

Northeastern Local School District  
1414 Bowman Rd.  
Springfield, Ohio 45502  
[www.nelsd.org](http://www.nelsd.org)

# Northeastern Local School District

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2023**









# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Northeastern Local School District  
Springfield, Ohio

**For the Fiscal Year Ended June 30, 2023**

Prepared by: Dale R. Miller, Treasurer/CFO





**KENTON RIDGE  
COUGARS**







# **INTRODUCTORY SECTION**

## **ANNUAL COMPREHENSIVE FINANCE REPORT**

**For Fiscal Year Ended June 30, 2023**









*Northeastern Local School District  
Annual Comprehensive Financial Report  
For Fiscal Year Ended June 30, 2023*

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February 23, 2024

To the Citizens and Board of Education of the Northeastern Local School District:

We are pleased to present the Annual Comprehensive Financial Report of the Northeastern Local School District (School District) for the fiscal year ended June 30, 2023. This Annual Comprehensive Financial Report is prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The intent of this report is to provide taxpayers of the Northeastern Local School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision making.

**Superintendent:**  
Dr. John P. Kronour

**Treasurer:**  
Dale R. Miller

**Board Members:**  
Joel Augustus  
Jeff Collins  
Jill Parker  
Chris Thompson  
Jeff Yinger

This report was prepared by the Treasurer's Office. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management of the District based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's discussion and analysis immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complements this letter of transmittal and should be read in conjunction with it.

This report includes all funds of the School District. The School District provides a full range of traditional and nontraditional educational programs and services. These include elementary and secondary curriculum offerings at the general, college preparatory and vocational levels; a broad range of co-curricular and extracurricular activities; and community education offerings; and special education programs and facilities.

The basic financial statements of the School District for the fiscal year ended June 30, 2023, were audited by Perry and Associates whose unmodified opinion is included at the beginning of the Financial Section of this report.

## **ORGANIZATION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Board of Education of the Northeastern Local School District (the "Board") consists of five members and is incorporated as defined by Section 3313.02, Ohio Revised Code. The Board serves as the



taxing authority, contracting body, policy maker, ensures that all other general laws of the State of Ohio are followed in the expenditure of the School District's tax dollars, and approves the annual appropriation resolution and tax budget.

The Board members represent a cross section of professions found in the Clark County and surrounding areas. The Board members on June 30, 2023, were as follows:

<u>Board Member</u>	<u>Service as a Board Member</u>		
	<u>Began</u>	<u>Expires</u>	
Jill Parker	01/01/16	12/31/23	Board President
Jeff Yinger	01/01/18	12/31/25	Board Vice-President
Joel Augustus	01/01/16	12/31/23	Board Member
Chris Thompson	01/01/22	12/31/25	Board Member
Jeff Collins	11/15/20	12/31/25	Board Member

The Superintendent is the chief executive officer of the School District, responsible directly to the Board of Education for all educational and support operations. Dr. John P. Kronour began his tenure as Superintendent on August 1, 2015. The Treasurer is the chief financial officer of the School District, responsible directly to the Board of Education for all financial records and statutorily defined duties which in part relate to paying all expenses, debt issuance, reporting, record retention, strategic planning and many other areas. Mr. Dale R. Miller began his tenure as Treasurer on March 1, 2018.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. This includes general operations, food service, 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; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the organization's budget, the issuance of its debt, or the levying of its taxes. The School District has no component units.

In addition to providing the general activities mentioned above, the School District has administrative responsibility for State funds distributed to private schools located within School District boundaries. In accordance with GASB Statement No. 24, this responsibility is included in the reporting entity as a special revenue fund. The private school served is Emmanuel Christian. While these organizations share operations and services similar with the School District, all are separate and distinct entities. Because of their independent nature, none of these organization's financial statements are included in this report.

The Southwestern Ohio Educational Purchasing Council and the Springfield-Clark Career Technology Center are reported as jointly governed organizations in Note 17.

The School Board adopts an annual budget by July 1 which may be amended any time during the fiscal year as new information becomes available. This annual budget serves as the foundation of the Northeastern Local School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Treasurer has been authorized to allocate Board appropriations to the object level within the funds.

## **THE SCHOOL DISTRICT AND ITS FACILITIES**

The School District serves an area of approximately 118 square miles east and northeast of the City of Springfield. It is located in Clark County and Champaign County, approximately 45 miles west of downtown Columbus, the State capital.

Currently, the District serves approximately 2,950 students, in two (2) new Pre-K to 12 buildings. The Enrollment has remained stable for Northeastern Local School District compared to the fiscal year ending June 30, 2022. The School District estimates enrollment to be approximately 3,050 for the fiscal years ending June 30, 2023. The School District's enrollment figures do not include students living within the School District's attendance area who attend charter schools. Currently, the School District has 192 students attending charter schools.

In May 2018 Northeastern Local School District's taxpayers approved a bond levy for the construction of two (2) new pre-Kindergarten through 12th grade facilities. One on the Kenton Ridge property and one on the South Vienna property. The District was excited as we opened the new Northeastern Pre-K12 building in South Vienna on August 20, 2022. The District opened the new Kenton Ridge Pre K12 facilities in August 19, 2023.

## **SERVICES PROVIDED BY THE SCHOOL DISTRICT**

The School District provides a wide variety of educational and support services as mandated by the Ohio Revised Code or by Board directives. At the center of the School District's services are the instructional programs. The School District offers regular instructional programs daily to students in Grades pre-K through 12. The School District serves approximately 100 students with an interest in vocational education, and approximately 405 children who need individual instruction or are physically or mentally handicapped. These students receive service through the wide array of special education programs offered in the School District. The School District issued 141 diplomas to our Kenton Ridge High School graduates and 91 to our Northeastern High School graduates in 2023.

There are also several academic and athletic programs for students, providing them with a number of enriching experiences. The programs and activities provide a lifetime of memories for the Northeastern Local School District students.

In addition to the educational services provided, the School District's fleet of 31 buses traveled approximately 2,200 miles each day providing transportation services to 1,129 public and 35 private and parochial students. Many of the School District's students walk to school because of the proximity of neighborhood schools to the students' homes. The Food Service Department serves over an average of 1089 meals daily for a total of over 188,000 meals served annually through the School District's lunchrooms.

Along with transportation and school lunch services offered to children in the School District, the students also receive guidance, psychological, and health services free of charge. The guidance services are designed to help a student match his/her natural skills with vocational and/or academic programs to help him/her achieve his/her full potential in life. Psychological services offer a wide variety of help to students ranging from early developmentally handicapped identification to drug and behavior counseling. Health services provide limited medical services free of charge to many of the School District's youths.



## **EMPLOYEE RELATIONS**

The School District currently has 393 full-time and part-time employees. There are two organizations representing School District employees. The Northeastern Local Education Association (NELEA) represents certificated employees, including teachers and educational specialists, for collective bargaining purposes. Classified employees, which include bus drivers, cooks, and clerical staff, are represented for collective bargaining purposes by the Northeastern Local Association of School Employees (NELASE). During the summer of 2022, the Board successfully concluded negotiations with both labor organizations on a multi-year agreement for wages and fringe benefits. The NELEA's wage agreement is in effect for the period August 1, 2022, through July 31, 2025. The NELASE's wage agreement is in effect for the period July 1, 2022, through June 30, 2025.

## **ECONOMIC CONDITION AND OUTLOOK**

The City of Springfield areas employment is dominated by healthcare activities, which includes the Springfield Regional Medical Center, and Premier Health Partners. Other large employers within the area are Wright Patterson Air Force Base and three universities.

We are in a multiyear economic recovery following the 2020 COVID-19 Pandemic. The recovery began in the fall of 2020 and remains robust through this forecast date. Many supply chain concerns have lessened as manufacturing has caught up. However, persistently high inflation continues to impact our state, country, and broader globalized economy. Inflation in June 2022 hit a 40-year high of 9.1% before falling to the current annualized rate of 3.4% in August 2023. Costs in FY23 were notably impacted in areas such as capital and durable goods, diesel fuel for buses, and building materials for facility maintenance and repair. Increased inflation affecting district costs is expected to continue in FY24. However, the Federal Reserve is projecting inflation to be closer to their target rate of 2% sometime in calendar 2024. It remains to be seen if the cumulative cost increases over the past two years are transitory in goods and services or will last over several years, which could adversely impact our forecast.

The Federal Reserve Bank has made fighting inflation its number one concern. Interest rates are expected to increase again before December 2023, which may result in increased unemployment. Still, many economists anticipate a "full employment recession" in the first half 2024. In the history of our country, there has never been a full employment recession. However, the possibility of one underscores why this is a very unique time in our economic history.

## **FINANCIAL OUTLOOK**

It is important to review the financial history of the School District and to understand its current financial position requires constant review and accountability of the Board of Education, Administration, and Treasurer. The current financial plans are included in the five-year forecast which indicates the School District will maintain a positive cash balance through fiscal year 2028. Currently, the most significant risks to the School District are uncertainties related to the biennium State budgets related to our state aid and the need to renew our one percent earned income before December 2025.

For fiscal year 2023, the School District's General Fund revenues exceeded its expenditures primarily due to strong property tax and income tax. The School District intends to continue monitoring its revenue and expenditure streams in order to provide consistency each fiscal year. We have budgeted additional federal dollars to closing the learning gap created by distance learning during the COVID-19 pandemic for fiscal year 2024 and in fiscal 2025 we are budgeting several of these positions in the General Fund.

## **FINANCIAL PLANNING AND POLICIES**

The School District annually prepares a five-year financial forecast to ensure long-term financial success. The five-year financial forecast is prepared and approved by the Board in November and May of each fiscal year. The five-year financial forecast provides actual data on each major revenue and expenditure category of the general fund for the past three fiscal years and forecasts these same categories for an additional five fiscal years.

The five-year financial forecast is a planning tool used to certify if funds are available for future expenditures and additionally to strategize when the School District will need to return to voters for additional funds or reduce expenditures accordingly. The five-year financial forecast is published on the Ohio Department of Education's website for public use.

## **DISTRICT GOALS**

In the fiscal year 2023, the Board approved goals for the District to ensure that the quality of educational opportunities for our students are the best available. The goals identified are as follows:

**Goal 1:** Continue to close learning gaps created by the pandemic. Work with teachers and principals to lessen student learning gaps in English Language Arts and Mathematics Continue implementation of strategies to close learning gaps.

**Goal 2:** Transparent reporting of how our ESSER funds have been spent. Spreadsheet identifying expenditures of ESSER funds Specific identification of allocations of the expenditures Specific identification of dollars spent on staffing

**Goal 3:** Cultivate and strengthen relationships with District stakeholders and staff. Continue working with our Key Communicators Committee to foster internal and external community advocates. Redesign and launch a new website, creating a digital front porch that visually conveys the spirit and essence of our NELSD community and enhances our digital communications with our stakeholders. Work with the Grade Band Liaison Committees and the District Liaison Committee to identify climate issues.

**Goal 4:** Meet State test score indicators to strengthen our State Report Card rating. Analysis of our State test scores by individual teachers Target resources in the buildings to enhance instruction of the standards we are not meeting Principals provide guidance for teachers to target improvement of scores

**Goal 5:** Advise the Community on the progress of building and facilities projects and prepare for transitions to the new Kenton Ridge PK-12 campus. Share data with stakeholders, and pertinent information about the building project Work with staff to plan for the transition to the new KR building Follow procedures and processes with the State on grade level bands and IRN numbering for KR building

## **MAJOR INITIATIVES AND EVENTS - A Year of Growth and Innovation**

The Northeastern Local School District was a hive of activity during the 2022-23 school year, marked by the opening of our new Northeastern PK-12 building and the continued development of our educational excellence initiatives.

In August of 2022, we proudly welcomed students, staff, and families to our new Northeastern PK-12 building, a state-of-the-art facility designed to foster collaboration, innovation, and academic success across all grade levels. The building's dedication and ribbon-cutting ceremony on August 20th marked a significant milestone in our district's history.

The excitement continued as we eagerly awaited the opening of our new Kenton Ridge PK-12 building in August of 2023. Teachers and support staff worked tirelessly to prepare for this momentous occasion, and the entire district collaborated to ensure a smooth transition. The new building will provide our students with an even more enriching and supportive learning environment.



Recognizing the challenges posed by the COVID-19 pandemic, we utilized Elementary and Secondary School Emergency Relief (ESSER) funds to hire additional staff to provide individualized and group tutoring and support to students. This initiative aimed to help bridge any learning gaps and ensure that all students had the opportunity to thrive academically.

Committed to keeping our community informed and engaged, we partnered with Finalsity to design, create, and launch a newly designed website in January of 2023. The website serves as a "digital front porch" for our district, providing a user-friendly platform for news, announcements, and essential information. Additionally, we established an intranet to facilitate internal communications and streamline access to district-wide resources.

Involving our stakeholders in shaping our communication strategy, we formed a Key Communicators Committee composed of students, parents, alumni, staff and community members. This group provided valuable insights and feedback, helping us to better understand the needs of our community. We continue to work with this committee to strengthen our district's culture and promote open communication.

Recognizing the importance of financial transparency, we are considering establishing a dedicated group like our Key Communicators Committee to help us communicate the complexities of school finance to our parents and community members. This initiative aims to foster a deeper understanding of our financial operations and ensure that our community is well-informed about how we allocate resources.

As we move forward, we remain committed to providing our students with the best possible educational experience, fostering a supportive and inclusive school community, and maintaining open and transparent communication with our stakeholders.

#### **AWARDS AND ACKNOWLEDGEMENTS**

The preparation and publication of this Annual Comprehensive Financial Report on a timely basis could not have been possible without the cooperation of the entire Treasurer's Department and our auditors Perry and Associates.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Northeastern Local School District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. The School District received the fourth award with that report. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. The preparation of this Annual Comprehensive Financial Report would not have been possible

Finally, this report would not have been possible without the support of the Board of Education, without their leadership and commitment to excellence, this report would not be possible. We also want to thank the efforts of the Treasurer's Office staff for attaining this high standard.

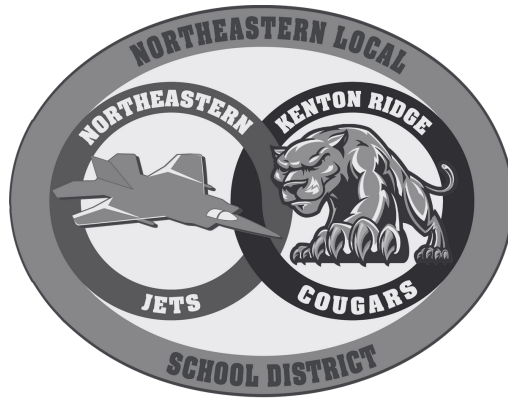
Sincerely,



Dale R Miller  
Treasurer/CFO



Dr. John P Kronour  
Superintendent



# Northeastern Local School District Officials

**(937) 325-7615**

**[www.nelsd.org](http://www.nelsd.org)**

**John P. Kronour**  
**SUPERINTENDENT**

**(937) 325-7615**

**Dale R. Miller**  
**TREASURER/CFO**

**(937) 325-7615**

## **BOARD OF EDUCATION**

**Mrs. Jill Parker, President**

**Mr. Jeff Yinger, Vice President**

## **BOARD MEMBERS**

**Mr. Chris Thompson**

**Mr. Jeff Collins**

**Mr. Joel Augustus**

**ASSISTANT SUPERINTENDENT**  
**DIRECTOR OF PUPIL PERSONNEL**  
**DIRECTOR OF TECHNOLOGY**  
**DIRECTOR OF TRANSPORTATION**

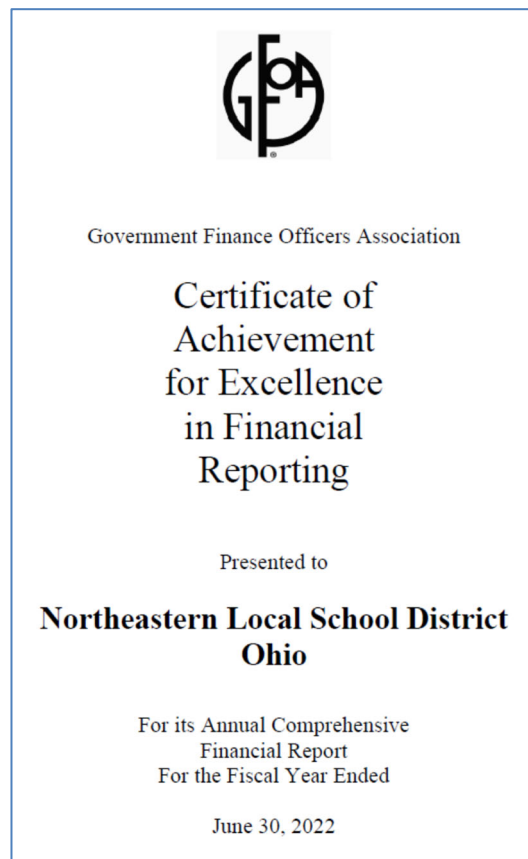
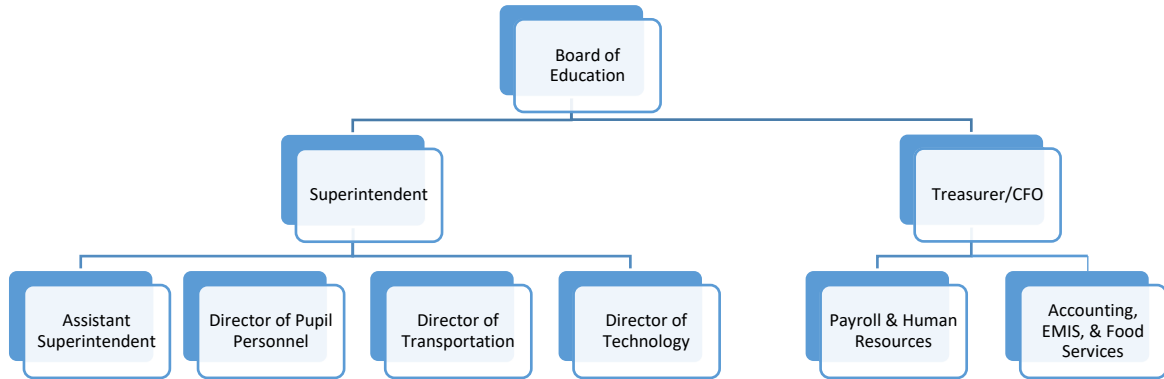
**Mr. Shawn Blazer**  
**Mr. Steven Linson**  
**Mr. John Schmid**  
**Mr. John Parrish**





# The Northeastern Local School District

## Table of Organization





# **FINANCIAL SECTION**

## **ANNUAL COMPREHENSIVE FINANCE REPORT**

### **For the Fiscal Year Ended June 30, 2023**









**INDEPENDENT AUDITOR'S REPORT**

Northeastern Local School District  
Clark County  
1414 Bowman Road  
Springfield, Ohio 45502

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 **Northeastern Local School District**, Clark County, Ohio (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northeastern Local School District, Clark 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

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

### ***Supplementary information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The financial section's combining statements and individual fund statements and schedules present additional analysis and are not a required part of the 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, these statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2024, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

February 23, 2024



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

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The discussion and analysis of the Northeastern 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 transmittal letter, the 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 fiscal year 2023 are as follows:

Total net position for fiscal year 2023 increased \$10.05 million from fiscal year 2022 net position. This increase was primarily due to the construction of the building reported as Construction In Progress and revenues from the Ohio Facility Commission share of the building project.

General revenues accounted for \$40,150,176 or 75.5% of total revenues. Program specific revenues accounted for \$ 5,840,561 or 11.0% of total revenues. The revenues for the Building Project were \$7,171,997 or 13.5% of the total revenues of \$53,162,734.

The School District had \$43,108,842 in expenses related to governmental activities; only \$5,840,561 of these expenses were offset by program specific charges for services, grants, contributions, and interest. Capital Grants for the OFCC project was \$7,171,997. General revenues (primarily grants and entitlements, property taxes and the earned income tax) of \$40,150,176 were adequate to provide for these programs.

**Using this Basic 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 Northeastern Local School District as a financial whole, an entire operating entity.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. 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**

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2023?" The Statement of Net Position and the Statement of Activities, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These government-wide financial statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

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These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

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

### *Fund Financial Statements*

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 major funds. The major funds for Northeastern Local School District are the General Fund, Bond Retirement Fund, and Building Construction 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 government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

### *Proprietary Funds*

Proprietary funds use the same basis of accounting as business-type activities. The Internal Service Funds are used to report activities that provide services to the School District's other funds and departments.

