) \**

	2023	2022	2021	2020
School District's Proportion of the Net OPEB (Asset) Liability	0.05192838%	0.04968233%	0.04764459%	0.04568644%
School District's Proportionate Share of the Net OPEB (Asset) Liability	(\$1,344,599)	(\$1,047,512)	(\$837,352)	(\$756,678)
School District's Covered Payroll	\$6,789,593	\$6,190,893	\$5,814,836	\$5,385,757
School District's Proportionate Share of the Net OPEB (Asset) Liability as a Percentage of its Covered Payroll	-19.80%	-16.92%	-14.40%	-14.05%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	230.70%	174.70%	182.10%	174.70%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each year.

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

See accompanying notes to the required supplementary information

2019	2018	2017
0.04528207%	0.04457624%	0.04424950%
(\$727,637)	\$1,739,200	\$2,366,475
\$5,176,843	\$4,821,171	\$4,811,336
-14.06%	36.07%	49.19%
176.00%	47.10%	37.30%

**Northridge Local School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District Contributions - Net Pension Liability*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Net Pension Liability</b>				
<b>School District Contributions:</b>				
Contractually Required Contribution	\$314,132	\$284,796	\$243,787	\$221,021
Contributions in Relation to the Contractually Required Contribution	<u>(314,132)</u>	<u>(284,796)</u>	<u>(243,787)</u>	<u>(221,021)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$2,243,801	\$2,034,255	\$1,741,336	\$1,578,721
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
<b>Special Funding Situation:</b>				
Contractually Required Contribution	\$147,827	\$122,055	\$120,074	\$119,012
Contributions in Relation to the Contractually Required Contribution	<u>(147,827)</u>	<u>(122,055)</u>	<u>(120,074)</u>	<u>(119,012)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$190,818	\$198,371	\$207,094	\$190,267	\$172,040	\$155,864
<u>(190,818)</u>	<u>(198,371)</u>	<u>(207,094)</u>	<u>(190,267)</u>	<u>(172,040)</u>	<u>(155,864)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,413,467	\$1,469,415	\$1,479,243	\$1,359,050	\$1,305,311	\$1,124,560
13.50%	13.50%	14.00%	14.00%	13.18%	13.86%
\$107,335	\$93,351	\$93,042	\$89,538	\$80,960	\$98,415
<u>(107,335)</u>	<u>(93,351)</u>	<u>(93,042)</u>	<u>(89,538)</u>	<u>(80,960)</u>	<u>(98,415)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Northridge Local School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District Contributions - Net OPEB Liability*  
*School Employees Retirement System of Ohio*  
*Last Ten Fiscal Years*

	2023	2022	2021	2020
<b>Net OPEB Liability</b>				
<b>School District Contributions:</b>				
Contractually Required Contribution (1)	\$43,528	\$36,084	\$34,950	\$32,860
Contributions in Relation to the Contractually Required Contribution	<u>(43,528)</u>	<u>(36,084)</u>	<u>(34,950)</u>	<u>(32,860)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll	\$2,243,801	\$2,034,255	\$1,741,336	\$1,578,721
Contributions as a Percentage of Covered Payroll (1)	1.94%	1.77%	2.01%	2.08%
<b>Special Funding Situation:</b>				
Contractually Required Contribution	\$20,484	\$15,465	\$13,784	\$12,614
Contributions in Relation to the Contractually Required Contribution	<u>(20,484)</u>	<u>(15,465)</u>	<u>(13,784)</u>	<u>(12,614)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

(1) Includes Surcharge

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
\$37,953	\$32,302	\$24,186	\$22,141	\$32,803	\$23,475
<u>(37,953)</u>	<u>(32,302)</u>	<u>(24,186)</u>	<u>(22,141)</u>	<u>(32,803)</u>	<u>(23,475)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,413,467	\$1,469,415	\$1,479,243	\$1,359,050	\$1,305,311	\$1,124,560
2.69%	2.20%	1.64%	1.63%	2.51%	2.09%
\$12,655	\$13,061	\$11,381	\$10,419	\$15,437	\$10,301
<u>(12,655)</u>	<u>(13,061)</u>	<u>(11,381)</u>	<u>(10,419)</u>	<u>(15,437)</u>	<u>(10,301)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Northridge Local School District, Ohio**  
*Required Supplementary Information*  
*Schedule of the School District Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Net Pension Liability</b>				
Contractually Required Contribution	\$1,014,101	\$950,543	\$866,725	\$814,077
Contributions in Relation to the Contractually Required Contribution	<u>(1,014,101)</u>	<u>(950,543)</u>	<u>(866,725)</u>	<u>(814,077)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$7,243,579	\$6,789,593	\$6,190,893	\$5,814,836
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%
<b>Net OPEB Liability</b>				
Contractually Required Contribution	\$0	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contribution	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

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

See accompanying notes to the required supplementary information

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$754,006	\$724,758	\$674,964	\$673,587	\$616,230	\$548,624
<u>(754,006)</u>	<u>(724,758)</u>	<u>(674,964)</u>	<u>(673,587)</u>	<u>(616,230)</u>	<u>(548,624)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,385,757	\$5,176,843	\$4,821,171	\$4,811,336	\$4,401,643	\$4,220,186
14.00%	14.00%	14.00%	14.00%	14.00%	13.00%
\$0	\$0	\$0	\$0	\$0	\$42,202
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(42,202)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

**Northridge Local School District, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**Net Pension Liability**

**Changes in Assumptions – SERS**

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used.