### *Fiduciary Funds*

The School District's fiduciary funds are private purpose trust funds and custodial funds. All of the School District's fiduciary funds are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Custodial funds do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

## **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 fiscal year 2023 compared to fiscal year 2022:

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

Unaudited

**(Table 1)**

**Net Position**

<b>Assets:</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Current and Other	\$ 120,972,490	\$ 82,894,194
Capital Assets, Net	64,521,943	93,806,660
Total Assets	<u>185,494,433</u>	<u>176,700,854</u>
<b>Deferred Outflows of Resources:</b>		
Pension	8,405,378	8,494,968
OPEB	748,430	902,240
Total Deferred Outflows or Resources	<u>9,153,808</u>	<u>9,397,208</u>
<b>Liabilities:</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Current and Other Liabilities	6,279,773	6,569,651
Long-term Liabilities		
Due Within One Year	1,004,292	972,293
Due In More than One Year		
Net Pension Liability	35,069,158	21,148,576
Net OPEB	1,942,503	2,709,314
Other Amounts	77,849,527	79,012,646
Total Liabilities	<u>122,145,253</u>	<u>110,412,480</u>
<b>Deferred Inflows of Resources</b>		
Property Taxes	14,380,927	14,123,690
Deferred Inflows -Pension	3,258,722	17,092,418
Deferred Inflows -OPEB	5,064,927	4,724,954
Total Deferred Inflows of Resources	<u>22,704,576</u>	<u>35,941,062</u>
<b>Net Position</b>		
Net Investment in Capital Assets	51,013,811	42,033,681
Restricted	4,967,905	12,378,604
Unrestricted	(6,183,304)	(14,667,765)
Total Net Position (restated)	<u>\$ 49,798,412</u>	<u>\$ 39,744,520</u>

The net pension liability (NPL) is the second largest single liability reported by the School District at June 30, 2023 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." In fiscal year 2018, the School District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the School District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.



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

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

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

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

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

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. 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.

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

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

Changes in net position from the prior year are as follows:

- The Construction of the two new Pre-K 12 facilities is reflected in the Table 1, Northeastern Campus opened on August 20, 2023 and was recorded as a capital assets and be depreciated. Kenton Ridge Campus remained as Work in Progress Asset and the Net Investment in Capital Assets.
- The Pension and Employee Benefits liabilities increased from \$23.9 million to \$37.0 million.

Table 2 shows the changes in Net Position for fiscal years 2023 and 2022:

**Table 2**  
**Changes in Net Position**

<b>Revenues:</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Program Revenues:		
Charges for Services	\$ 1,984,138	\$ 1,506,775
Operation Grants and Contributions	3,856,423	4,908,596
Capital Grants and Contributions	7,171,997	18,728,135
General Revenues:		
Property Taxes	18,014,258	14,186,623
Income Taxes	6,755,539	5,982,757
Grants and Entitlements	14,450,699	14,369,171
Other	929,680	486,794
Total Revenues	<u>53,162,734</u>	<u>60,168,851</u>
<b>Program Expenses:</b>		
Instruction	19,966,249	19,514,708
Support Services:		
Pupils & Instructional Staff	4,481,159	3,755,600
Board of Education, Administration, Fiscal	3,620,244	3,579,732
Operation and Maintenance	2,689,820	2,666,793
Pupil Transportation	2,231,276	2,902,884
Central	33,111	88,684
Operation of Non-Instructional Services:	4,642,795	1,349,632
Extracurricular Activities	1,318,791	1,084,085
Interest and Fiscal Charges	3,360,790	3,123,375
Unallocated Depreciation	764,607	-
Total Expenses	<u>43,108,842</u>	<u>38,065,493</u>
Change In Net Position	10,053,892	22,103,358
Net Position, Beginning of Year	<u>39,744,520</u>	<u>17,641,162</u>
Net Position, End of Year	<u>\$ 49,798,412</u>	<u>\$ 39,744,520</u>

***Northeastern Local School District***  
Management's Discussion and Analysis  
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In August 2018, the district approved a 7.96 mil Bond Levy for the construction of two Pre K-12 buildings. The State of Ohio had agreed to fund approximately 40% or \$41 million of the cost of construction. Finally, in May 2020 the District broke ground on the two new Pre K-12 facilities. The District was excited to open the new Northeastern Pre-K12 building in August 2022 and then opened the New Kenton Ridge Pre-K12 in August 2023. The revenues within the Statement of Activities reflects the state contributing approximately \$7.2 million during FY 2023.

Grants and Entitlements programs' small increase is as a result of the state adjusting the State Aid. Finally, the State approved the new Fair Funding Formula in March 2022. The New Formula was approved in the State biennium budget for fiscal year 2022 and 2023. Northeastern will not receive any increase in either fiscal year and will be at risk for the next two biennium budgets if the legislation does not support current funding levels.

Grants and Entitlements made up \$14.4 million or 36.0% of the total general revenues for governmental activities of the Northeastern Local School District for fiscal year 2023. Property Tax revenues made up \$18.0 million or 44.9% of the total general revenues for governmental activities. Income Tax revenues are \$6.8 million or 16.8% of the total general revenues for governmental activities. Grants Entitlements, Property Tax, and Income Tax totaled \$40.2 million, or 73.8% of total revenues. The Income Tax increase from \$6.0 million to \$6.7 million, 12.9% increase, reflects the importance for the district to renew the income tax levy before December 2025. The Grants Entitlements (State-Aid) has dropped from 41.0% of the total revenues to 36.0%. The State has put more of the burden to educate our students on our taxpayers which stresses the importance of our income tax levy.

### **The School District's Funds**

On a modified accrual basis of accounting, all governmental funds had total revenues of \$52.8 million and expenditures of \$69.2 million. The net change in fund balances in the Governmental Funds was a decrease of \$16.6 million. The increase in the General Fund's balance was \$2,698,399 reflects an increase in the assessed value on property taxes and the strong economy reflected in the income tax revenues. The District will continue to control the expenditures to balance the needs and funds.

The fund balance for the Bond Retirement Fund had a decrease of \$36,568, collections and expenditures will remain consistent with the debt schedule, the ending fund balance of \$1,650,175.

The fund balance for the Building Construction fund is from the issuance of the \$79,335,000 debt that will be combined with \$40,389,146 from the State of Ohio to construct two Pre-K to 12 educational facilities. The interest income and the State contribution generated \$7,639,628 and the related expenditures of \$25,955,266, the ending fund balance of \$15,976,480.

### **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 revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A variance comparison is presented between the final budgeted amount and the actual amounts.



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

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For the General Fund, original and final budget basis revenues (excluding other financial sources) were \$34.6 million, \$34.6 million respectively with final actual revenues (other financial sources) of \$36.2 million for a difference of \$1.70 million. The excess of final budgeted revenues over actual revenues is due primarily to an increase in property tax values, income tax and the interest revenues.

Original budget basis appropriations (excluding other financial uses) were \$33.3 million with final budget basis appropriations at (excluding other financial uses) of \$33.3 million. Actual expenditures were more than budgeted expenditures by \$65,522. The primary reason for the decrease is due to the School District closely monitoring expenditures to keep expenditures at or below the budgeted appropriations and expenditures related to the new formula.

### **Capital Assets and Debt Administration**

#### *Capital Assets*

At the end of fiscal year 2023, the School District had \$118.7 million invested in land, construction in progress, buildings, furniture and equipment, and vehicles in governmental activities. The major portion of the additions is related to the land purchase and construction in progress for the building construction. (See Note 10 of the Notes to the Basic Financial Statements).

#### *Debt*

At June 30, 2023, the School District had total bonded debt outstanding in the amount of \$76,270,000 and \$845,000 due within one year. The School District also had no lease obligations outstanding. See Note 15 of the Notes to the Basic Financial Statements for lease details and Note 16 for details on the long-term obligations.

As of June 30, 2023, the School District's overall legal debt margin was \$678,705. On August 23, 2018 the district issued \$79,335,000 in Bonds for new facilities supported by a 7.96 mil levy.

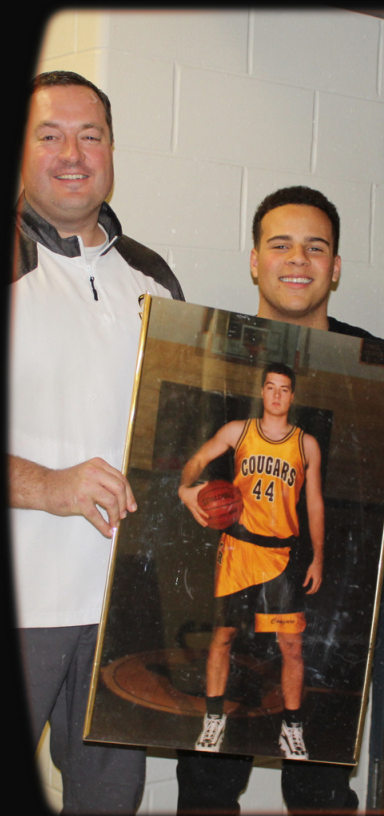
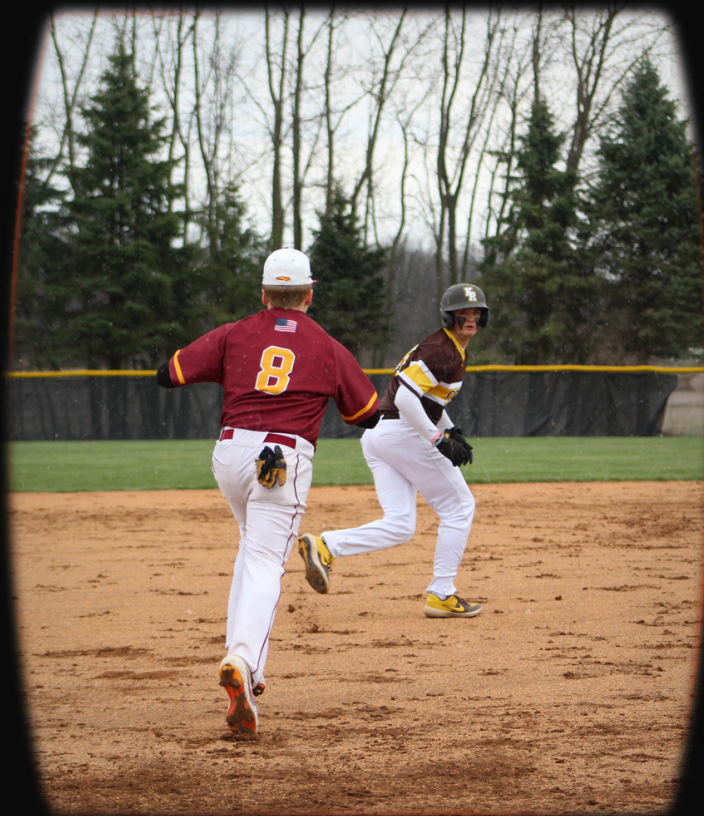
### **Current Financial Issues and Concerns**

The Board of Education is committed to the process used to generate the Five Year forecast in budgeting building as it has proved valuable in maintaining fiscal stability in the District. The actual expenditures in the General fund were 0.2% over budget.

One of the most significant concerns is related to the biennium State budget (HB33) as the State revamps to the "Fair School Funding Formula. The District will monitor the changes and adjust the budget as necessary. A second concern is the district continues rely on our taxpayers as the State continues to lower the State share of operations. The District has committed federal monies to "Closing the Learning Gap" of students from the difficult education environment in the past year, we will review data and leverage dollars to continue positions of student success. The largest concern will be the renewal of our income tax with our taxpayers.

### **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 questions about this report or need additional financial information, contact the Treasurer's Office at Northeastern Local School District, 1414 Bowman Road, Springfield, Ohio 45502, or call (937) 325-7615.



***Northeastern Local School District***

Statement of Net Position

June 30, 2023

	<u>Governmental Activities</u>
<b><u>Assets:</u></b>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 42,363,473
Investments with Fiscal Agents	11,762
Materials and Supplies Inventory	81,591
Accrued Interest Receivable	83,679
Accounts Receivable	117,468
Intergovernmental Receivable	700,036
Property Taxes Receivable	17,812,663
Income Tax Receivable	2,331,440
Capital Assets:	
Land	1,332,507
Construction In Progress	54,241,811
Depreciable Capital Assets, Net	63,189,436
Net OPEB Assets	3,228,567
<b>Total Assets</b>	<b><u>185,494,433</u></b>
<b><u>Deferred Outflows of Resources:</u></b>	
Deferred Pension Liability	8,405,378
Deferred OPEB	748,430
<b>Total Deferred Outflows of Resources</b>	<b><u>9,153,808</u></b>
<b><u>Liabilities:</u></b>	
Accounts Payable	471,876
Accrued Wages and Benefits Payable	3,271,966
Intergovernmental Payable	782,087
Matured Bonds Payable	11,762
Accrued Interest Payable	254,115
Matured Compensated Absences Payable	140,876
Retainage Payable	1,142,303
Due Within One Year	1,209,080
Due in More Than One Year:	
Net Pension Liability	35,069,158
Net OPEB Liability	1,942,503
Other Long-Term Liabilities	77,849,527
<b>Total Liabilities</b>	<b><u>122,145,253</u></b>
<b><u>Deferred Inflows of Resources:</u></b>	
Deferred Taxes	14,380,927
Deferred Pension	3,258,722
Deferred OPEB	5,064,927
<b>Total Deferred Inflows of Resources</b>	<b><u>22,704,576</u></b>
<b><u>Net Position:</u></b>	
Net Investment in Capital Assets	51,013,811
Restricted for:	
Debt Service	1,618,872
Capital Improvements	790,121
Food Service Operations	824,038
Classroom Facilities Maintenance	1,267,803
Other Purposes	467,071
Unrestricted(Deficit)	(6,183,304)
<b>Total Net Position</b>	<b><u>\$49,798,412</u></b>

See accompanying notes to the basic financial statements

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

	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Governmental Activities
<b><u>Governmental Activities:</u></b>					
Instruction:					
Regular	\$ 14,178,465	\$ 1,032,282	\$ 859,459	\$ -	\$ (12,286,724)
Special	5,119,086	-	1,313,200	-	(3,805,886)
Vocational	570,973	-	20,178	-	(550,795)
Student Intervention Services	93,484	-	-	-	(93,484)
Other	4,241	-	-	-	(4,241)
Support Services:					
Pupils	2,983,374	-	483,614	-	(2,499,760)
Instructional Staff	1,497,785	14,137	11,261	-	(1,472,387)
Board of Education	143,530	-	-	-	(143,530)
Administration	2,505,611	-	-	-	(2,505,611)
Fiscal	971,103	-	-	-	(971,103)
Operation and Maintenance of Plant	2,689,820	-	166,491	-	(2,523,329)
Pupil Transportation	2,231,276	-	-	-	(2,231,276)
Central	33,111	-	-	-	(33,111)
Operation of Non-Instructional/Shared Services:					
Operation of Non-Instructional/Shared Services	4,618,701	564,715	1,000,191	7,171,997	4,118,202
Community Services	24,094	11,454	-	-	(12,640)
Extracurricular Activities	1,318,791	361,550	2,029	-	(955,212)
*Unallocated Depreciation	764,607	-	-	-	(764,607)
Interest and Fiscal Charges	3,360,790	-	-	-	(3,360,790)
<b>Total Governmental Activities</b>	<b>\$ 43,108,842</b>	<b>\$ 1,984,138</b>	<b>\$ 3,856,423</b>	<b>\$ 7,171,997</b>	<b>\$ (30,096,284)</b>
<b><u>General Revenues:</u></b>					
Property Taxes					18,014,258
Income Taxes					6,755,539
Operating Grants and Entitlements not Restricted to Specific Programs					14,450,699
Capital Grant Restricted for OFCC Building Project					
Investment Earnings					565,036
Miscellaneous					364,644
<b>Total General Revenues</b>					<b>40,150,176</b>
<b>Change in Net Position</b>					<b>10,053,892</b>
<b>Net Position at Beginning of Year</b>					<b>39,744,520</b>
<b>Net Position at End of Year</b>					<b>\$ 49,798,412</b>

See accompanying notes to the basic financial statements



**Northeastern Local School District**  
Balance Sheet  
Governmental Funds  
June 30, 2023

	General	Bond Retirement Fund	Building Construction Fund	Classroom Facility Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>						
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 20,359,408	\$ 1,271,739	\$ 3,742,773	\$ 13,242,185	\$ 3,508,392	\$ 42,124,497
Investments with Fiscal Agents	-	11,762	-	-	-	11,762
Receivables:						
Property Taxes	13,311,599	3,818,708	-	-	682,356	17,812,663
Income Tax	2,331,440	-	-	-	-	2,331,440
Accounts	117,468	-	-	-	-	117,468
Intergovernmental	131,905	-	-	269,652	298,481	700,038
Accrued Interest	83,679	-	-	-	-	83,679
Interfund	302,146	-	-	-	-	302,146
Materials and Supplies Inventory	71,657	-	-	-	9,934	81,591
<b>Total Assets</b>	<b>36,709,302</b>	<b>5,102,209</b>	<b>3,742,773</b>	<b>13,511,837</b>	<b>4,499,163</b>	<b>63,565,284</b>
<b><u>Liabilities:</u></b>						
Accounts Payable	298,820	-	135,827	-	37,222	471,869
Accrued Wages and Benefits Payable	2,994,830	-	-	-	277,143	3,271,973
Intergovernmental Payable	734,176	-	-	-	47,911	782,087
Matured Bonds Payable	-	11,762	-	-	-	11,762
Interfund Payable	-	-	-	-	302,146	302,146
Retainage Payable	-	-	-	1,142,303	-	1,142,303
Matured Compensated Absences Payable	97,658	-	-	-	43,218	140,876
<b>Total Liabilities</b>	<b>4,125,484</b>	<b>11,762</b>	<b>135,827</b>	<b>1,142,303</b>	<b>707,640</b>	<b>6,123,016</b>
<b><u>Deferred Inflows of Resources:</u></b>						
Property Taxes Not Levied for Current Year	9,961,619	3,399,912	-	-	573,391	13,934,922
Unavailable Delinquent Property Tax Revenues	322,840	40,360	-	-	10,501	373,701
Unavailable Income Tax Revenues	446,005	-	-	-	-	446,005
<b>Total Deferred Inflows of Resources</b>	<b>10,730,464</b>	<b>3,440,272</b>	<b>-</b>	<b>-</b>	<b>583,892</b>	<b>14,754,628</b>
<b><u>Fund Balances:</u></b>						
Nonspendable	71,657	-	-	-	17,417	89,074
Restricted	11,000	1,650,175	3,606,946	12,369,534	3,167,233	20,804,888
Assigned	948,934	-	-	-	265,196	1,214,130
Unassigned (Deficit)	20,821,763	-	-	-	(242,215)	20,579,548
<b>Total Fund Balances</b>	<b>21,853,354</b>	<b>1,650,175</b>	<b>3,606,946</b>	<b>12,369,534</b>	<b>3,207,631</b>	<b>42,687,640</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 36,709,302</b>	<b>\$ 5,102,209</b>	<b>\$ 3,742,773</b>	<b>\$ 13,511,837</b>	<b>\$ 4,499,163</b>	<b>\$ 63,565,284</b>

See accompanying notes to the basic financial statements

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

**Total Governmental Fund Balances** \$42,687,640

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	1,332,507	
Construction in Progress	54,241,811	
Other Capital Assets	86,338,343	
Accumulated Depreciation	<u>(23,148,907)</u>	
Total		118,763,754

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows in the funds.

Property Taxes	<u>373,701</u>	
Total		373,701

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds Payable	(76,270,000)	
Accrued Interest on Bonds	(254,115)	
Premium on Bonds	(1,543,406)	
Compensated Absences	(1,245,201)	
Other	(12)	
Total Liabilities		(79,312,734)

The Internal Service Fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position. 238,986

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

Net OPEB Assets	3,228,567	
Deferred Outflows - Pension	8,405,378	
Deferred Outflows - Post Employment Benefits	748,430	
Deferred Inflows - Pension	(3,258,722)	
Deferred Inflows - Post Employment Benefits	(5,064,927)	
Net Pension Liability	(35,069,158)	
Net Post Employment Benefits	<u>(1,942,503)</u>	
		<u>(32,952,935)</u>

***Net Position of Governmental Activities*** \$49,798,412

See accompanying notes to the basic financial statements

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

	General	Bond Retirement Fund	Building Construction Fund	Classroom Facility Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>						
Property Taxes	\$ 13,669,906	\$ 3,816,669	\$ -	\$ -	\$ 707,008	\$ 18,193,583
Income Taxes	6,309,534	-	-	-	-	6,309,534
Intergovernmental	14,844,205	114,298	-	7,171,997	3,325,317	25,455,817
Investment Earnings	74,017	-	122,810	344,821	46,767	588,415
Tuition and Fees	924,700	-	-	-	-	924,700
Extracurricular Activities	73,691	-	-	-	388,233	461,924
Charges for Services	11,454	-	-	-	564,715	576,169
Contributions and Donations	18,069	-	-	-	71,803	89,872
Miscellaneous	196,295	-	-	-	18,125	214,420
<b>Total Revenues</b>	<b>36,121,871</b>	<b>3,930,967</b>	<b>122,810</b>	<b>7,516,818</b>	<b>5,121,968</b>	<b>52,814,434</b>
<b><u>Expenditures:</u></b>						
Current:						
Instruction:						
Regular	14,894,466	-	-	-	998,230	15,892,696
Special	4,114,733	-	-	-	1,082,920	5,197,653
Vocational	562,491	-	-	-	-	562,491
Student Intervention Services	93,484	-	-	-	-	93,484
Other	6,426	-	-	-	-	6,426
Support Services:						
Pupils	2,397,435	-	-	-	582,278	2,979,713
Instructional Staff	1,540,498	-	-	-	-	1,540,498
Board of Education	144,301	-	-	-	-	144,301
Administration	2,530,499	-	-	-	-	2,530,499
Fiscal	931,950	63,260	-	-	12,402	1,007,612
Operation and Maintenance of Plant	2,571,803	-	-	-	297,094	2,868,897
Pupil Transportation	2,509,514	-	-	-	414,875	2,924,389
Central	14,260	-	-	-	93,220	107,480
Operation of Non-Instructional Services	54,523	-	-	-	1,470,755	1,525,278
Extracurricular Activities	852,301	-	-	-	468,349	1,320,649
Capital Outlay	-	-	4,473,948	21,481,318	607,247	26,562,513
Debt Service:						
Principal Retirement	-	805,000	-	-	-	805,000
Interest and Fiscal Charges	-	3,099,275	-	-	-	3,099,275
<b>Total Expenditures</b>	<b>33,218,684</b>	<b>3,967,535</b>	<b>4,473,948</b>	<b>21,481,318</b>	<b>6,027,370</b>	<b>69,168,854</b>
<b>Net Change in Fund Balances</b>	<b>2,903,187</b>	<b>(36,568)</b>	<b>(4,351,138)</b>	<b>(13,964,500)</b>	<b>(905,402)</b>	<b>(16,354,420)</b>
<b>Fund Balances at Beginning of Year</b>	<b>18,950,167</b>	<b>1,686,743</b>	<b>7,958,084</b>	<b>26,334,034</b>	<b>4,113,033</b>	<b>59,042,061</b>
<b>Fund Balances at End of Year</b>	<b>\$ 21,853,354</b>	<b>\$ 1,650,175</b>	<b>\$ 3,606,946</b>	<b>\$ 12,369,534</b>	<b>\$ 3,207,631</b>	<b>\$ 42,687,640</b>

See accompanying notes to the basic financial statements

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

**Net Change in Fund Balances - Total Governmental Funds** (\$16,354,420)

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

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital Assets Additions	25,645,459	
Carrying Value of Capital Assets Deletions	(56,866)	
Depreciation Expense	(1,510,556)	
Total	24,078,037	24,078,037

Because some revenues will not be collected for several months after the School District's fiscal year end, they are not considered "available" revenues and are reported as deferred inflows in the governmental funds.

Delinquent Property Taxes	(113,880)	
Total	(113,880)	(113,880)

Issuance and Repayment of long-term debt is reported as a other funding sources or expenditures in the governmental funds, issuances increase and repayment reduces long-term liabilities in the Statement of Net Position. In the current fiscal year, these amounts consist of:

Principal Retirement	805,000	
Interest Payable	(254,115)	
Amortization of Bond Premium	46,770	
Total	597,655	597,655

Contractually required pension and OPEB contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows

Pension Plan Contribution	3,096,022	
OPEB Plan Contribution	93,017	
Total	3,189,039	3,189,039

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability and the OPEB liabilities are reported as negative expenses and are allocated to the appropriate functional categories in the statement of activities:

Pension Expense	(3,272,498)	
Negative OPEB Expense	770,001	
Total	(2,502,497)	(2,502,497)

The Internal Service Fund used by management to charge the cost of insurance to individual funds is reported in the entity-wide Statement of Activities. (85,243)

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

These activities consist of:

Long-Term Compensated Absence	1,245,201
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***Change in Net Position of Governmental Activities*** **\$10,053,892**



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

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Property and Other Local Taxes	\$ 12,647,294	\$ 12,647,294	\$ 13,354,805	\$ 707,511
Income Tax	5,852,000	5,852,000	6,280,237	428,237
Intergovernmental	14,616,667	14,616,667	14,681,349	64,682
Interest	290,000	290,000	563,978	273,978
Tuition and Fees	848,657	848,657	870,602	21,946
Extracurricular Activities	148,235	148,235	221,473	73,237
Gifts and Donations	-	-	-	-
Miscellaneous	200,000	200,000	322,435	122,435
Total Revenues	34,602,853	34,602,853	36,294,879	1,692,026
EXPENDITURES:				
Current:				
Instruction:				
Regular	15,295,373	15,321,373	14,995,038	(326,335)
Special	4,252,535	4,264,141	4,135,656	(128,485)
Vocational	555,577	555,077	559,008	3,930
Other	196,700	196,700	99,392	(97,308)
Support Services:				
Pupils	2,532,593	2,557,697	2,346,516	(211,181)
Instructional Staff	1,394,942	1,371,942	1,453,203	81,262
Board of Education	157,402	157,402	141,143	(16,258)
Administration	2,683,006	2,685,196	2,666,589	(18,607)
Fiscal	1,078,242	1,072,888	964,630	(108,258)
Operation and Maintenance of Plant	-	-	2,604,437	2,604,437
Pupil Transportation	2,749,909	2,745,269	2,511,194	(234,075)
Central	2,332,852	2,340,702	14,260	(2,326,442)
Operation of Non-Instructional/Shared Services:				
Community Services	25,526	25,526	48,529	23,004
Extracurricular Activities:				
Academic Oriented Activities	-	-	48,049	48,049
Sport Oriented Activities	-	-	746,435	746,435
School and Public Service Co-Curricular Activities	17,873	17,873	40,228	22,355
Total Expenditures	33,272,530	33,311,785	33,374,307	62,522
Excess of Revenues Over (Under) Expenditures	1,330,323	1,291,068	2,920,572	1,629,504
OTHER FINANCING SOURCES AND USES:				
Advances In	50,000	-	162,397	112,397
Refund of Prior Year Expenditures	25,000	25,000	38,093	13,093
Transfers Out	(655,289)	(655,589)	-	(655,589)
Advances Out	-	-	(302,146)	302,146
Total Other Financing Sources and Uses	(580,289)	(580,589)	(101,656)	(227,953)
Net Change in Fund Balances	750,035	710,480	2,818,916	2,108,437
Fund Balance (Deficit) at Beginning of Year	17,964,440	17,964,440	17,964,440	-
Prior Year Encumbrances Appropriated	758,797	758,797	-	(758,797)
Fund Balance (Deficit) at End of Year	\$ 19,473,272	\$ 19,433,717	\$ 20,783,356	\$ 1,349,640

See accompanying notes to the basic financial statements

***Northeastern Local School District***  
Statement of Fund Net Position  
Internal Service Fund  
June 30, 2023

	Workers' Compensation Fund
	<hr/>
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$ <u>238,986</u>
 <i>Total Assets</i>	 <u><u>238,986</u></u>
 <b><u>Net Position:</u></b>	
<i>Unrestricted</i>	 <u><u>\$ 238,986</u></u>

See accompanying notes to the basic financial statements

***Northeastern Local School District***  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Internal Service Fund  
June 30, 2023

	Workers' Compensation Fund
	<hr/>
<b><u>Operating Revenues:</u></b>	
Other	\$ 1,309
	<hr/>
<i>Total Operating Revenues</i>	1,309
	<hr/>
<b><u>Operating Expenses</u></b>	
Claims Expense	86,552
	<hr/>
<i>Total Operating Expenses</i>	86,552
	<hr/>
<i>Change in Net Position</i>	(85,243)
<i>Net position at Beginning of Year</i>	324,229
	<hr/>
<i>Net position at End of the Year</i>	\$ 238,986
	<hr/> <hr/>

See accompanying notes to the basic financial statements

***Northeastern Local School District***  
Statement of Cash Flows  
Internal Service Fund  
June 30, 2023

	Workers' Compensation Fund
	<hr/>
<b><u><i>Increase (Decrease in Cash and Cash Equivalents:</i></u></b>	
<b><u><i>Cash Flows from Operating Activities</i></u></b>	
Receipt from Other Sources	\$ 1,309
Cash Payments for Claims	<hr/> (86,552)
<i>Net Cash Provided(Used) by Operating Activities</i>	(85,243)
<i>Cash and Cash Equivalnents Beginning of Year</i>	<hr/> 324,229
<i>Cash and Cash Equivalnents End of Year</i>	<hr/> <hr/> \$ 238,986

See accompanying notes to the basic financial statements

***Northeastern Local School District***  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2023

	Private Purpose Trust	Custodial Funds
	<hr/>	<hr/>
<b><u>Assets:</u></b>		
Equity in Pooled Cash and Cash Equivalents	\$ 28,685	\$ -
	<hr/>	<hr/>
<i>Total Assets</i>	<u>28,685</u>	<u>-</u>
	<hr/>	<hr/>
<b><u>Liabilities:</u></b>		
Undistributed Monies	-	-
	<hr/>	<hr/>
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>
	<hr/>	<hr/>
<b><u>Net Position:</u></b>		
Restricted for Schloarships	28,685	-
	<hr/>	<hr/>
<i>Total Net Position</i>	<u>\$ 28,685</u>	<u>\$ -</u>
	<hr/>	<hr/>

See accompanying notes to the basic financial statements



***Northeastern Local School District***  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2023

	Private Purpose Trust Funds	Custodial Funds
	<hr/>	<hr/>
<b><u>Additions:</u></b>		
Investment Earnings		
Contributions and Donations	\$ 5,750	\$ 4,455
	<hr/>	<hr/>
<i>Total Additions</i>	5,750	4,455
<b><u>Deductions:</u></b>		
Payment in Accordance with Trust Agreements	6,327	4,455
	<hr/>	<hr/>
<i>Total Deductions</i>	6,327	4,455
<i>Change in Net Position</i>	(577)	-
<i>Net Position at Beginning of Year</i>	29,262	-
	<hr/>	<hr/>
<i>Net Position at End of Year</i>	\$ 28,685	\$ -
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to the basic financial statements

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

Northeastern 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/or federal guidelines.

The School District was established in 1916 through the consolidation of existing land areas and school districts. The School District serves an area of approximately 118 square miles. It is located in Clark County, and includes the Villages of South Vienna and Catawba, and the Townships of Moorefield, Pleasant, and Harmony.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the School District consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Northeastern Local School District, this includes general operations, food service, 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. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Certain organizations are also included as component units if the nature and significance of the relationship between the primary government and the organization is such that exclusion by the primary government would render the primary government's financial statements incomplete or misleading. Based upon the application of these criteria, the District has no component units. The basic financial statements of the reporting entity include only those of the District (the primary government).

The School District participates in the Miami Valley Educational Computer Association (MVECA), Springfield/Clark County Career Technical Center and the Southwestern Ohio Educational Purchasing Council (SOEPC) which are defined as jointly governed organizations, and the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), which is defined as an insurance purchasing pool. These organizations are presented in Note 17 to the basic financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Northeastern Local 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 most significant of the School District's accounting policies are described below.

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. 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.

**1. 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 statement of net position presents the financial condition of the governmental activities of the School District at 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.

**2. Fund Financial Statements:**

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

**B. 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. There are two categories of funds: governmental and fiduciary.

**1. 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 liabilities is reported as fund balance. The following are the School District's major governmental funds:

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**General Fund** - The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. 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.

**Bond Retirement Fund** - The bond retirement fund accounts for a property tax levy to be finance the 2018 General Obligation Bond Construction debt service.

**Building Construction Fund** – The building construction fund accounts for the proceeds from the original debt issuance for the local share and the state support by the Ohio Facility Commission. The expenditures are the capital outlays related to the project.

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

**2. Proprietary Fund**

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

**Internal Service Fund** – The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District. The Workers' Comp Fund is used to account for the District's participation in the Ohio School Comp Group Retrospective Rating Program as an insurance purchasing pool

**3. Fiduciary Fund Types:**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. The School District has thirteen private purpose trust funds. Twelve account for scholarship programs for students. The other is a memorial fund which accounts for monies for construction and maintenance of a memorial for a past graduate. The custodial fund does not involve measurement of results of operations.

**C. Measurement Focus**

**1. Government-wide Financial Statements:**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities 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.

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2. Fund Financial Statements:**

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

The fiduciary activities funds are reported using the economic resources measurement focus.

**D. 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. Fiduciary funds also use 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, in the recording of deferred inflow of resources, and in the presentation of expenses versus expenditures.

**1. 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.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal 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 non-exchange 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, interest, tuition, grants, and student fees.



**NORTHEASTERN LOCAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**2. 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 pension and OPEB, which are further explained in Notes 12 and 13.

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, 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 governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental grants, and income tax 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 are reported on the government-wide statement of net position. (See Notes 12 and 13)

**Pensions/OPEB**

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

**3. Expenses/Expenditures:**

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

**E. Budgetary Data**

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and 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/function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported as the budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate that was in effect at the time the final appropriations were passed by the Board of Education. Prior to fiscal year-end, the School District requested an amended certificate of estimated resources that reflects actual revenue for the fiscal year.

The appropriation resolution is subject to amendment by the Board throughout the 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 during the year.

**F. Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash, Cash Equivalents and Investments" on the balance sheet. During the year, investments were limited to money market accounts, commercial paper, negotiable certificates of deposit, municipal bonds, US Treasury Notes, US Government Agency Notes and StarOhio. Investment are reported at cost except for StarOhio, which is reported at net asset value (NAV).

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the funds during fiscal year 2023 amounted to \$74,017 in the General Fund, \$467,631 to the Building Construction Fund, and \$46,767 to the Non Major Governmental Funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents. Investments with an original maturity of more than three months that are not made from the pool are reported as investments.

**G. 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 year in which services are consumed. For this report period the District had no prepaid items.

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Inventory**

On government-wide and fund financial statements, purchased inventories are presented at the cost and donated commodities are presented at their entitlement value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method on the government-wide statements and the fund financial statements.

On the fund financial statements, reported material and supplies inventory is equally offset by non-spendable fund balance in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Inventory consists of expendable supplies held for consumption, school supplies held for resale, donated food and purchased food are reported at cost.

**I. Capital Assets**

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for 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	10-99 years
Buildings and Improvements	20-100 years
Furniture and Equipment	5-50 years
Vehicles	20 years

**J. 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 all employees with more than one year of service.

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

For governmental fund financial statements, compensated absences are reported as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “matured compensated absences payable” in the funds from which the employees will be paid.

**K. Accrued Liabilities and Long-Term Obligations**

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

In general, 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 governmental funds. However, compensated absences and contractually required pension and OPEB contributions 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. General obligation bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**L. Net Position**

Net position represents the difference between asset 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 borrowings 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 the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available. None of the restricted net position is restricted by enabling legislation.

**M. 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:

**Non-spendable** – The non-spendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” 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.

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

**Unassigned** – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

**N. Interfund Activity**

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

Interfund loans for the year ended June 30, 2023 consisted of a transfer from the General fund to the District’s food service fund, in the amount of \$302,146, as reported on the fund financial statements.

Interfund transfers are eliminated on the entity-wide statement of activities and statement of net position.

**O. 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. Neither type of transaction occurred during fiscal 2023.

**P. Estimates**

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**3. CHANGE IN ACCOUNTING PRINCIPLES**

For the fiscal year ended June 30, 2023, the School District implemented GASB Statement No. 91, Conduit Debt Obligations, GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements, and GASB Statement No. 99, Omnibus 2022.

GASB Statement No. 91 clarifies the definition of conduit debt and provides a single method of reporting these obligations (disclosure only). This Statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. GASB Statement No. 94 addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement. GASB Statement No. 96 addresses accounting and financial reporting for subscription-based information technology arrangements (SBITAs), a type of information technology (IT) arrangement (i.e. software licensing). This Statement also defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset (intangible asset) and a corresponding subscription liability, provides capitalization criteria, and requires footnote disclosure. The standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. GASB Statement No. 99 addresses a variety of topics to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. The School District determined that any contracts covered by GASB Statement No. 96 were insignificant and therefore were not incorporated into these financial statements. The implementation of GASB Statements No. 91, 94 and 99 did not have an effect on the School District's financial statements

**4. ACCOUNTABILITY AND COMPLIANCE**

The School District had deficit fund balances in the following special revenue funds as of June 30, .2023:

<b>Fund</b>	<b>Amount</b>
Title VI-B Special Ed Grant	120,155
Title I-A Improving Program	56,850
Title IDEA Early Childhood	24
Title II-A Improving Teaching	1,454
Elementary & Secondary Emergency	60,065
Title IV Student Support	3,667

The general fund is liable for deficits in these funds and will provide operating transfers when cash is required, not when accruals occur.

**5. BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:



**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**5. BUDGETARY BASIS OF ACCOUNTING (Continued)**

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as an assigned fund balance (GAAP).
4. Some funds are included in the general fund (GAAP basis), but have separate legally adopted budgets (budget basis)

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

**Net Change in Fund Balance**

	General Fund
GAAP Basis	\$ 2,903,187
Net Adjustment for Revenue Accruals	173,008
Net Adjustment for Expenditure Accruals	(155,623)
Net Other Financing Sources	<u>(101,656)</u>
Budget Basis	<u><u>\$ 2,818,916</u></u>

**6. DEPOSITS AND INVESTMENTS**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the 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 monies are public deposits that the Board of Education has identified as not required for use within the current two-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 monies must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the 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 institution's 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 the State of Ohio to secure repayment of all public monies deposited in the financial institution.

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**6. DEPOSITS AND INVESTMENTS (Continued)**

Interim monies are to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other 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, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the purchase date in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 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.

**A. Deposits:**

At year-end, the carrying amount of the School District's deposits was \$2,664,583 with a bank balance of \$3,249,382, \$2,074,891 of the bank balance was covered by FDIC Insurance and the remaining balance of \$1,174,491 was collateralized by securities pledged through the Ohio Pooled Collateral System. In addition, the School District maintains cash on hand of \$250.

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**6. DEPOSITS AND INVESTMENTS (Continued)**

During fiscal year 2023, the School District's investments were limited to STAR Ohio, Commercial Paper, Money Market Mutual Funds, Municipal Bonds, US Treasury Notes, US Government Agency Notes, and negotiable certificates of deposit. Investments, except for STAR Ohio and Commercial Paper, are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, the fair value is determined by the fund's current share price. The School District's commercial paper is measured at amortized cost as it is a highly liquid debt instrument with a remaining maturity at the time of purchase less than one year.

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

For the fiscal year 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 encouraged. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

**B. Investments:**

The District's investments at June 30, 2023 are summarized below:

At Market Value - Matures In					
Investment	Cost	0-1 Years Before Maturity	1-5 Year Before Maturity	Credit Rating	% of Portfolio
Treasury Money Market	5,798,313	5,798,313			14.59%
Commercial Paper	8,268,768	8,383,978		P-1, A-1+, A-1	21.10%
Negotiable Certificate of Deposit	6,933,561	1,690,761	5,149,352		17.21%
Municipal Bonds	1,454,855	277,505	1,015,270	MIG1, A1, BAA1, AAA, AA2, AA1, AA3, A2, SP1+, AA, AA+	3.25%
US Treasury Notes	4,871,479	-	4,822,838	AAA, AA+	12.14%
US Government Agency Notes	8,371,085	-	8,097,664	AAA, AA+	20.38%
StarOhio	4,503,406	4,503,406	-		11.33%
Total Investments	40,201,467	20,653,963	19,085,124		100.00%

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

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**6. DEPOSITS AND INVESTMENTS (Continued)**

**C. Custodial Credit Risk:**

The risk that, in the event of a failure of a counter party, the District will not be able to recover the value of its investments or collateral securities that is in the possession of an outside party. The District employs the use of "safekeeping" accounts to hold and maintain custody of its investments as identified within this policy and as a means of mitigating this risk.

**D. Interest Rate Risk:**

Interest rate risk is the risk that the District will incur fair value losses arising from rising interest rates. Such risk is mitigated by the investment policy by limiting investments to certain maximum maturities. Per the Board of Education investment policy, investments are to have a maximum maturity of five years unless the investment is matched to a specific obligation or debt of the District.