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

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

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

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

**Changes in Assumptions - STRS**

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

**Northridge Local School District, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

	Fiscal Year 2022	Fiscal Years 2021-2018	Fiscal Year 2017 and Prior
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	From 2.5 percent to 12.5 percent based on age	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013 or later, 2 percent COLA commences on fifth anniversary of retirement date

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

**Changes in Benefit Term – STRS Pension**

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient’s retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

**Net OPEB Liability**

**Changes in Assumptions – SERS**

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

**Northridge Local School District, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

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

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

**Municipal Bond Index Rate:**

Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

**Single Equivalent Interest Rate, net of plan investment expense, including price inflation**

Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

**Changes in Assumptions – STRS**

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

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

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

For fiscal year 2023, the projected salary increases were changed from age-based (2.5 percent to 12.50 percent) to service-based (2.5 percent to 8.5 percent.)

**Northridge Local School District, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**Changes in Benefit Terms – STRS OPEB**

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

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

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

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

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

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience.

**THIS PAGE INTENTIONALLY LEFT BLANK**

NORTHRIDGE LOCAL SCHOOL DISTRICT  
LICKING COUNTY

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

Federal Grantor/ Pass thru Grantor/ Program / Cluster Title	Federal AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed through Ohio Department of Education:</i>			
Child Nutrition Cluster:			
Non-Cash Assistance (Food Distribution)			
National School Lunch Program	10.555	N/A	\$ 41,349
Cash Assistance			
National School Lunch Program	10.555	N/A	293,300
COVID-19 National School Lunch Program	10.555	N/A	33,546
Total National School Lunch Program			<u>368,195</u>
School Breakfast Program	10.553	N/A	73,325
Total Child Nutrition Cluster			<u>441,520</u>
COVID-19 Pandemic EBT Administrative Costs	10.649	N/A	628
<b>Total U.S. Department of Agriculture</b>			<b><u>442,148</u></b>
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed through Ohio Department of Education:</i>			
Title I Grants to Local Educational Agencies	84.010A	N/A	176,368
Special Education Cluster:			
Special Education - Grants to States	84.027A	N/A	261,283
Special Education - Preschool Grants	84.173A	N/A	9,428
COVID-19 Special Education - Grants to States	84.027X	N/A	26,560
COVID-19 Special Education - Preschool Grants	84.173X	N/A	1,158
Total Special Education Cluster			<u>298,429</u>
English Language Acquisition State Grants	84.365A	N/A	3,175
Supporting Effective Instruction State Grants	84.367A	N/A	33,857
Race to the Top Fund	84.395	N/A	1,294
Student Support and Academic Enrichment Program	84.424A	N/A	18,238
COVID-19 Education Stabilization Fund:			
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	N/A	314,744
COVID-19 Elementary and Secondary School Emergency Relief Fund - ARP ESSER	84.425U	N/A	332,420
COVID-19 Elementary and Secondary School Emergency Relief Fund - ARP Homeless	84.425W	N/A	4,206
Total COVID-19 Education Stabilization Fund			<u>651,370</u>
<b>Total U.S. Department of Education</b>			<b><u>1,182,731</u></b>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<i>Passed through Ohio Facilities Construction Commission:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	100,000
<b>Total U.S. Department of the Treasury</b>			<b><u>100,000</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 1,724,879</u></b>

The accompanying notes to this schedule are an integral part of this schedule.

**NORTHRIDGE LOCAL SCHOOL DISTRICT  
LICKING 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 Northridge Local School District, Licking County (the School District) under programs of the federal government for the fiscal 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 School District, it is not intended to and does not present the financial position or changes in net position of the School District.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C - INDIRECT COST RATE**

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

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E - FOOD DONATION PROGRAM**

The School District reports commodities consumed on the Schedule at fair value. The School District allocated donated commodities to the respective programs that benefited from 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

Northridge Local School District  
Licking County  
6097 Johnstown-Utica Road  
Johnstown, Ohio 43031

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 Northridge Local School District, Licking County, (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated February 23, 2024, wherein we noted the School District posted a reduction of intergovernmental revenue that was related to 2022 revenue, which resulted in a restatement of the General Fund balance.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the School 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School 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 School 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 School 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 School 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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

February 23, 2024

# OHIO AUDITOR OF STATE KEITH FABER



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

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

Northridge Local School District  
Licking County  
6097 Johnstown-Utica Road  
Johnstown, Ohio 43031

To the Board of Education:

### **Report on Compliance for the Major Federal Program**

#### ***Opinion on the Major Federal Program***

We have audited Northridge Local School District's, Licking County, (the School 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 Northridge Local School District's major federal program for the year ended June 30, 2023. Northridge Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Northridge Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

#### ***Basis for Opinion on the Major Federal Program***

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

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

### ***Responsibilities of Management for Compliance***

The School 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 School District's federal program.

### ***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 School 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 School District's compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School 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 School 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 School 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

February 23, 2024

**THIS PAGE INTENTIONALLY LEFT BLANK**

**NORTHRIDGE LOCAL SCHOOL DISTRICT  
LICKING COUNTY**

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2023**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unmodified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	AL # 84.425 Education Stabilization Fund
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 750,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee under 2 CFR § 200.520?</b>	Yes

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

None.

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None.

**THIS PAGE INTENTIONALLY LEFT BLANK**

# OHIO AUDITOR OF STATE KEITH FABER



**NORTHRIDGE LOCAL SCHOOL DISTRICT**

**LICKING COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 3/26/2024**

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

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)