**E. Credit Risk:**

The Ohio Revised Code limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations at the time of purchase.

**7. PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the School District 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 property and public utility property. Real property tax revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed values as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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 revenues received in calendar year 2023 represent the collection of calendar year 2022 taxes. Public utility real and personal property taxes received in calendar year 2023 became a lien on December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Public utility tangible personal property currently is assessed at varying percentages of true value public utility real property is assessed at thirty-five percent of true value. 2022 public utility property taxes became a lien December 31, 2021, are levied after April 1, 2022, and are collected in 2022 with real property taxes. 2022 tangible personal property taxes are levied after April 1, 2022, on the value as of December 31, 2021. Collections are made in 2022. Tangible personal property assessments are twenty-five percent of true value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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. The assessed values upon which the fiscal year 2023 taxes were collected are:

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**7. PROPERTY TAXES (continued)**

	<b>2021 Second Half Collections</b>		<b>2022 First Half Collections</b>	
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
Agricultural/Residential and Other Real Estate	\$534,550,16074	95.2%	\$650,669,87022	95.9%
Public Utility Personal	26,913,0308	4.8%	28,035,090	4.1%
Total	\$561,463,19061	100.0%	\$678,704,960	100.0%
Tax Rate per \$1,000 of Assessed Valuation	\$56.15		\$67.87	

The School District receives property taxes from Clark and Champaign Counties. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents real property and public utility property taxes which are 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 reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset to deferred inflows of resources. At June 30, 2022, \$3,027,140 was available as an advance to the general fund, \$65,526 in the permanent improvement fund, \$378,436 in the bond retirement fund, and \$32,938 in the non-major governmental funds.

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

**8. INCOME TAX**

The School District levies an income tax of one percent on substantially all income earned by School District residents. Employers with employees based in the state of Ohio are required to withhold income tax on employee compensation and remit the tax to the Ohio Department of Taxation either monthly or quarterly. Individuals may make estimated payments. Income tax proceeds are to be used to pay General Fund operations of the School District. The proceeds are allocated to the General Fund. Income tax revenue for fiscal year 2023 on the modified accrual basis was \$ 6,309,534.

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**9. RECEIVABLES**

Receivables at June 30, 2023, consisted of property taxes, income taxes, accounts (tuition and student fees), intergovernmental grants and interest. All receivables are considered collectible in full and will be received within one year. A summary of the principal items of intergovernmental receivables follows:

<b>Intergovernmental Receivable</b>	
SERS Overcharge	\$ 24,919
Building Project	269,652
Casino Tax Money	101,677
Medicaid Reimbursement	5,307
Title VI-B Grant	78,100
ESSER III	180,062
Title I Grant	27,595
Title II- A Grant	12,724
Total Intergovernmental Receivables	<u><u>\$ 700,036</u></u>

**10. CAPITAL ASSETS**

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

	Beginning Balance 7/01/2022	Adjustments	Restated Beginning Balance 7/01/2022	Additions	Deletions	Ending Balance 7/01/2023
Land (Class 0100)	\$ 1,332,507	\$ -	\$ 1,332,507	\$ -	\$ -	\$ 1,332,507
CIP (Class 0800)	80,076,499	-	80,076,499	25,298,486	51,133,174	54,241,811
Total Cap Assets, not being depreciated	<u>81,409,006</u>	<u>-</u>	<u>81,409,006</u>	<u>25,298,486</u>	<u>51,133,174</u>	<u>55,574,318</u>
Land Improvements (Class 0100)	641,812	-	641,812	-	-	641,812
Buildings (Class 0200)	26,710,485	-	26,710,485	38,810,735	-	65,521,220
Furniture, Fixtures, and Equipment (Class 0300)	3,807,039	-	3,807,039	12,674,306	-	16,481,345
Vehicles (Class 0400)	2,415,965	-	2,415,965	700,400	(56,866)	3,059,499
Textbooks (Class 0600)	634,467	-	634,467	-	-	634,467
Total Cap Assets, being depreciated	<u>34,209,768</u>	<u>-</u>	<u>34,209,768</u>	<u>52,185,441</u>	<u>(56,866)</u>	<u>86,338,343</u>
Less: Accumulated Depreciation						
WIP (Class 0800)	(118,314)	118,314	-	-	-	-
Land Improvements (Class 0100)	(414,417)	-	(414,417)	(5,458)	-	(419,875)
Buildings (Class 0200)	(17,050,717)	-	(17,050,717)	(620,330)	-	(17,671,047)
Furniture, Fixtures, and Equipment (Class 0300)	(2,787,669)	-	(2,787,669)	(737,496)	-	(3,525,165)
Vehicles (Class 0400)	(806,530)	-	(806,530)	(147,272)	(55,448)	(898,354)
Textbooks (Class 0600)	(634,466)	-	(634,466)	-	-	(634,466)
Total Accumulated Depreciation	<u>(21,812,113)</u>	<u>118,314</u>	<u>(21,693,799)</u>	<u>(1,510,556)</u>	<u>(55,448)</u>	<u>(23,148,907)</u>
Total Capital Assets being depreciated, net	<u>12,397,655</u>	<u>118,314</u>	<u>12,515,969</u>	<u>50,674,885</u>	<u>(112,314)</u>	<u>63,189,436</u>
Governmental Activities Capital Assets, net	<u>\$ 93,806,661</u>	<u>\$ 118,314</u>	<u>\$ 93,924,975</u>	<u>\$ 75,973,371</u>	<u>\$ 51,020,860</u>	<u>\$ 118,763,754</u>

Adjustments - The District has assets that had not been included or not deleted from the capital asset records system. The adjustments are immaterial and included in the table above reflect the necessary adjustments made in this fiscal year.



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**10. CAPITAL ASSETS (continued)**

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

Regular Instruction	\$ 245,079
Special Instruction	30,045
Vocational Instruction	12,887
Support Service Pupils	14,596
Support Service Staff	14,507
Administration	21,928
Fiscal	2,331
Operation of Maint & Equipment	40,362
Pupil Transportation	151,085
Non-Instructional Services	934,875
Extracurricular Activities	42,861
Total Depreciation	<u>\$ 1,510,556</u>

The unallocated depreciation is the annual depreciation on the new Pre-K-12 Buildings that are not allocated the functions.

**11. RISK MANAGEMENT**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft or, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2023, the School District contracted with the Southwestern Ohio Educational Purchasing Council for property and fleet insurance, liability insurance, crime, terrorism, and automobile coverage. Coverage provided through this Council is as follows:

Building and Contents - replacement cost; including Boiler and Machinery	\$250,000,000
Excess Property	\$350,000,000
Flood	\$25,000,000
Earthquake	\$25,000,000
Automobile Liability (\$0 deductible)	\$1,000,000
General Liability Per Occurrence	\$1,000,000
Sexual Molestation	\$1,000,000
Site Pollution	\$1,000,000

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

**B. Workers' Compensation**

For fiscal year 2023, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), a workers' compensation insurance purchasing pool (Note 17). 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

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**11. RISK MANAGEMENT (continued)**

school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling fund" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Integrated Comp Incorporated provides administrative, cost control, and actuarial services to the GRP.

**12. DEFINED BENEFIT PENSION PLANS**

**A. Net Pension Liability**

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

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

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

GASB Statement No. 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

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

**Plan Description** – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](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; or age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or age 60 with 25 years of service credit

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

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

**Funding Policy** – Plan members are required to contribute 10% of their annual covered salary and the School District is required to contribute 14% 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% for plan members and 14% 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, and Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, the 14% was allocated to only three of the funds (Pension Trust Fund, Death Benefit Fund and Medicare B Fund).

The School District’s contractually required contribution to SERS was \$712,124 for fiscal year 2023. Of this amount, \$148,677 is reported as an intergovernmental payable.

**C. 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 retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

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

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. The calculation will be 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. For members who were eligible to retire on July 1, 2015, the annual benefit is the greater of the benefit amount calculated upon retirement under the new benefit formula or the frozen benefit amount as of July 1, 2015. Effective August 1, 2021 to July 1, 2023, any member can retire with unreduced benefits with 34 years of service credit at any age or 5 years of service credit and age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age; or 29 years of service credit and age 55; or 5 years of service credit and age 60. Effective on or after August 1, 2023, any member can retire with unreduced benefits with 35 years of service credit at any age or 5 years of service credit at age 65. Retirement eligibility for reduced benefits is 30 years of service credit at any age or 5 years of service credit and age 60.

The DC Plan allows members to place all their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liabilities. Effective July 1, 2022, 2.91% of salaries are used to pay for unfunded liabilities. 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 CO Plan offers features of both the DB Plan and the DC Plan. In the CO Plan, 12% of the 14% member rate is deposited into the member's DC account and the remaining 2% is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the CO Plan payment is payable to a member on or after age 60 with 5 years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

New members who choose the DC Plan or CO 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 Ohio plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's CO Plan account to a lifetime benefit results in STRS Ohio bearing the risk of investment gain or loss on the account. STRS Ohio therefore has included all three plan options as one defined benefit plan for GASB Statement No. 68 reporting purposes.

A DB or CO 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 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance.

Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

**Funding Policy** – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2023, plan members were required to contribute 14% of their annual covered salary. The School District was required to contribute 14%; the entire 14% was the portion used to fund pension obligations. The fiscal year 2023 contribution rates were equal to the statutory maximum rates.

The School District's contractually required contribution to STRS was approximately \$2,383,898 for fiscal year 2023. Of this amount, \$452,971 is reported as an intergovernmental payable.

**D. Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources for 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 projected contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	SERS	STRS	Total
Proportionate share of the net pension liability	\$ 7,351,027	\$ 27,718,131	\$ 35,069,158
Proportion of the net pension liability	0.135909%	0.124687%	
Change in proportionate share	-0.003606%	-0.000458%	
Pension expense	\$ 371,209	\$ 2,901,289	\$ 3,272,498

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

	SERS	STRS	Total
<u>Deferred Outflows of Resources:</u>			
Differences between expected and actual experience	\$ 297,722	\$ 354,828	\$ 652,550
Net difference between projected and actual earnings on pension plan investments	-	964,530	964,530
Change in assumptions	72,534	3,317,028	3,389,562
Change in School District's proportionate share and difference in employer contributions	43,978	258,736	302,714
School District contributions subsequent to the measurement date	712,124	2,383,898	3,096,022
Total	<u>\$ 1,126,358</u>	<u>\$ 7,279,020</u>	<u>\$ 8,405,378</u>

(Continued)

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 48,258	\$ 106,030	\$ 154,288
Net difference between projected and actual earnings on pension plan investments	256,516	-	256,516
Change in assumptions	-	2,496,768	2,496,768
Change in School District's proportionate share and difference in employer contributions	<u>134,105</u>	<u>217,045</u>	<u>351,150</u>
Total	<u>\$ 438,879</u>	<u>\$ 2,819,843</u>	<u>\$ 3,258,722</u>

\$3,096,022 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 net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2024	\$ 6,301	\$ (4,162)	\$ 2,139
2025	(90,796)	(18,995)	(109,791)
2026	(366,440)	(712,633)	(1,079,073)
2027	<u>426,290</u>	<u>2,811,069</u>	<u>3,237,359</u>
	<u>\$ (24,645)</u>	<u>\$ 2,075,279</u>	<u>\$ 2,050,634</u>

**Actuarial Assumptions – SERS**

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

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 consider the employee's entire career with the employer and take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.



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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

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

Inflation:	
Current measurement period	2.40 percent
Prior measurement period	2.40 percent
Future salary increases, including inflation	
Current measurement period	3.25 percent to 13.58 percent
Prior measurement period	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	
Current measurement period	2.00 percent, on and after 4/1/2018, COLA's for future retirees will be delayed for 3 years following retirement.
Prior measurement period	2.00 percent, on and after 4/1/2018, COLA's for future retirees will be delayed for 3 years following retirement.
Investment rate of return	
Current measurement period	7.00 percent net of investment expense, including inflation
Prior measurement period	7.00 percent net of investment expense, including inflation
Actuarial cost method	Entry Age Normal

Mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Health Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Mortality among contingent survivors were based upon the PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. The PUB-2010 General Amount Weighted Below Median Employee mortality table was used for active members. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2015 to June 30, 2020 adopted by the Board on April 15, 2021.

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

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**12. DEFINED BENEFIT PENSION PLANS (Continued):**

<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 strategies	4.00%	3.39%
Private debt/private credit	<u>3.00%</u>	5.38%
Total	<u>100.00%</u>	

**Discount Rate** – Total pension liability was calculated using the discount rate of 7.0%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.0%). 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 7.0%, 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 (6.0%), or one percentage point higher (8.0%) 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	\$ 10,820,360	\$ 7,351,027	\$ 4,428,160

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases:	
Current measurement period	Varies by service from 2.5% to 8.5%
Prior measurement period	12.50% at age 20 to 2.50% at age 65
Payroll increases	
Current measurement period	3.00%
Prior measurement period	3.00%
Investment rate of return, including inflation:	
Current measurement period	7.00%, net of investment expenses
Prior measurement period	7.00%, net of investment expenses
Discount rate of return	
Current measurement period	7.00%
Prior measurement period	7.00%
Cost-of-living adjustments (COLA)	0.00%

Demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

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

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

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

<u>Asset Class</u>	<u>Target Allocation *</u>	<u>Long-Term Expected Real 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 as of July 1, 2022. Target weights were phased in over a 3-month period concluding October 1, 2022.

\*\* 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**12. DEFINED BENEFIT PENSION PLANS (Continued)**

**Discount Rate** – The discount rate used to measure the total pension liability was 7.0% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described 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's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.0% 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 7.0%, 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 (6.0%) or one-percentage-point higher (8.0%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$ 41,872,004	\$ 27,718,131	\$ 15,748,335

**Social Security System**

All employees not covered by SERS or STRS have an option to choose Social Security or SERS/STRS. As of June 30, 2023, one of the members of the Board of Education has elected social security. The Board's liability is 6.2% of wages paid.

**13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB)**

**A. Net OPEB Liability (Asset)**

The net OPEB liability (asset) reported on the statement of net position represents a liability to (or assets for) employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. 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 OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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**13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)**

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 OPEB are financed; however, the School District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB Statement No. 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio Revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability (asset). Resulting adjustments to the net OPEB liability (asset) would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability or fully-funded benefits as a long-term net OPEB asset on the accrual basis of accounting. Any liability for contractually-required OPEB contributions outstanding at the end of the fiscal year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

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

*Health Care Plan Description*—SERS' Health Care program provides health care 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.

*Funding Policy*—State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14% of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, there was no portion allocated 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, the minimum compensation amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was \$93,017.

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**13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)**

**C. 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 Board to offer this plan.

Coverage under the current program includes hospitalization, physicians' fees and prescription drugs and partial reimbursement of the monthly Medicare Part B premiums. Pursuant to the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by the Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. 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. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14% of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

**D. 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	STRS	Total
Proportionate share of the net OPEB asset	\$ -	\$ 3,228,568	\$ 3,228,568
Proportionate share of the net OPEB liability	1,942,503	-	1,942,503
Proportion of the net OPEB asset/liability	0.138354%	0.124687%	
Change in proportionate share	-0.004800%	-0.000458%	
OPEB (negative) expense	\$ (156,661)	\$ (613,340)	\$ (770,001)

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**13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)**

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

	SERS	STRS	Total
<u>Deferred Outflows of Resources:</u>			
Differences between expected and actual experience	\$ 16,329	\$ 46,803	\$ 63,132
Net difference between projected and actual earnings on OPEB plan investments	10,096	56,201	66,297
Change in assumptions	308,979	137,526	446,505
Difference between employer contributions and proportionate share of contributions	77,845	1,634	79,479
School District contributions subsequent to the measurement date	93,017	-	93,017
Total	<u>\$ 506,266</u>	<u>\$ 242,164</u>	<u>\$ 748,430</u>
<u>Deferred Inflows of Resources:</u>			
Differences between expected and actual experience	\$ 1,242,568	\$ 484,870	\$ 1,727,438
Change in assumptions	797,411	2,289,366	3,086,777
Difference between employer contributions and proportionate share of contributions	195,070	55,641	250,711
Total	<u>\$ 2,235,049</u>	<u>\$ 2,829,877</u>	<u>\$ 5,064,926</u>

\$93,017 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 (asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$ (414,645)	\$ (772,033)	\$ (1,186,678)
2025	(402,896)	(751,521)	(1,154,417)
2026	(345,471)	(349,780)	(695,251)
2027	(225,074)	(143,830)	(368,904)
2028	(161,962)	(188,503)	(350,465)
2029-2031	(271,752)	(382,046)	(653,798)
	<u>\$ (1,821,800)</u>	<u>\$ (2,587,713)</u>	<u>\$ (4,409,513)</u>



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**13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)**

**Actuarial Assumptions – SERS**

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

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

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will consider the employee's entire career with the employer and 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, prepared as of June 30, 2022, are presented below:

Investment rate of return:	
Current measurement date	7.00% of net investment expense, including inflation
Prior measurement date	7.00% of net investment expense, including inflation
Wage inflation:	
Current measurement date	2.40%
Prior measurement date	2.40%
Future salary increases, including inflation	
Current measurement date	3.25% to 13.58%
Prior measurement date	3.25% to 13.58%
Municipal bond index rate:	
Current measurement date	3.69%
Prior measurement date	1.92%
Single equivalent interest rate, net of plan investment expense:	
Current measurement date	2.27%, including price inflation
Prior measurement date	2.63%, including price inflation
Medical Trend Assumption:	
Current measurement date	7.00% - 4.40%
Prior measurement date	6.75% - 4.40%

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**13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)**

Mortality rates were based on the PUB-2010 General Employee Amount Weighted Below Median Health Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20% for males and set forward 2 years and adjusted 81.35% for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3% for males and set forward 3 years and adjusted 106.8% for females. Mortality among contingent survivors were based upon the PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5% for males and adjusted 122.5% for females. The PUB-2010 General Amount Weighted Below Median Employee mortality table was used for active members. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The actuarial assumptions used were based on the results of an actuarial experience study for the period ending July 1, 2015 to June 30, 2020 adopted by the Board on April 15, 2021.

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

<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 strategies	4.00%	3.39%
Private debt/private credit	<u>3.00%</u>	5.38%
Total	<u>100.00%</u>	

**Discount Rate** – The discount rate used to measure the total OPEB liability at June 30, 2022 was 4.08%. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and SERS at the state statute contribution rate of 1.5% of projected covered employee payroll each year, which includes a 1.50% payroll surcharge and no contributions from basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2044. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2043 and the Municipal Bond Index rate of 3.69% as of June 30, 2022 (i.e., municipal bond rate) was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

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**13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)**

***Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and 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 calculated using the discount rate of 4.08%, as well as what the School District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.08%) and one percentage point higher (5.08%) than the current rate.

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	\$ 2,412,618	\$ 1,942,503	\$ 1,562,993

The following table presents the net OPEB liability calculated using current health care cost trend rates, as well as what the School District's net OPEB liability would be if it were calculated using health care cost trend rates that are one percentage point lower (6.00% decreasing to 3.40%) and one percentage point higher (8.00% decreasing to 5.40%) than the current rates.

	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	\$ 1,498,019	\$ 1,942,503	\$ 2,523,072

**Actuarial Assumptions - STRS**

The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Salary increases

Current measurement date	Varies by service from 2.5% to 8.5%
Prior measurement date	12.50% at age 20 to 2.50% at age 65

Payroll increases:

Current measurement date	3.00%
Prior measurement date	3.00%

Investment rate of return:

Current measurement date	7.00%, net of investment expenses, including inflation
Prior measurement date	7.00%, net of investment expenses, including inflation

Discount rate of return:

Current measurement date	7.00%
Prior measurement date	7.00%

Health care cost trends:

	Current Measurement		Prior Measurement	
	Initial	Ultimate	Initial	Ultimate
Medical:				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

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**13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)**

Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based. Additionally, healthcare trends were updated to reflect emerging claims and recoveries experience.

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

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

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

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

\* Target allocation percentage is effective as of July 1, 2022. Target weights phased in over a 3-month period concluding October 1, 2022.

\*\* 10-year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include 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 OPEB liability was 7.0% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes STRS Ohio 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 of current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on OPEB plan assets of 7.0% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

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**13. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) (continued)**

*Sensitivity of the School District's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate and the Health Care Cost Trend Rates* – The following table presents the School District's proportionate share of the net OPEB (asset) calculated using the current period discount rate assumption of 7.0%, as well as what the School District's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.0%) and one percentage point higher (8.0%) than the current rate. Also shown is the net OPEB (asset) as if it were calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	\$ 2,984,726	\$ 3,228,568	\$ 3,437,439

	1% Decrease In Trend Rates	Current Trend Rates	1% Increase In Trend Rates
School District's proportionate share of the net OPEB asset	\$ 3,348,810	\$ 3,228,568	\$ 3,076,791

**14. OTHER EMPLOYEE BENEFITS**

**A. 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 up to a maximum of 280 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, unused sick leave up to the maximum of 280 days. Administrators retiring in fiscal year 2020 were eligible to receive payment of 40 percent of accrued, unused sick leave up to the maximum of 280 days.

**B. Insurance Benefits**

The School District provides life insurance to most employees through Sun Life Insurance. Medical/surgical is offered to employees through EPC Insurance Consortium.

**15. LEASES**

The School District currently does not have any leases as defined by Statement of Financial Accounting Standards

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**16. LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2023 were as follows:

	Amount Outstanding June 30, 2022	Additions	Deletions	Amount Outstanding June 30, 2023	Amount Due Within One Year
Governmental Activities:					
General Obligation Bonds:	\$ 77,075,000	\$ -	\$ 805,000	\$ 76,270,000	\$ 845,000
2018 School Construction Bonds					
3%-5.25% 37 years					
Premium on 2018 Issue	1,590,176	-	46,770	1,543,406	46,770
Total 2018 Bond Debt	78,665,176	-	851,770	77,813,406	891,770
Leases	-	-	-	-	-
Compensated Absences	1,319,764	-	74,563	1,245,201	317,310
Net Pension Liability					
STRS	16,000,892	11,717,239	-	27,718,131	
SERS	5,147,684	2,203,343	-	7,351,027	
Net OPEB Liability					
STRS	-	-	-	-	
SERS	2,709,314	-	766,811	1,942,503	
Total Long-Term Liability	\$ 103,842,830	\$ 13,920,582	\$ 1,693,144	\$ 116,070,268	\$ 1,209,080

**2018 School Improvement Unlimited Tax General Obligation Bonds** – On August 23, 2018, the School District issued \$78,535,000 School Improvement Unlimited Tax General Obligation Bonds, with semi-annual payments due on June 1 and December 1 of each year, and interest payable beginning December 1, 2018. Interest on the bonds will be 3.0% to 5.25% for a 37 years. The bonds are issued for the purpose to construct of two (2) Pre-K thru 12 educational facilities. The bonds will be paid from the bond retirement fund, December 1, 2055 will be the final payment on these bonds. These bonds are supported by 7.96 mils passed by the taxpayers in May 2018.

Compensated absences as well as pension and OPEB plan contributions, will be paid almost completely by the General Fund.

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

Fiscal Year Ending	2018 Construction Bonds		
	Principal	Interest	Totals
2024	\$845,000	\$3,066,275	\$3,911,275
2025	\$880,000	\$3,031,775	\$3,911,775
2026	\$915,000	\$2,995,875	\$3,910,875
2027	\$1,070,000	\$2,950,825	\$4,020,825
2028	\$1,125,000	\$2,895,950	\$4,020,950
2028-2033	\$7,080,000	\$13,620,425	\$20,700,425
2034-2038	\$9,725,000	\$11,944,359	\$21,669,359
2039-2043	\$11,555,000	\$9,974,650	\$21,529,650
2044-2048	\$13,930,000	\$7,404,603	\$21,334,603
2049-2053	\$17,135,000	\$4,169,100	\$21,304,100
2054-2056	\$12,010,000	\$733,000	\$12,743,000
Total	<u>\$76,270,000</u>	<u>\$62,786,838</u>	<u>\$139,056,838</u>

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**17. JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL**

**A. Jointly Governed Organizations**

**Miami Valley Educational Computer Association** - The School District is a participant in the Miami Valley Educational Computer System (MVECA), which is a computer consortium. MVECA is an association of public schools within the boundaries of Clark, Clinton, Fayette, Greene, Madison, and Highland 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 districts. The governing board of MVECA consists of five Superintendents and two Treasurers of member school districts, with four of the five Superintendents and both Treasurers elected by a majority vote of all member school districts except the Greene County Career Center. The fifth Superintendent is from the Greene County Career Center. The School District paid MVECA \$310,352 for services provided during the year. Financial information can be obtained from Thor Sage, Executive Director, at 330 East Enon Road, Yellow Springs, Ohio 45387.

**Springfield/Clark County Career Technical Center** - The Springfield/Clark County Career Technical Center (CTC) is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the seven participating school districts' elected boards, which possess its own budgeting and taxing authority. One member is appointed from the following: Clark-Shawnee Local School District, Greenon Local School District, Northeastern Local School District, Northwestern Local School District, Southeastern Local School District, Tecumseh Local School District, and the Clark County Educational Service Center. Two members are appointed from the Springfield City School District. To obtain financial information, write to the Springfield/Clark County Career Technical Center, Julie Wallace, Treasurer, 1901 Selma Road, Springfield, Ohio 45505-4239.

**Southwestern Ohio Educational Purchasing Council** - The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of over 130 school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts by the Fiscal Agent. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One-year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations.

Payments to SOEPC are made from the general fund. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, Ohio 45377.

**B. Insurance Purchasing Pool**

**Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan** - The district participates in the Southwestern Ohio Educational Purchasing Council (SOEPC), and insurance purchasing pool established under Section 2744.081 of the Ohio Revised Code. SOEPC is an incorporated nonprofit association of its members which enables the participants to provide for a formalized joint insurance purchasing program for maintaining adequate insurance protection and provides risk management programs and other administrative services. SOEPC's business and affairs are conducted by a board consisting of seven school administrators, who are elected by the membership each year.



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**17. JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL (cont.)**

In addition, the cooperative hires attorneys, auditor's and actuaries to assist in running the day to day program. Gallagher is responsible for the insurance program administration. JWF Specialty Company is responsible for processing claims between SOEPC and its members. Financial information can be obtained from Mr. Ken Swink, Southwestern Ohio Educational Purchasing Council Director.

**18. CONTINGENCIES**

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

**B. School District Foundation**

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2023 were completed. As a result, the impact of future FTE adjustments for the District received \$2,128 for fiscal year 2023 any addition adjustments on the financial statements is not determinable, at this time. Management believes this may result in an immaterial amount as either an additional receivable to, or a liability of, the School District.

**C. Litigation**

The School District's attorney estimates that any potential claims against the District not covered by insurance resulting from all other litigation would not materially affect the financial statements of the District.

**19. SIGNIFICANT COMMITMENTS**

**A. Commitments**

The School District significant contractual commitments as of June 30, 2023 are within the Building Construction Fund for completion of Northeastern Pre-K Facility opened in August 2022 and the Kenton Ridge Pre-K Facility opened in the August of 2023.

**B. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Encumbrances are reported as a component of assigned, restricted, or committed fund balances since they do not constitute expenditure or liabilities. Outstanding encumbrances in governmental funds as of June 30, 2023 were as follows: General Fund \$948,934, Permanent Improvement \$116,851, Building Construction Fund \$7,093,152, and Other Governmental Funds \$298,362. Total encumbrances \$8,457,299.

**NORTHEASTERN LOCAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**20. INTERFUND RECEIVABLES/PAYABLES**

An inter-fund receivable and payable of \$302,146 reported within the General Fund and Other Governmental Funds respectively, represents the amount due to the General Fund from:

<u>Fund</u>	<u>Amount</u>
Title VI-B Special Education	\$ 78,098
Title I Improving Programing	27,595
Title II-A Imrpving Teaching	12,724
Title IV Student Support	3,667
Elementary & Secondary School Emergency Relief	180,062
<b>Total</b>	<b><u>\$ 302,146</u></b>

Interfund Receivables represent temporary advances of funds to offset deficit cash position within the grant funds.

**21. FUND BALANCE**

Fund balance is classified as non-spendable, 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.

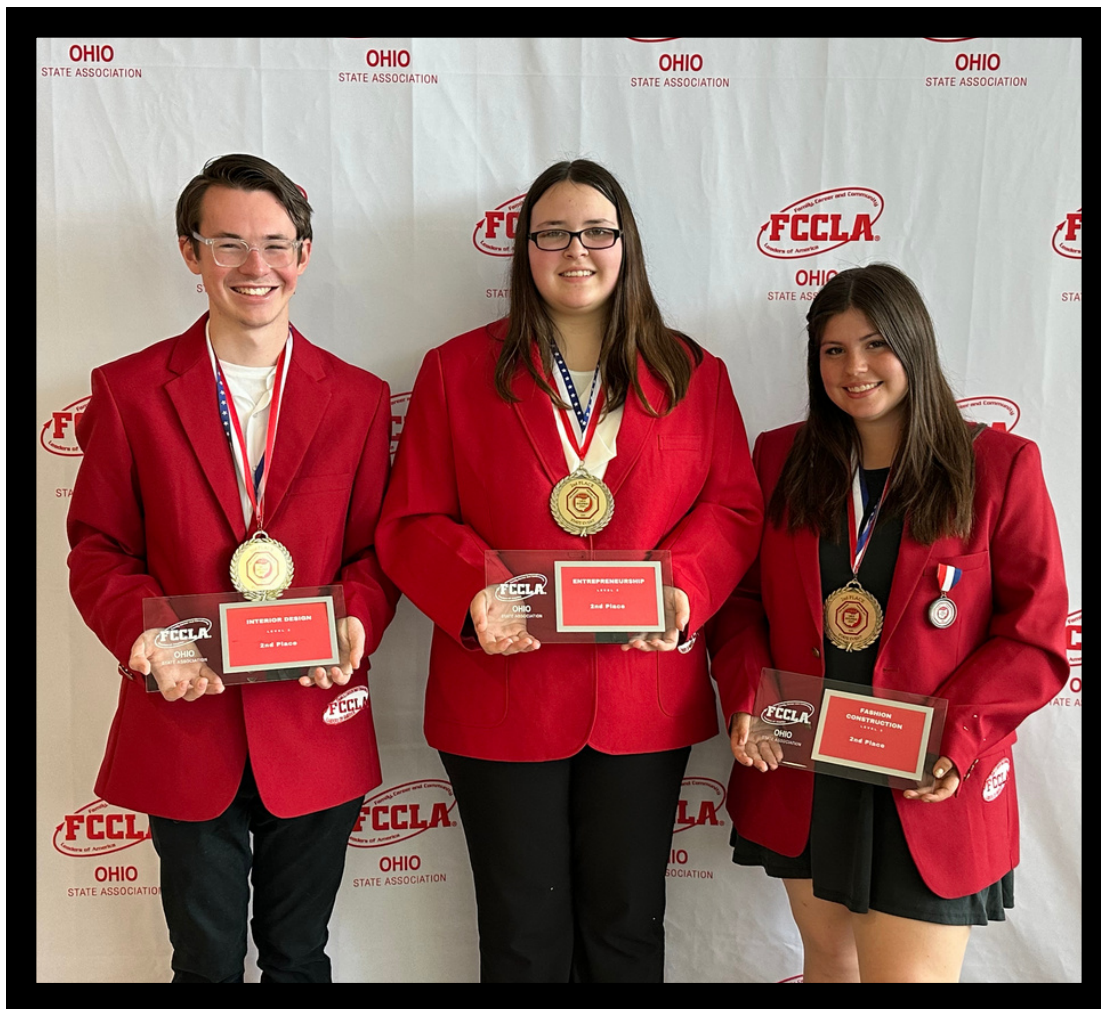
The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

	General Fund	Bond Retirement Fund	Building Construction Fund	Classroom Facilities Construction Fund	Other Governmental Funds	Total
Non-spendable						
Inventory	\$ 71,657	\$ -	\$ -	-	\$ 17,417	\$ 89,074
Prepaid Items	-	-	-	-	-	-
<b>Total Non-Spendable</b>	<b>71,657</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,417</b>	<b>89,074</b>
Restricted for:						
Underground Storge Tank	11,000	-	-	-	-	11,000
Permanent Improvement	-	-	-	-	773,630	773,630
Capital Outlay	-	-	3,606,946	12,369,534	-	15,976,480
Debt Retirement	-	1,650,175	-	-	-	1,650,175
Food Service	-	-	-	-	816,555	816,555
Special Trusts & Grants	-	-	-	-	16,857	16,857
Classroom Facility Maintenance	-	-	-	-	1,267,803	1,267,803
Student Activity Fund	-	-	-	-	205,353	205,353
District Managed Student Activities	-	-	-	-	25,835	25,835
Data Communication	-	-	-	-	61,200	61,200
<b>Total Restricted</b>	<b>11,000</b>	<b>1,650,175</b>	<b>3,606,946</b>	<b>12,369,534</b>	<b>3,167,233</b>	<b>20,804,888</b>
Assigned for						
Public School Support	66,485	-	-	-	-	66,485
Special Trusts & Grants	-	-	-	-	41,976	41,976
Auxiliary	-	-	-	-	40,870	40,870
Latchkey	-	-	-	-	182,350	182,350
Other Purposes	882,449	-	-	-	-	882,449
<b>Total Assigned</b>	<b>948,934</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>265,196</b>	<b>1,214,130</b>
Unassigned (Deficit)	20,821,763	-	-	-	(242,215)	20,579,548
<b>Total Fund Balance</b>	<b>\$ 21,853,354</b>	<b>\$ 1,650,175</b>	<b>\$ 3,606,946</b>	<b>\$ 12,369,534</b>	<b>\$ 3,207,631</b>	<b>\$ 42,687,640</b>

**22. SUBSEQUENT EVENT**

Currently the district does not have any material subsequent events.





## Required Supplemental Information





**Northeastern Local School District**  
Required Supplementary Information  
Schedules of School District's Proportionate Share of the Net Pension Liability  
and School District Pension Contributions  
School Employees Retirement System of Ohio

Measurement Date Fiscal Year (1)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.165392%	\$ 9,835,331	\$ 4,753,764	206.90%	65.52%
2015	0.165392%	8,370,395	4,138,528	202.26%	71.70%
2016	0.152599%	8,707,464	4,625,410	188.25%	69.16%
2017	0.149997%	10,978,418	4,354,957	252.09%	62.98%
2018	0.144015%	8,604,553	4,777,593	180.10%	69.50%
2019	0.140952%	8,072,594	4,620,207	174.72%	71.36%
2020	0.137154%	8,206,137	4,705,141	174.41%	70.85%
2021	0.136391%	9,021,220	4,781,586	188.67%	68.55%
2022	0.139515%	5,147,684	4,815,686	106.89%	82.86%
2023	0.135909%	7,351,027	5,076,979	144.79%	75.82%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 573,600	\$ (573,600)	\$ -	\$ 4,138,528	13.86%
2015	609,629	(609,629)	-	4,625,410	13.18%
2016	609,694	(609,694)	-	4,354,957	14.00%
2017	668,863	(668,863)	-	4,777,593	14.00%
2018	623,728	(623,728)	-	4,620,207	13.50%
2019	635,194	(635,194)	-	4,705,141	13.50%
2020	669,422	(669,422)	-	4,781,586	14.00%
2021	674,196	(674,196)	-	4,815,686	14.00%
2022	710,777	(710,777)	-	5,076,979	14.00%
2023	712,124	(712,124)	-	5,086,600	14.00%

See Notes to Required Supplementary Information.

**Northeastern Local School District**

Required Supplementary Information

Schedules of School District's Proportionate Share of the Net Pension Liability  
and School District Pension Contributions  
State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)	School District's Proportion of the Net Pension Liability	School District's Proportionate Share of the Net Pension Liability	School District's Covered Payroll	School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.133435%	\$ 38,661,494	\$ 14,240,285	271.49%	69.3%
2015	0.133435%	32,456,100	14,345,823	226.24%	74.7%
2016	0.131644%	36,382,657	13,746,314	264.67%	72.1%
2017	0.130988%	43,845,699	13,919,879	314.99%	66.8%
2018	0.129779%	30,829,196	14,281,250	215.87%	75.3%
2019	0.126818%	27,884,387	14,417,043	193.41%	77.3%
2020	0.122920%	27,182,937	14,431,243	188.36%	77.4%
2021	0.123587%	29,903,596	14,914,986	200.49%	75.5%
2022	0.125145%	16,000,892	15,442,050	103.62%	87.8%
2023	0.124687%	27,718,131	16,209,936	170.99%	78.9%

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,864,957	\$ (1,864,957)	\$ -	\$ 14,345,823	13.00%
2015	1,924,484	(1,924,484)	-	13,746,314	14.00%
2016	1,948,783	(1,948,783)	-	13,919,879	14.00%
2017	1,999,375	(1,999,375)	-	14,281,250	14.00%
2018	2,018,386	(2,018,386)	-	14,417,043	14.00%
2019	2,020,374	(2,020,374)	-	14,431,243	14.00%
2020	2,088,098	(2,088,098)	-	14,914,986	14.00%
2021	2,161,887	(2,161,887)	-	15,442,050	14.00%
2022	2,269,391	(2,269,391)	-	16,209,936	14.00%
2023	2,383,898	(2,383,898)	-	17,027,843	14.00%

See Notes to Required Supplementary Information.

**Northeastern Local School District**

Required Supplementary Information

Schedules of School District's Proportionate Share of the Net OPEB Liability  
and School District OPEB Contributions  
School Employees Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability	School District's Proportionate Share of the Net OPEB Liability	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.152061%	\$ 4,334,304	\$ 4,354,957	99.53%	11.49%
2018	0.146173%	3,922,908	4,777,593	82.11%	12.46%
2019	0.142753%	3,960,343	4,620,207	85.72%	13.57%
2020	0.140032%	3,521,500	4,705,141	74.84%	15.57%
2021	0.141289%	3,070,671	4,781,586	64.22%	18.17%
2022	0.143154%	2,709,314	4,815,686	56.26%	24.08%
2023	0.138354%	1,942,503	5,076,979	38.26%	30.34%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year (3)	Contractually Required Contributions (4)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 77,178	\$ (77,178)	\$ -	\$ 4,354,957	1.77%
2017	79,815	(79,815)	-	4,777,593	1.67%
2018	99,141	(99,141)	-	4,620,207	2.15%
2019	106,542	(106,542)	-	4,705,141	2.26%
2020	89,612	(89,612)	-	4,781,586	1.87%
2021	88,716	(88,716)	-	4,815,686	1.84%
2022	87,210	(87,210)	-	5,076,979	1.72%
2023	93,017	(93,017)	-	5,086,600	1.83%

(3) The School District elected not to present information prior to 2016. The School District will continue to present information for years available until a full ten-year trend is compiled.

(4) Includes Surcharge.

See Notes to Required Supplementary Information.



**Northeastern Local School District**

Required Supplementary Information

Schedules of School District's Proportionate Share of the Net OPEB Liability/(Asset)  
and School District OPEB Contributions  
State Teachers Retirement System of Ohio

Measurement Date Fiscal Year (1)(2)	School District's Proportion of the Net OPEB Liability/ (Asset)	School District's Proportionate Share of the Net OPEB Liability/ (Asset)	School District's Covered Payroll	School District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2017	0.130988%	\$ 7,005,283	\$ 13,919,879	50.33%	37.3%
2018	0.129779%	5,063,485	14,281,250	35.46%	47.1%
2019	0.126818%	(2,037,832)	14,417,043	(14.13%)	176.0%
2020	0.122920%	(2,035,844)	14,431,243	(14.11%)	174.7%
2021	0.123587%	(2,172,035)	14,914,986	(14.56%)	182.1%
2022	0.125145%	(2,638,578)	15,442,050	(17.09%)	174.7%
2023	0.124687%	(3,228,568)	16,209,936	(19.92%)	230.7%

(1) Information prior to 2017 is not available. The School District will continue to present information for years available until a full ten-year trend is compiled.

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

Fiscal Year (3)	Contractually Required Contributions (4)	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	School District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ -	\$ -	\$ -	\$ 13,919,879	0.00%
2017	-	-	-	14,281,250	0.00%
2018	-	-	-	14,417,043	0.00%
2019	-	-	-	14,431,243	0.00%
2020	-	-	-	14,914,986	0.00%
2021	-	-	-	15,442,050	0.00%
2022	-	-	-	16,209,936	0.00%
2023	-	-	-	17,027,843	0.00%

(3) The School District elected not to present information prior to 2016. The School District will continue to present information for years available until a full ten-year trend is compiled.

(4) STRS allocated the entire 14% employer contribution rate towards pension benefits.

See Notes to Required Supplementary Information.

**Northeastern Local School District**  
Required Supplementary Information  
Notes to Required Supplementary Information  
School Employees Retirement System of Ohio

Notes to Pension Information

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Changes of Benefit Terms

For measurement period 2017, the COLA was changed from a fixed 3.00% to a COLA that is indexed to CPI-W not greater than 2.50% with a floor of 0.0% beginning January 1, 2018. In addition, with the authority granted to the Board under Ohio House Bill 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

For measurement period 2018, with the authority granted to the Board under Ohio Senate Bill 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries and disabled members were updated.

For measurement period 2022, the cost of living adjustments was increased from 2.00% to 2.50%.

Notes to OPEB Information

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Changes of Benefit Terms

None noted.

Changes of Assumptions

For measurement period 2016, the assumed rate of inflation was reduced from 3.25% to 3.00%, the payroll growth assumption was reduced from 4.00% to 3.50%, the assumed real wage growth was reduced from 0.75% to 0.50%, the rates of withdrawal, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries, and disabled members were updated.

For measurement period 2021, the assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries and disabled members were updated.

For measurement period 2022, the discount rate was increased from 2.27% to 4.08% and the health care trend rates were updated.

Notes to Pension Information

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Changes of Benefit Terms

For measurement period 2017, the COLA was reduced to zero.

Changes of Assumptions

For the measurement period 2017, changes in assumptions were made based upon an updated experience study that was completed for the five-year period ended June 30, 2016. Significant changes included a reduction of the discount rate from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The health and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

For measurement period 2021, the discount rate was adjusted to 7.00% from 7.45%.

For measurement period 2022, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015 through June 30, 2021.

Notes to OPEB Information

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Changes of Benefit Terms

For the measurement period 2017, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1% to 1.9% per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

For the measurement period 2018, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For the measurement period 2019, there was no change to the claims cost process. Claims curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944% to 1.984% per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1% for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

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

For measurement year 2021, the non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055% to 2.10%. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D subsidy was updated to reflect it is expected to be negative in CY2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For measurement year 2022, salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age-based to service-based.

**Northeastern Local School District**  
Required Supplementary Information  
Notes to Required Supplementary Information  
State Teachers Retirement System of Ohio  
(continued)

Notes to OPEB Information (continued)

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Changes of Assumptions

For measurement year 2017, the discount rate was increased from 3.26% to 4.13% based on the methodology defined under GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*, and the long-term expected rate of return was reduced from 7.75% to 7.45%. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trends were modified along with the portion of rebated prescription drug costs.

For measurement year 2018, the discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74. Valuation year per capita health care costs were updated.

For measurement year 2021, the discount rate was adjusted to 7.00% from 7.45%.

For measurement year 2022, healthcare trends were updated to reflect emerging claims and recoveries experience.



# NORTHEASTERN LOCAL SCHOOL DISTRICT

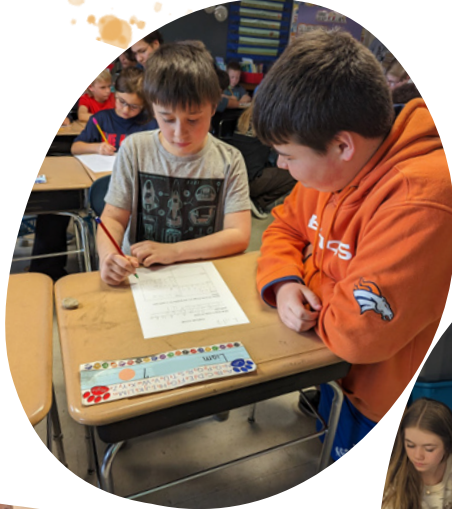
## ANNUAL COMPREHENSIVE FINANCIAL REPORT

### Combining and Individual Fund Statements and Schedules

#### For the Fiscal Year Ended June 30, 2023







*Northeastern Local School District*  
*Nonmajor Governmental Fund Descriptions*

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NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt or capital projects. The following are descriptions of the School District's nonmajor special revenue funds.

---

Food Service - To account for and report monies restricted to the food service operations of the School District.

Special Trust and Grants - To account for and report revenues and expenditures restricted in conjunction with programs, trust donations, and small grants for a specific purpose from state and local sources.

Latchkey Afterschool Enrichment - To account for and report the revenues and expenditures committed for after-school care and instructional services to students whose parents are not at home when the student gets out of school.

Building Maintenance Levy – State Law requires the passage of ½ mil property tax in conjunction with a Facility Construction Bond to fund capital maintenance on the new facility for 23 years.

District Managed Student Activities -To account for and report the revenues and expenditures restricted for student activity programs which have student participation in the activity, but are not student managed programs.

Auxiliary Services - To account for and report restricted monies which provide services and materials to pupils attending non-public schools within the School District.

High School That Works Grant - To account for and report restricted monies to participate with schools across the nations implement goals to accelerate student achievement.

Data Communications - To account for and report restricted monies for Ohio Educational Computer Network connections.

Student Wellness and Success – To account for and report restricted state monies to address student issues and concerns outside the educational realm that assists the student come to school prepared to learn. Emotional, social, and economical concerns and issues.

Title VI-B Special Education Part B - IDEA -To account for and report restricted federal monies used to offer full educational opportunities to handicapped children at the preschool, elementary and secondary levels, and to assist in the training of teachers, supervisors and other specialists in providing educational services to the handicapped.

Title I –Improving Basic Programs -To account for and report restricted financial assistance to meet the special needs of educationally deprived children across the district.



*Northeastern Local School District*  
*Nonmajor Governmental Fund Descriptions*

NONMAJOR SPECIAL REVENUE FUNDS (Continued)

Title I –School-wide Improving Basic Programs -To account for and report restricted financial assistance to meet the special needs of educationally deprived children at specific building in conjunction with the district-wide grant.

Early Childhood Education -To account for and report restricted monies used to assist school districts in paying the cost of preschool programs for three and four year-olds.

Title II-A Improving Teaching - To account for and report restricted financial assistance to reduce class size to provide assistance to students.

Title IV Student Support Fund – to account for Federal monies to address the emotional and social assistance to the students.

Elementary & Secondary School Emergency Relief - to account for Federal monies to assist for additional expenditures related to Coronavirus.

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FUNDS WITH LEGALY ADOPTED BUDGETS

The following funds have been combined with the General Fund for reporting purposes but have legally adopted budgets as a nonmajor special revenue fund.

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Public School Support - To account for special local revenue sources, other than taxes and permanent fund monies (i.e., profits from vending machines, sales of pictures, etc.) that are restricted to specified purposes approved by Board resolution





Washington, D.C.

Springfield, OH





**Northeastern Local School District**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

	Special Revenue Funds	Permanent Improvement Fund	Total Nonmajor Governmental Funds
<b><u>Assets:</u></b>			
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 2,787,317	\$721,075	\$ 3,508,392
Restricted Assets:			
Receivables:			
Intergovernmental	298,481	-	298,481
Taxes	260,148	422,208	682,356
Materials and Supplies Inventory	9,934		9,934
<i>Total Assets</i>	<u>\$ 3,355,880</u>	<u>\$ 1,143,283</u>	<u>\$ 4,499,163</u>
<b><u>Liabilities:</u></b>			
Accounts Payable	\$ 24,251	\$ 12,971	\$ 37,222
Accrued Wages and Benefits Payable	277,143	-	277,143
Intergovernmental Payable	47,911	-	47,911
Interfund Payable	302,146	-	302,146
Matured Compensated Absences Payable	43,218		43,218
<i>Total Liabilities</i>	<u>694,669</u>	<u>12,971</u>	<u>707,640</u>
<b><u>Deferred Inflows of Resources:</u></b>			
Unavailable Revenue	3,513	6,988	10,501
Property Taxes Not Levied for Current Year	223,697	349,694	573,391
<i>Total Deferred Inflows of Resources</i>	<u>227,210</u>	<u>356,682</u>	<u>583,892</u>
<b><u>Fund Balances:</u></b>			
Nonspendable	17,417	-	17,417
Restricted	2,393,603	773,630	3,167,233
Committed	265,196	-	265,196
Unassigned (Deficit)	(242,215)	-	(242,215)
<i>Total Fund Balances</i>	<u>2,434,001</u>	<u>773,630</u>	<u>3,207,631</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$ 3,355,880</u>	<u>\$ 1,143,283</u>	<u>\$ 4,499,163</u>

See accompanying notes to the basic financial statements

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

	Special Revenue Funds	Permanent Improvement Fund	Total Nonmajor Governmental Funds
Revenues:			
Property Taxes	\$ 263,868	\$ 443,140	\$ 707,008
Intergovernmental	3,263,189	62,128	3,325,317
Investment Earnings	46,767	-	46,767
Extracurricular Activities	388,233	-	388,233
Charges for Services	564,715	-	564,715
Contributions and Donations	71,803	-	71,803
Miscellaneous	15,587	2,538	18,125
<i>Total Revenues</i>	<u>4,614,162</u>	<u>507,806</u>	<u>5,121,968</u>
<b><u>Expenditures:</u></b>			
Current:			
Instruction:			
Regular	993,170	5,060	998,230
Special	1,082,920	-	1,082,920
Support Services:			
Pupils Support Services	582,278	-	582,278
Fiscal	4,294	8,108	12,402
Operation and Maintenance of Plant	153,132	143,962	297,094
Pupil Transportation	-	414,875	414,875
Central	93,220	-	93,220
Operation of Non-Instructional Services	1,470,755	-	1,470,755
Extracurricular Activities	455,377	12,972	468,349
Capital Outlay	-	607,247	607,247
<i>Total Expenditures</i>	<u>4,835,146</u>	<u>1,192,224</u>	<u>6,027,370</u>
<i>Net Change in Fund Balances</i>	(220,984)	(684,418)	(905,402)
<i>Fund Balances at Beginning of Year</i>	<u>2,654,985</u>	<u>1,458,048</u>	<u>4,113,033</u>
<i>Fund Balances at End of Year</i>	<u><u>\$ 2,434,001</u></u>	<u><u>\$773,630</u></u>	<u><u>\$ 3,207,631</u></u>

See accompanying notes to the basic financial statements

**Northeastern Local School District**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2023

	Food Service	Special Trust & Grants	Latchkey After School Enrichment	Building Maintenance Levy	Student Managed Activities	District Managed Student Activities	Auxiliary Services	High School That Work Grant	Data Communications	Student Wellness & Success
<b><u>Assets:</u></b>										
Equity in Pooled Cash, Cash Equivalents and Investments	\$ 920,440	\$ 60,661	\$ 196,142	\$ 1,234,865	\$ 205,353	\$ 41,901	\$ 66,755	\$ -	\$ 61,200	\$ -
Property Taxes	-	-	-	260,148	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Materials and Supplies Inventory	9,934	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>930,374</b>	<b>60,661</b>	<b>196,142</b>	<b>1,495,013</b>	<b>205,353</b>	<b>41,901</b>	<b>66,755</b>	<b>-</b>	<b>61,200</b>	<b>-</b>
<b>Liabilities and Fund Balances</b>										
<b><u>Liabilities:</u></b>										
Accounts Payable	1,929	1,828	-	-	-	16,060	3,088	-	-	-
Accrued Wages and Benefits Payable	53,393	-	11,152	-	-	-	2,623	-	-	-
Intergovernmental Payable	13,077	-	2,640	-	-	6	4,959	-	-	-
Interfund Payable	-	-	-	-	-	-	-	-	-	-
Matured Compensated Absences Payable	28,003	-	-	-	-	-	15,215	-	-	-
<b>Total Liabilities</b>	<b>96,402</b>	<b>1,828</b>	<b>13,792</b>	<b>-</b>	<b>-</b>	<b>16,066</b>	<b>25,885</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Deferred Inflows of Resources:</u></b>										
Unavailable Revenue	-	-	-	3,513	-	-	-	-	-	-
Property Taxes Not Levied for Current Year	-	-	-	223,697	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227,210</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Fund Balances:</u></b>										
Nonspendable	17,417	-	-	-	-	-	-	-	-	-
Restricted	816,555	16,857	-	1,267,803	205,353	25,835	-	-	61,200	-
Committed	-	41,976	182,350	-	-	-	40,870	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>833,972</b>	<b>58,833</b>	<b>182,350</b>	<b>1,267,803</b>	<b>205,353</b>	<b>25,835</b>	<b>40,870</b>	<b>-</b>	<b>61,200</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 930,374</b>	<b>\$ 60,661</b>	<b>\$ 196,142</b>	<b>\$ 1,495,013</b>	<b>\$ 205,353</b>	<b>\$ 41,901</b>	<b>\$ 66,755</b>	<b>\$ -</b>	<b>\$ 61,200</b>	<b>\$ -</b>

See accompanying notes to the basic financial statements

**Northeastern Local School District**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2023

	Title VI-B Special Education Grant	Title I Improving Basic Programs Grant	Title I School-wide Improving Basic Programs Grant	IDEA Early Childhood Grant	Title II-A Improving Teaching	Title IV Student Support	Elementary & Secondary School Emergency Relief	Total Special Revenue Funds
<b><u>Assets:</u></b>								
Equity in Pooled Cash, Cash Equivalents and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,787,317
Property Taxes	-	-	-	-	-	-	-	260,148
Intergovernmental	78,100	27,595	-	-	12,724	-	180,062	298,481
Materials and Supplies Inventory	-	-	-	-	-	-	-	9,934
<b>Total Assets</b>	<b>78,100</b>	<b>27,595</b>	<b>-</b>	<b>-</b>	<b>12,724</b>	<b>-</b>	<b>180,062</b>	<b>3,355,880</b>
<b><u>Liabilities and Fund Balances</u></b>								
<b><u>Liabilities:</u></b>								
Accounts Payable	-	-	-	-	1,346	-	-	24,251
Accrued Wages and Benefits Payable	103,106	48,099	-	-	-	-	58,770	277,143
Intergovernmental Payable	17,049	8,751	-	24	110	-	1,295	47,911
Interfund Payable	78,100	27,595	-	-	12,722	3,667	180,062	302,146
Matured Compensated Absences Payable	-	-	-	-	-	-	-	43,218
<b>Total Liabilities</b>	<b>198,255</b>	<b>84,445</b>	<b>-</b>	<b>24</b>	<b>14,178</b>	<b>3,667</b>	<b>240,127</b>	<b>694,669</b>
<b><u>Deferred Inflows of Resources:</u></b>								
Unavailable Revenue	-	-	-	-	-	-	-	3,513
Property Taxes Not Levied for Current Year	-	-	-	-	-	-	-	223,697
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227,210</b>
<b><u>Fund Balances:</u></b>								
Nonspendable	-	-	-	-	-	-	-	17,417
Restricted	-	-	-	-	-	-	-	2,393,603
Committed	-	-	-	-	-	-	-	265,196
Unassigned (Deficit)	(120,155)	(56,850)	-	(24)	(1,454)	(3,667)	(60,065)	(242,215)
<b>Total Fund Balances (Deficit)</b>	<b>(120,155)</b>	<b>(56,850)</b>	<b>-</b>	<b>(24)</b>	<b>(1,454)</b>	<b>(3,667)</b>	<b>(60,065)</b>	<b>2,434,001</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 78,100</b>	<b>\$ 27,595</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,724</b>	<b>\$ -</b>	<b>\$ 180,062</b>	<b>\$ 3,355,880</b>

See accompanying notes to the basic financial

**Northeastern Local School District**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2023

	Food Service	Special Trust & Grants	Latchkey After School Enrichment	Building Maintenance Levy	Student Managed Activities	District Managed Student Activities	Auxiliary Services	High School That Work Grant	Data Communications	Student Wellness & Success
<b><u>Revenues:</u></b>										
Property Taxes	\$ -	\$ -	\$ -	\$ 263,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	618,420	166,491	-	14,142	-	-	213,388	16,000	10,800	-
Investment Earnings	19,452	460	-	19,313	4,076	2,029	1,437	-	-	-
Extracurricular Activities	-	2,346	-	-	134,223	251,664	-	-	-	-
Charges for Services	435,443	-	129,272	-	-	-	-	-	-	-
Contributions and Donations	-	11,839	-	-	25,457	34,507	-	-	-	-
Miscellaneous	-	-	-	-	-	15,587	-	-	-	-
<b>Total Revenues</b>	<b>1,073,315</b>	<b>181,136</b>	<b>129,272</b>	<b>297,323</b>	<b>163,756</b>	<b>303,787</b>	<b>214,825</b>	<b>16,000</b>	<b>10,800</b>	<b>-</b>
<b><u>Expenditures:</u></b>										
Current:										
Instruction:										
Regular	-	-	-	-	-	-	-	16,000	-	-
Special	-	-	-	-	-	-	-	-	-	-
Pupils Support Services	-	281	-	-	-	-	-	-	-	475,185
Fiscal	-	-	-	4,294	-	-	-	-	-	-
Operation and Maintenance of Plant	-	152,616	-	-	-	-	-	-	-	-
Central	-	19,069	-	-	-	-	-	-	-	-
Operation of Non-Instructional Services	1,044,084	-	124,373	-	-	-	240,825	-	-	51,319
Extracurricular Activities	-	-	-	-	142,668	312,709	-	-	-	-
<b>Total Expenditures</b>	<b>1,044,084</b>	<b>171,966</b>	<b>124,373</b>	<b>4,294</b>	<b>142,668</b>	<b>312,709</b>	<b>240,825</b>	<b>16,000</b>	<b>-</b>	<b>526,504</b>
<b>Net Change in Fund Balances</b>	<b>29,231</b>	<b>9,170</b>	<b>4,899</b>	<b>293,029</b>	<b>21,088</b>	<b>(8,922)</b>	<b>(26,000)</b>	<b>-</b>	<b>10,800</b>	<b>(526,504)</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>804,741</b>	<b>49,663</b>	<b>177,451</b>	<b>974,774</b>	<b>184,265</b>	<b>34,757</b>	<b>66,870</b>	<b>-</b>	<b>50,400</b>	<b>526,504</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ 833,972</b>	<b>\$ 58,833</b>	<b>\$ 182,350</b>	<b>\$ 1,267,803</b>	<b>\$ 205,353</b>	<b>\$ 25,835</b>	<b>\$ 40,870</b>	<b>\$ -</b>	<b>\$ 61,200</b>	<b>\$ -</b>

See accompanying notes to the basic financial statements



**Northeastern Local School District**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2023

	Title VI-B Special Education Part B - IDEA	Title I Improving Basic Programs Grant	Title I (536) School-wide Improving Basic Programs Grant	IDEA Early Childhood Grant	Title II-A Improving Teaching	Title IV Student Support	Elementary & Secondary School Emergency Relief	Total Special Revenue Funds
<b><u>Revenues:</u></b>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 263,868
Intergovernmental	859,760	369,632	49,602	14,800	80,109	22,815	827,230	3,263,189
Investment Earnings	-	-	-	-	-	-	-	46,767
Extracurricular Activities	-	-	-	-	-	-	-	388,233
Charges for Services	-	-	-	-	-	-	-	564,715
Contributions and Donations	-	-	-	-	-	-	-	71,803
Miscellaneous	-	-	-	-	-	-	-	15,587
<b>Total Revenues</b>	<b>859,760</b>	<b>369,632</b>	<b>49,602</b>	<b>14,800</b>	<b>80,109</b>	<b>22,815</b>	<b>827,230</b>	<b>4,614,162</b>
<b><u>Expenditures:</u></b>								
Current:								
Instruction:								
Regular	5,001	1,524	49,602	-	77,800	22,887	820,356	993,170
Special	712,289	355,830	-	14,801	-	-	-	1,082,920
Pupils Support Services	106,812	-	-	-	-	-	-	582,278
Fiscal	-	-	-	-	-	-	-	4,294
Operation and Maintenance of Plant	-	-	-	-	-	-	516	153,132
Central	74,151	-	-	-	-	-	-	93,220
Operation of Non-Instructional Services	2,362	4,059	-	-	3,733	-	-	1,470,755
Extracurricular Activities	-	-	-	-	-	-	-	455,377
<b>Total Expenditures</b>	<b>900,615</b>	<b>361,413</b>	<b>49,602</b>	<b>14,801</b>	<b>81,533</b>	<b>22,887</b>	<b>820,872</b>	<b>4,835,146</b>
<b>Net Change in Fund Balances</b>	<b>(40,855)</b>	<b>8,219</b>	<b>-</b>	<b>(1)</b>	<b>(1,424)</b>	<b>(72)</b>	<b>6,358</b>	<b>(220,984)</b>
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>(79,300)</b>	<b>(65,069)</b>	<b>-</b>	<b>(23)</b>	<b>(30)</b>	<b>(3,595)</b>	<b>(66,423)</b>	<b>2,654,985</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ (120,155)</b>	<b>\$ (56,850)</b>	<b>\$ -</b>	<b>\$ (24)</b>	<b>\$ (1,454)</b>	<b>\$ (3,667)</b>	<b>\$ (60,065)</b>	<b>\$ 2,434,001</b>

See accompanying notes to the basic financial statements

# NEALS



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## FIDUCIARY FUNDS

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### Private Purpose Trust Funds

Private Purpose Trust Funds are used to account for any trust arrangement under which principal and income benefit individuals, private organizations, or other governments.

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College Scholarship - To account for contributions and donations to be used as scholarships for students in the School District.

Endowment - To account for contributions and donations which have been set aside as an investment to provide scholarships to students of the School District. The income from this fund may be expended, but the principal must remain intact.

***Northeastern Local School District***  
Combining Statement of Fiduciary Net Position  
Private Purpose Trust Funds  
June 30, 2023

	<u>College Scholarship</u>	<u>Endowment</u>	<u>Total</u>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$ 18,616	\$ 10,069	\$ 28,685
<b><u>Net Position:</u></b>			
Restricted - Nonexpendable	-	10,069	10,069
Held in Trust for Scholarships	<u>18,616</u>	<u>-</u>	<u>18,616</u>
<i>Total Net Position</i>	<u><u>\$ 18,616</u></u>	<u><u>\$ 10,069</u></u>	<u><u>\$ 28,685</u></u>

***Northeastern Local School District***  
Combining Statement of Changes in Fiduciary Net Position  
Private Purpose Trust Funds  
For the Fiscal Year Ended June 30, 2023

	<u>College Scholarship</u>	<u>Endowment</u>	<u>Total</u>
<b><u>Additions:</u></b>			
Contributions and Donations	<u>\$ 5,750</u>	<u>\$ -</u>	<u>\$ 5,750</u>
<i>Total Additions</i>	<u>5,750</u>	<u>-</u>	<u>5,750</u>
<b><u>Deductions:</u></b>			
Payments in Accordance with Trust Agreements	<u>6,327</u>	<u>-</u>	<u>6,327</u>
<i>Change in Net Position</i>	(577)	-	(577)
<i>Net Position at Beginning of Year</i>	<u>19,193</u>	<u>10,069</u>	<u>29,262</u>
<i>Net Position at End of Year</i>	<u><u>\$ 18,616</u></u>	<u><u>\$ 10,069</u></u>	<u><u>\$ 28,685</u></u>









# **NORTHEASTERN LOCAL SCHOOL DISTRICT**

## **ANNUAL COMPREHENSIVE FINANCE REPORT**

**Individual Fund Schedules or Revenues. Expenditures and  
Changes in Fund Balance Budget (Non-GAAP Basis) and  
Actual**

**For the Fiscal Year Ended June 30, 2023**





**The Annual Comprehensive Finance Report was designed by NELSD Communications Intern Lilly Sagraves (NEHS '24).**

Lilly Sagraves is a senior at Northeastern High School who aspires to become a journalist and author. She is gaining hands-on experience in her field of interest through an internship in the NELSD Communications Department. Lilly is also a Varsity Football, Basketball, and Competition cheerleader, President of the Northeastern FFA Chapter, Student Government Secretary, and a member of the National Honor Society, Spanish Club, Prom-Planning Committee, and 4-H.

Beyond her academic and extracurricular achievements, Lilly is a kind and compassionate individual who is always willing to help others.

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**BUILDING CONSTRUCTION FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Miscellaneous	\$ 60,000	\$ 122,810	\$ 62,810
Total Revenues	<u>60,000</u>	<u>122,810</u>	<u>62,810</u>
EXPENDITURES:			
Capital Outlay	<u>4,783,511</u>	<u>4,473,948</u>	<u>309,563</u>
Total Expenditures	<u>4,783,511</u>	<u>4,473,948</u>	<u>309,563</u>
Net Change in Fund Balances	(4,723,511)	(4,351,138)	372,373
Fund Balance (Deficit) at Beginning of Year	7,958,084	7,958,084	-
Prior Year Encumbrances Appropriated	783,511	783,511	-
Fund Balance (Deficit) at End of Year	<u>\$ 2,451,062</u>	<u>\$ 2,823,435</u>	<u>\$ 372,373</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**CLASSROOM FACILITIES FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 6,000,000	\$ 8,898,417	\$ 2,898,417
Miscellaneous	-	-	-
Total Revenues	<u>6,000,000</u>	<u>8,898,417</u>	<u>2,898,417</u>
EXPENDITURES:			
Capital Outlay	<u>30,039,296</u>	<u>25,820,610</u>	<u>4,218,686</u>
Total Expenditures	<u>30,039,296</u>	<u>25,820,610</u>	<u>4,218,686</u>
Net Change in Fund Balances	(24,039,296)	(16,922,193)	7,117,103
Fund Balance (Deficit) at Beginning of Year	32,284,805	32,284,805	-
Prior Year Encumbrances Appropriated	39,296	39,296	-
Fund Balance (Deficit) at End of Year	<u>\$ 8,206,213</u>	<u>\$ 15,323,316</u>	<u>\$ 7,117,103</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**BOND RETIREMENT FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Property and Other Local Taxes	\$ 3,782,551	\$ 3,848,924	\$ 66,373
Intergovernmental	148,283	114,298	(33,985)
Total Revenues	<u>3,930,834</u>	<u>3,963,222</u>	<u>32,388</u>
EXPENDITURES:			
Current:			
Support Services:			
Fiscal	65,000	63,260	1,740
Debt Service:			
Principal	805,000	805,000	-
Interest	3,130,000	3,099,275	30,725
Total Expenditures	<u>4,000,000</u>	<u>3,967,535</u>	<u>32,465</u>
Net Change in Fund Balances	(69,166)	(4,313)	64,853
Fund Balance (Deficit) at Beginning of Year	1,276,054	1,276,054	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ 1,206,888</u>	<u>\$ 1,271,741</u>	<u>\$ 64,853</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**FOOD SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 724,500	\$ 618,420	\$ (106,080)
Customer Sales and Services	425,500	435,443	9,943
Miscellaneous	-	19,452	19,452
Total Revenues	<u>1,150,000</u>	<u>1,073,315</u>	<u>(76,685)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Food Service Operations	1,118,000	1,011,928	106,072
Total Expenditures	<u>1,118,000</u>	<u>1,011,928</u>	<u>106,072</u>
Excess of Revenues Over (Under) Expenditures	<u>32,000</u>	<u>61,387</u>	<u>29,387</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	32,000	61,387	29,387
Fund Balance (Deficit) at Beginning of Year	859,053	859,053	-
Prior Year Encumbrances Appropriated	18,000	18,000	-
Fund Balance (Deficit) at End of Year	<u>\$ 891,053</u>	<u>\$ 920,440</u>	<u>\$ 29,387</u>



**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**SPECIAL TRUSTS AND GRANTS**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES:</b>			
Interest Earnings	\$ -	\$ 460	\$ 460
Intergovernmental	150,000	166,491	16,491
Contributions and Donations	19,171	14,185	(4,986)
Miscellaneous	-	-	-
<b>Total Revenues</b>	<b>169,171</b>	<b>181,136</b>	<b>11,965</b>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Pupil	300	281	19
Operation and Maintenance of Plant	150000	152616	(2,616)
Central	18000	19069	(1,069)
<b>Total Expenditures</b>	<b>168,300</b>	<b>171,966</b>	<b>(3,666)</b>
 Excess of Revenues Over (Under) Expenditures	 871	 9,170	 8,299
Fund Balance (Deficit) at Beginning of Year	49,663	49,663	-
Prior Year Encumbrances Appropriated	-	-	-
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$ 50,534</b>	<b>\$ 58,833</b>	<b>\$ 8,299</b>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**LATCHKEY AFTER SCHOOL ENRICHMENT**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Customer Sales and Services	\$ 117,000	\$ 129,272	\$ 12,272
Total Revenues	<u>117,000</u>	<u>129,272</u>	<u>12,272</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services	138,475	123,805	14,670
Total Expenditures	<u>138,475</u>	<u>123,805</u>	<u>14,670</u>
Excess of Revenues Over (Under) Expenditures	(21,475)	5,467	26,942
Fund Balance (Deficit) at Beginning of Year	190,691	190,691	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ 169,216</u>	<u>\$ 196,158</u>	<u>\$ 26,942</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**BUILDING MAINTENANCE LEVY FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Property and Other Local Taxes	\$ 254,263	\$ 260,471	\$ 6,208
Intergovernmental	9,884	14,142	4,258
Interest	416	19,310	18,894
Total Revenues	<u>264,563</u>	<u>293,923</u>	<u>29,360</u>
EXPENDITURES:			
Current:			
Support Services:			
Fiscal	4,500	4,294	206
Total Expenditures	<u>4,500</u>	<u>4,294</u>	<u>206</u>
Excess of Revenues Over (Under) Expenditures	260,063	289,629	29,566
Fund Balance (Deficit) at Beginning of Year	945,234	945,234	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ 1,205,297</u>	<u>\$ 1,234,863</u>	<u>\$ 29,566</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**STUDENT MANAGED ACTIVITIES FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Interest	\$ 2,000	\$ 4,076	\$ 2,076
Extracurricular Activities	128,300	134,223	5,923
Customer Sales and Services	34,700	25,457	(9,243)
Miscellaneous	-	-	-
Total Revenues	<u>165,000</u>	<u>163,756</u>	<u>(1,244)</u>
EXPENDITURES:			
Current:			
Extracurricular Activities:			
Academic Oriented	201,840	142,672	59,168
Total Expenditures	<u>201,840</u>	<u>142,672</u>	<u>59,168</u>
OTHER FINANCING SOURCES AND USES:			
Transfers In	-	8,816	8,816
Transfers Out	-	(8,816)	(8,816)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(36,840)</u>	<u>21,084</u>	<u>57,924</u>
Fund Balance (Deficit) at Beginning of Year	184,267	184,267	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ 147,427</u>	<u>\$ 205,351</u>	<u>\$ 57,924</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**DISTRICT MANAGED ACTIVITIES FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Interest	\$ 650	\$ 2,029	\$ 1,379
Extracurricular Activities	204,900	251,664	46,764
Customer Sales and Services	19,450	50,094	30,644
Miscellaneous	-	-	-
Total Revenues	<u>225,000</u>	<u>303,787</u>	<u>78,787</u>
EXPENDITURES:			
Current:			
Extracurricular Activities:			
Sport Oriented Activities	272,542	300,039	(27,497)
Total Expenditures	<u>272,542</u>	<u>300,039</u>	<u>(27,497)</u>
Excess of Revenues Over (Under) Expenditures	(47,542)	3,748	51,290
Fund Balance (Deficit) at Beginning of Year	38,246	38,246	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ (9,296)</u>	<u>\$ 41,994</u>	<u>\$ 51,290</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**AUXILIARY FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 299,900	\$ 286,356	\$ (13,544)
Interest	100	1437	1337
Total Revenues	<u>300,000</u>	<u>287,793</u>	<u>(12,207)</u>
EXPENDITURES:			
Current:			
Operation of Non-Instructional/Shared Services:			
Community Services	318,233	248,835	69,398
Total Expenditures	<u>318,233</u>	<u>248,835</u>	<u>69,398</u>
Excess of Revenues Over (Under) Expenditures	(18,233)	38,958	(81,605)
Fund Balance (Deficit) at Beginning of Year	27,806	27,806	-
Prior Year Encumbrances Appropriated	66,764	66,764	-
Fund Balance (Deficit) at End of Year	<u>\$ (57,191)</u>	<u>\$ -</u>	<u>\$ (81,605)</u>



**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**HIGH SCHOOLS THAT WORK GRANT**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 16,000	\$ 16,000	\$ -
Total Revenues	<u>16,000</u>	<u>16,000</u>	<u>-</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	16,000	16,000	-
Total Expenditures	<u>16,000</u>	<u>16,000</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	-	-	-
Net Change in Fund Balances	-	-	-
Fund Balance (Deficit) at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**DATA COMMUNICATION**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 12,600	\$ 10,800	\$ (1,800)
Total Revenues	<u>12,600</u>	<u>10,800</u>	<u>1,800</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	6,300	0	6,300
Total Expenditures	<u>6,300</u>	<u>0</u>	<u>6,300</u>
Excess of Revenues Over (Under) Expenditures	6,300	10,800	4,500
Fund Balance (Deficit) at Beginning of Year	50,400	50,400	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ 56,700</u>	<u>\$ 61,200</u>	<u>\$ 4,500</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**STUDENT WELLNESS AND SUCCESS FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ -	\$ -	\$ -
Total Revenues	-	-	-
EXPENDITURES:			
Current:			
Instruction:			
Regular	526,506	526,506	-
Total Expenditures	526,506	526,506	-
Net Change in Fund Balances	(526,506)	(526,506)	-
Fund Balance (Deficit) at Beginning of Year	526,506	526,506	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	\$ -	\$ -	\$ -

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**TITLE VI-B SPECIAL EDUCATION PART B- IDEA FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 965,920	\$ 846,031	\$ (119,889)
Total Revenues	<u>965,920</u>	<u>846,031</u>	<u>119,889</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	662,773	677,990	(15,217)
Support Services:			
Pupils	201,434	94,671	106,763
Operation of Non-Instructional/Shared Services:			
Community Services	101,713	74,160	27,553
Total Expenditures	<u>965,920</u>	<u>846,821</u>	<u>119,099</u>
Excess of Revenues Over (Under) Expenditures	<u>-</u>	<u>(790)</u>	<u>(790)</u>
OTHER FINANCING SOURCES AND USES:			
Advances In	-	78,100	78,100
Advances Out	(77,310)	(77,310)	-
Total Other Financing Sources and Uses	<u>(77,310)</u>	<u>790</u>	<u>78,100</u>
Net Change in Fund Balances	(77,310)	-	77,310
Fund Balance (Deficit) at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ (154,620)</u>	<u>\$ -</u>	<u>\$ 77,310</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**TITLE I-A IMPROVING BASIC PROGRAMS**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 443,193	\$ 366,361	\$ (76,832)
Total Revenues	<u>443,193</u>	<u>366,361</u>	<u>76,832</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	21,489	11,010	10,479
Special	458,719	353,903	104,816
Operation of Non-Instructional	26,060	4,059	22,001
Total Expenditures	<u>506,268</u>	<u>368,972</u>	<u>137,296</u>
Excess of Revenues Over (Under) Expenditures	<u>(63,075)</u>	<u>(2,611)</u>	<u>(60,464)</u>
OTHER FINANCING SOURCES AND USES:			
Advances In	-	27,595	(27,595)
Advances Out	-	(24,984)	24,984
Total Other Financing Sources and Uses	<u>-</u>	<u>2,611</u>	<u>(2,611)</u>
Net Change in Fund Balances	(63,075)	-	(63,075)
Fund Balance (Deficit) at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ (63,075)</u>	<u>\$ -</u>	<u>\$ (63,075)</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**TITLE I-A IMPROVING BASIC SCHOOL-WIDE PROGRAMS**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 57,064	\$ 49,971	\$ (7,093)
Total Revenues	<u>57,064</u>	<u>49,971</u>	<u>7,093</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	56,730	49,602	7,128
Operation of Non-Instructional/Shared Services:			
Community Services		-	-
Total Expenditures	<u>56,730</u>	<u>49,602</u>	<u>7,128</u>
Excess of Revenues Over (Under) Expenditures	<u>334</u>	<u>369</u>	<u>(35)</u>
OTHER FINANCING SOURCES AND USES:			
Advances Out	-	(369)	(369)
Total Other Financing Sources and Uses	<u>-</u>	<u>(369)</u>	<u>(369)</u>
Net Change in Fund Balances	334	-	334
Fund Balance (Deficit) at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ 334</u>	<u>\$ -</u>	<u>\$ 334</u>



**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**IDEA EARLY CHILDHOOD SPECIAL EDUCATION**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 14,223	\$ 26,698	\$ 12,475
Total Revenues	<u>14,223</u>	<u>26,698</u>	<u>12,475</u>
EXPENDITURES:			
Current:			
Instruction:			
Special	<u>14,223</u>	<u>26,698</u>	<u>(12,475)</u>
Total Expenditures	<u>14,223</u>	<u>26,698</u>	<u>(12,475)</u>
Excess of Revenues Over (Under) Expenditures	-	-	-
Fund Balance (Deficit) at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**TITLE II-A IMPROVING TEACHER QUALITY**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 91,192	\$ 75,278	\$ 15,914
Total Revenues	<u>91,192</u>	<u>75,278</u>	<u>15,914</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	80,571	76,454	4,117
Operation of Non-Instructional/Shared Services:			
Community Services	10,533	3,707	6,826
Total Expenditures	<u>91,104</u>	<u>80,161</u>	<u>10,943</u>
Excess of Revenues Over (Under) Expenditures	<u>88</u>	<u>(4,883)</u>	<u>(4,971)</u>
OTHER FINANCING SOURCES AND USES:			
Advances In	-	12,723	(12,723)
Advances Out	-	(7,840)	7,840
Total Other Financing Sources and Uses	<u>-</u>	<u>4,883</u>	<u>(4,883)</u>
Net Change in Fund Balances	88	-	(9,854)
Fund Balance (Deficit) at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ 88</u>	<u>\$ -</u>	<u>\$ (9,854)</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**TITLE IV-A STUDENT SUPPORT**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 29,516	\$ 22,815	\$ 6,701
Total Revenues	<u>29,516</u>	<u>22,815</u>	<u>6,701</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	30,581	23,248	7,333
Total Expenditures	<u>30,581</u>	<u>23,248</u>	<u>7,333</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,065)</u>	<u>(433)</u>	<u>632</u>
OTHER FINANCING SOURCES AND USES:			
Advances In	-	3,667	(3,667)
Advances Out		(3,234)	3,234
Total Other Financing Sources and Uses	<u>-</u>	<u>433</u>	<u>(433)</u>
Net Change in Fund Balances	(1,065)	-	1,065
Fund Balance (Deficit) at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ (1,065)</u>	<u>\$ -</u>	<u>\$ 1,065</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Intergovernmental	\$ 1,973,363	\$ 695,829	\$ (1,277,534)
Total Revenues	<u>1,973,363</u>	<u>695,829</u>	<u>1,277,534</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	1,924,703	827,230	1,097,473
Pupil Transportation	-	-	-
Operation of Non-Instructional Services	-	-	-
Extracurricular Activities	-	-	-
Total Expenditures	<u>1,924,703</u>	<u>827,230</u>	<u>1,097,473</u>
Excess of Revenues Over (Under) Expenditures	<u>48,660</u>	<u>(131,401)</u>	<u>(180,061)</u>
OTHER FINANCING SOURCES AND USES:			
Advances In	-	180,062	180,062
Advances Out	-	(48,661)	(48,661)
Total Other Financing Sources and Uses	<u>-</u>	<u>131,401</u>	<u>(131,401)</u>
Net Change in Fund Balances	48,660	-	48,660
Fund Balance (Deficit) at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ 48,660</u>	<u>\$ -</u>	<u>\$ 48,660</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**PUBLIC SCHOOL SUPPORT FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Interest	\$ 206	\$ 1,701	\$ 1,294
Extracurricular Activiites	12,400	13,898	1,498
Miscellaneous	14,600	21,097	6,497
Total Additions	<u>27,206</u>	<u>36,696</u>	<u>9,289</u>
EXPENDITURES:			
Current:			
Instruction:			
Regular	61,193	47,462	13,731
Total Expenditures	<u>61,193</u>	<u>47,462</u>	<u>13,731</u>
Excess of Revenues Over (Under) Expenditures	(33,987)	(10,766)	23,221
Fund Balance (Deficit) at Beginning of Year	77,252	77,252	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance (Deficit) at End of Year	<u>\$ 43,265</u>	<u>\$ 66,486</u>	<u>\$ 23,221</u>

**Northeastern Local Schools**  
**Schedule of Revenue, Expenditures and Changes in Fund Balance**  
**Budget (Non-GAAP Basis) and Actual**  
**PERMANENT IMPROVEMENT FUND**  
**For the Fiscal Year Ended June 30, 2023**

	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
REVENUES:			
Property and Other Local Taxes	\$ 414,830	\$ 436,376	\$ 21,546
Intergovernmental	74,801	62,128	(12,673)
Miscellaneous	773	2,538	1,765
Total Revenues	<u>490,404</u>	<u>501,042</u>	<u>10,638</u>
EXPENDITURES:			
Current:			
Support Services:			
Fiscal	10,000	8,108	1,892
Capital Outlay	<u>1,339,468</u>	<u>1,184,728</u>	<u>154,740</u>
Total Expenditures	<u>1,349,468</u>	<u>1,192,836</u>	<u>156,632</u>
Excess of Revenues Over (Under) Expenditures	(859,064)	(691,794)	167,270
Fund Balance (Deficit) at Beginning of Year	1,412,879	1,412,879	-
Prior Year Encumbrances Appropriated	116,851	116,851	-
Fund Balance (Deficit) at End of Year	<u>\$ 436,964</u>	<u>\$ 604,234</u>	<u>\$ 167,270</u>

# STATISTICAL SECTION

## ANNUAL COMPREHENSIVE FINANCE REPORT



NRES New Boston Fair



NE Spirit Week



KRHS British Tea Party



NEHS Christmas Carol



For the Fiscal Year Ended June 30, 2023





## *STATISTICAL TABLES*

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

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These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.

Revenue Capacity	137-141
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These schedules contain information to help the reader assess the School District's most significant local revenue sources.

Debt Capacity	142-144
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These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.

Demographic and Economic Information	146-149
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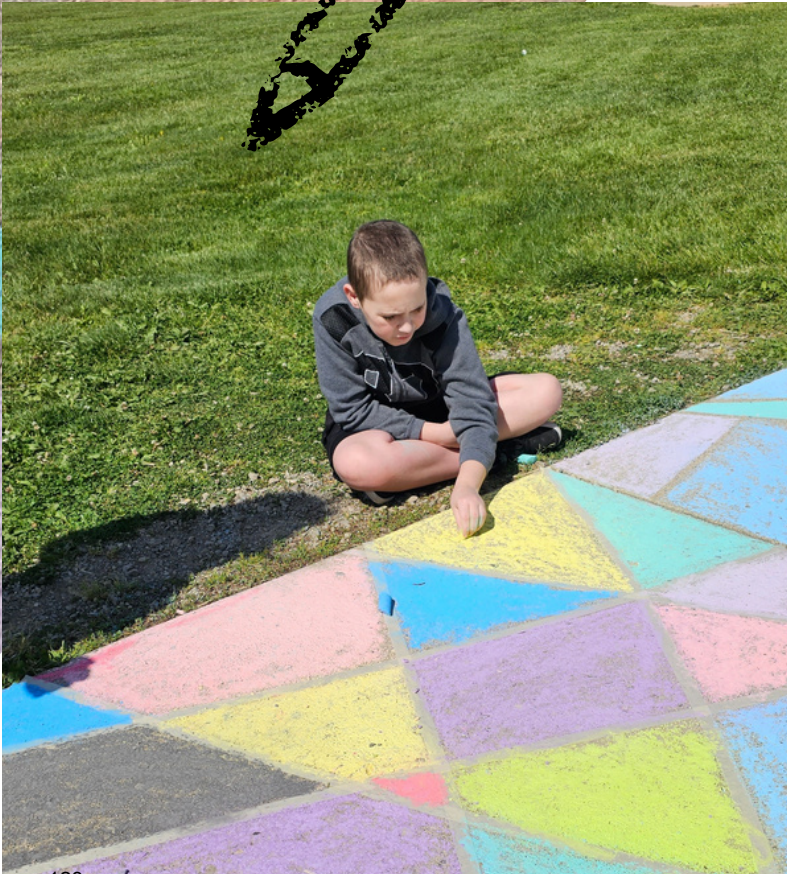
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School District's financial activities take place.

Operating information	150
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These schedules contain service and capital assets data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.

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







**Northeastern Local School District**

Net Position by Component

Governmental Activities

Last Ten Fiscal Years

*(accrual basis of accounting)*

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Net Investment in Capital Assets	\$ 14,704,310	\$ 14,414,534	\$ 14,046,777	\$ 13,974,911	\$ 13,759,087	\$ 14,339,871	\$ 18,631,496	\$ 33,047,204	\$ 42,033,681	\$ 54,410,828
Restricted	\$ 1,681,413	\$ 1,947,340	\$ 1,647,781	\$ 1,387,817	\$ 1,485,687	\$ 4,187,545	\$ 3,775,238	\$ 6,137,278	\$ 12,378,604	\$ 4,967,905
Unrestricted(Deficit)	<u>\$ 2,858,154</u>	<u>\$ (41,131,941)</u>	<u>\$ (38,600,254)</u>	<u>\$ (37,226,679)</u>	<u>\$ (28,410,855)</u>	<u>\$ (21,500,472)</u>	<u>\$ (19,104,439)</u>	<u>\$ (21,933,690)</u>	<u>\$ (14,667,765)</u>	<u>\$ (10,019,733)</u>
Total Net Position	<u>\$ 19,243,877</u>	<u>\$ (24,770,067)</u>	<u>\$ (22,905,696)</u>	<u>\$ (21,863,951)</u>	<u>\$ (13,166,081)</u>	<u>\$ (2,973,056)</u>	<u>\$ 3,302,295</u>	<u>\$ 17,250,792</u>	<u>\$ 39,744,520</u>	<u>\$ 49,359,000</u>

*The District implemented GASB 68 in 2015**The District implemented GASB 75 in 2018**The District implemented GASB 84 in 2021*

**Northeastern Local School District**

Changes in Net Position

Governmental Activities

Last Ten Fiscal Years

*(accrual basis of accounting)*

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Expenses</b>							
Current							
Instruction:							
Regular	\$ 14,005,168	\$ 13,919,806	\$ 14,859,188	\$ 15,963,650	\$ 4,989,096	\$ 13,225,474	\$ 16,711,230
Special	\$ 3,362,288	\$ 3,487,911	\$ 3,656,402	\$ 4,410,552	\$ 1,822,759	\$ 4,078,282	\$ 5,146,060
Vocational	\$ 684,088	\$ 693,528	\$ 728,913	\$ 789,426	\$ 262,344	\$ 456,856	\$ 532,161
Student Intervention Services	\$ 5,421	\$ 9,789	\$ 21,281	\$ 2,711	\$ 27,279	\$ 35,022	\$ 39,400
Other	\$ 52,097	\$ 135,155	\$ 396,257	\$ 617,679	\$ 956,957	\$ 921,863	\$ 1,095,222
Support Services:							
Pupils	\$ 1,877,286	\$ 1,872,337	\$ 1,774,426	\$ 2,027,177	\$ 1,169,357	\$ 1,745,362	\$ 2,428,908
Instructional Staff	\$ 1,127,112	\$ 1,262,880	\$ 1,285,981	\$ 1,295,650	\$ 819,919	\$ 1,250,295	\$ 1,353,890
Board of Education	\$ 69,422	\$ 108,299	\$ 142,587	\$ 115,474	\$ 117,613	\$ 161,336	\$ 150,623
Administration	\$ 2,668,787	\$ 2,271,039	\$ 2,337,776	\$ 2,512,563	\$ 1,236,895	\$ 1,909,885	\$ 2,668,449
Fiscal	\$ 741,597	\$ 750,453	\$ 785,045	\$ 883,581	\$ 686,132	\$ 863,108	\$ 1,006,811
Operation and Maintenance of Plant	\$ 2,319,977	\$ 2,164,226	\$ 2,310,274	\$ 2,806,160	\$ 2,094,860	\$ 2,378,007	\$ 2,433,656
Pupil Transportation	\$ 1,990,432	\$ 1,904,089	\$ 1,961,171	\$ 2,279,703	\$ 1,713,050	\$ 2,217,919	\$ 2,204,768
Central	\$ 12,554	\$ 9,400	\$ 25,124	\$ 44,301	\$ 42,182	\$ 27,393	\$ 32,702
Operation of Non-Instructional Services	\$ 1,510,784	\$ 1,555,570	\$ 1,400,503	\$ 1,460,389	\$ 1,055,990	\$ 1,204,222	\$ 1,467,005
Extracurricular Activities	\$ 996,431	\$ 962,925	\$ 1,025,889	\$ 1,092,087	\$ 720,675	\$ 961,625	\$ 948,654
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 831,823	\$ -
Interest and Fiscal Charges	\$ 94,612	\$ 73,637	\$ 51,229	\$ 35,429	\$ 20,771	\$ 1,992,863	\$ 3,186,062
Cost of Issuance of Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 867,674	\$ -
	<u>\$ 31,518,056</u>	<u>\$ 31,181,044</u>	<u>\$ 32,762,046</u>	<u>\$ 36,336,532</u>	<u>\$ 17,735,879</u>	<u>\$ 35,129,009</u>	<u>\$ 41,405,601</u>
<b>Program Revenues</b>							
Charges for Service							
Instruction:							
Regular	\$ 2,386,634	\$ 2,471,401	\$ 2,285,495	\$ 2,457,519	\$ 2,602,062	\$ 2,577,876	\$ 2,633,522
Support Services:							
Instructional Staff	\$ -	\$ -	\$ 1,980	\$ -	\$ -	\$ -	\$ 400
Fiscal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operation and Maintenance of Plant	\$ 1,025	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -
Operation of Non-Instructional Services	\$ 611,469	\$ 574,311	\$ 554,122	\$ 713,097	\$ 717,739	\$ 600,231	\$ 533,099
Extracurricular Activities	\$ 377,042	\$ 371,928	\$ 311,674	\$ 202,839	\$ 196,644	\$ 297,982	\$ 208,628
Operating Grants, Contribution, and Interest	\$ 2,262,169	\$ 2,181,183	\$ 2,057,511	\$ 1,784,321	\$ 1,776,048	\$ 2,059,674	\$ 2,516,674
<i>Total Program Revenues</i>	<u>\$ 5,638,339</u>	<u>\$ 5,600,823</u>	<u>\$ 5,210,782</u>	<u>\$ 5,157,776</u>	<u>\$ 5,292,493</u>	<u>\$ 5,535,763</u>	<u>\$ 5,892,323</u>
<i>Net Expense</i>	<u>\$ (25,879,717)</u>	<u>\$ (25,580,221)</u>	<u>\$ (27,551,264)</u>	<u>\$ (31,178,756)</u>	<u>\$ (12,443,386)</u>	<u>\$ (29,593,246)</u>	<u>\$ (35,513,278)</u>
<b>General Revenues</b>							
Income Tax	\$ -	\$ -	\$ 815,967	\$ 4,302,786	\$ 4,535,898	\$ 4,998,002	\$ 5,395,851
Property Taxes Levied for:							
General Purposes	\$ 11,144,749	\$ 11,670,437	\$ 13,068,271	\$ 12,101,011	\$ 12,382,691	\$ 16,677,291	\$ 18,399,275
Grants and Entitlements not Restricted to specific programs	\$ 15,077,118	\$ 15,811,893	\$ 15,306,117	\$ 15,507,417	\$ 15,112,212	\$ 15,126,275	\$ 15,270,540
Grants and Donations Restricted to specific programs	\$ 101,146	\$ 37,318	\$ 48,394	\$ 59,008	\$ 44,549	\$ 65,093	\$ 45,900
Investment Earnings	\$ 31,227	\$ 35,936	\$ 84,274	\$ 67,412	\$ 145,877	\$ 2,425,259	\$ 2,260,041
Miscellaneous	\$ 283,142	\$ 68,961	\$ 92,612	\$ 182,702	\$ 169,289	\$ 494,351	\$ 417,022
Gain on Sale of Capital Assets	\$ -	\$ -	\$ -	\$ 165	\$ 10,512	\$ -	\$ -
<i>Total General Revenues</i>	<u>\$ 26,637,382</u>	<u>\$ 27,624,545</u>	<u>\$ 29,415,635</u>	<u>\$ 32,220,501</u>	<u>\$ 32,401,028</u>	<u>\$ 39,786,271</u>	<u>\$ 41,788,629</u>
<i>Change in Net Position</i>	<u>\$ 757,665</u>	<u>\$ 2,044,324</u>	<u>\$ 1,864,371</u>	<u>\$ 1,041,745</u>	<u>\$ 19,957,642</u>	<u>\$ 10,193,025</u>	<u>\$ 6,275,351</u>

The District implemented GASB 68 in 2015

The District implemented GASB 75 in 2018

The District implemented GASB 84 in 2021

<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 17,913,691	\$ 14,184,372	\$ 14,178,465
\$ 5,476,557	\$ 4,763,772	\$ 5,119,086
\$ 516,104	\$ 516,569	\$ 570,973
\$ 39,451	\$ 35,356	\$ 93,484
\$ 910,722	\$ 14,639	\$ 4,241

\$ 2,399,597	\$ 2,361,032	\$ 2,983,374
\$ 1,740,785	\$ 1,394,568	\$ 1,497,785
\$ 135,502	\$ 123,049	\$ 143,530
\$ 2,551,829	\$ 2,429,459	\$ 2,505,611
\$ 874,682	\$ 1,027,224	\$ 971,103
\$ 2,581,507	\$ 2,666,793	\$ 2,689,820
\$ 2,257,954	\$ 2,902,884	\$ 2,231,276
\$ 37,273	\$ 88,684	\$ 33,111
\$ 1,338,153	\$ 1,349,632	\$ 5,082,207
\$ 1,050,902	\$ 1,084,085	\$ 1,318,791
\$ -	\$ -	\$ -
\$ 3,159,975	\$ 3,123,375	\$ 3,360,790
\$ -	\$ -	\$ 764,607
<u>\$ 42,984,684</u>	<u>\$ 38,065,493</u>	<u>\$ 43,548,254</u>

\$ 2,720,856	\$ 990,251	\$ 1,032,282
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\$ 18,865	\$ 20,989	\$ 14,137
\$ -	\$ -	\$ -
\$ -	\$ -	\$ -
\$ 128,512	\$ 184,732	\$ 576,169
\$ 300,921	\$ 310,803	\$ 361,550
<u>\$ 3,299,380</u>	<u>\$ 4,908,596</u>	<u>\$ 3,856,423</u>

<u>\$ 6,468,534</u>	<u>\$ 6,415,371</u>	<u>\$ 5,840,561</u>
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<u>\$ (36,516,150)</u>	<u>\$ (31,650,122)</u>	<u>\$ (37,707,693)</u>
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\$ 5,307,410	\$ 5,982,757	\$ 6,755,539
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\$ 18,325,752	\$ 14,186,623	\$ 18,014,258
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\$ 14,882,727	\$ 14,369,171	\$ 14,450,699
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\$ 11,452,501	\$ 18,728,135	\$ 7,171,997
\$ 232,288	\$ 142,999	\$ 565,036
\$ 91,241	\$ 343,795	\$ 364,644
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>\$ 50,291,919</u>	<u>\$ 53,753,480</u>	<u>\$ 47,322,173</u>
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<u>\$ 13,775,769</u>	<u>\$ 22,103,358</u>	<u>\$ 9,614,480</u>
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**Northeastern Local School District**

Fund Balances- Governmental Funds

Last Ten Fiscal Years

*(accrual basis of accounting)*

	Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>General Fund:</b>				
Nonspendable		\$ 83,498	\$ 84,814	\$ 97,565
Restricted		\$ 11,000	\$ 63,335	\$ 11,000
Committed		\$ -	\$ -	\$ -
Assigned		\$ 1,574,678	\$ 6,939,399	\$ 966,858
Unassigned		\$ 1,831,009	\$ (2,275,334)	\$ 5,695,921
Reserved		\$ -	\$ -	\$ -
Unreserved(Deficit)		\$ -	\$ -	\$ -
<i>Total General Fund</i>		\$ 3,500,185	\$ 4,812,214	\$ 6,771,344
<b>All Other Governmental Funds</b>				
Nonspendable		\$ 11,090	\$ 19,377	\$ 37,561
Restricted		\$ 1,629,802	\$ 1,893,159	\$ 1,617,956
Assigned		\$ 116,677	\$ 118,950	\$ 121,087
Unassigned		\$ (72,938)	\$ (73,406)	\$ (164,317)
<i>Total All Other Governmental Funds</i>		\$ 1,684,631	\$ 1,958,080	\$ 1,612,287
<i>Total Governmental Funds</i>		\$ 5,184,816	\$ 6,770,294	\$ 8,383,631

*The District implemented GASB 84 in 2021*



<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 82,256	\$ 95,771	\$ 59,592	\$ 70,421	\$ 79,218	\$ 58,892	\$ 71,657
\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000
\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,638,696	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 7,610,254	\$ 11,893,913	\$ 14,794,233	\$ 18,397,101	\$ 19,472,030	\$ 18,880,275	\$ 21,770,697
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 9,342,206	\$ 12,000,684	\$ 14,864,825	\$ 18,478,522	\$ 19,562,248	\$ 18,950,167	\$ 21,853,354
\$ 14,750	\$ 9,314	\$ 36,014	\$ 49,097	\$ 47,066	\$ 17,943	\$ 17,417
\$ 1,340,281	\$ 1,437,042	\$ 82,598,622	\$ 83,899,690	\$ 75,997,096	\$ 40,022,584	\$ 20,793,888
\$ 119,061	\$ 144,250	\$ 168,913	\$ 148,547	\$ 86,573	\$ 265,807	\$ 265,196
\$ (107,022)	\$ (90,940)	\$ (114,931)	\$ (58,929)	\$ (30,128)	\$ (214,439)	\$ (242,215)
\$ 1,367,070	\$ 1,499,666	\$ 82,688,618	\$ 84,038,405	\$ 76,100,607	\$ 40,091,895	\$ 20,834,286
\$ 10,709,276	\$ 13,500,350	\$ 97,553,443	\$ 102,516,927	\$ 95,662,855	\$ 59,042,062	\$ 42,687,640

**Northeastern Local School District**

## Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

Fiscal Year	2014	2015	2016	2017	2018
<b>REVENUES:</b>					
Property and Other Local Taxes	\$ 11,318,649	\$ 11,764,205	\$ 13,085,142	\$ 12,094,478	\$ 12,366,648
Income Taxes	\$ -	\$ -	\$ 815,967	\$ 3,997,660	\$ 4,505,620
Intergovernmental	\$ 17,228,985	\$ 18,058,433	\$ 17,410,326	\$ 17,339,228	\$ 16,945,987
Interest	\$ 30,231	\$ 33,671	\$ 90,560	\$ 69,218	\$ 147,402
Tuition and Fees	\$ 2,348,587	\$ 2,456,820	\$ 2,271,579	\$ 2,457,519	\$ 2,602,062
Extracurricular Activities	\$ 378,067	\$ 373,928	\$ 313,654	\$ 300,241	\$ 307,100
Gifts and Donations	\$ 101,146	\$ 37,318	\$ 48,394	\$ 59,008	\$ 44,549
Customer Sales and Services	\$ 628,080	\$ 588,892	\$ 568,038	\$ 577,648	\$ 568,289
Miscellaneous	\$ 280,306	\$ 44,689	\$ 68,340	\$ 208,320	\$ 188,208
<i>Total Revenues</i>	<u>\$ 32,314,051</u>	<u>\$ 33,357,956</u>	<u>\$ 34,672,000</u>	<u>\$ 37,103,320</u>	<u>\$ 37,675,865</u>
<b>EXPENDITURES:</b>					
Current:					
Instruction:					
Regular	\$ 13,871,942	\$ 14,150,075	\$ 14,924,448	\$ 14,898,416	\$ 15,567,931
Special	\$ 3,307,113	\$ 3,530,052	\$ 3,657,437	\$ 4,178,246	\$ 4,305,414
Vocational	\$ 651,067	\$ 679,701	\$ 705,110	\$ 716,210	\$ 632,194
Student Intervention Services	\$ 5,421	\$ 9,789	\$ 11,115	\$ 1,226	\$ 25,120
Other	\$ 52,097	\$ 136,550	\$ 396,257	\$ 623,295	\$ 956,948
Support Services:					
Pupils	\$ 1,837,255	\$ 1,896,382	\$ 1,775,920	\$ 1,910,160	\$ 2,028,977
Instructional Staff	\$ 1,112,458	\$ 1,267,331	\$ 1,291,842	\$ 1,200,788	\$ 1,177,673
Board of Education	\$ 69,422	\$ 108,299	\$ 142,587	\$ 116,524	\$ 150,584
Administration	\$ 2,651,093	\$ 2,270,924	\$ 2,329,018	\$ 2,308,609	\$ 2,293,094
Fiscal	\$ 737,683	\$ 756,490	\$ 786,994	\$ 848,714	\$ 846,029
Operation and Maintenance of Plant	\$ 2,291,747	\$ 2,186,882	\$ 2,202,345	\$ 2,755,664	\$ 2,263,065
Pupil Transportation	\$ 1,965,566	\$ 1,822,974	\$ 1,957,166	\$ 2,113,164	\$ 1,983,191
Central	\$ 12,554	\$ 9,400	\$ 25,124	\$ 44,704	\$ 42,182
Operation of Non-Instructional/Shared Services	\$ 1,467,573	\$ 1,542,161	\$ 1,394,425	\$ 1,560,070	\$ 1,271,153
Extracurricular Activities	\$ 963,048	\$ 931,931	\$ 961,945	\$ 1,024,575	\$ 883,451
Capital Outlay	\$ 52,534	\$ -	\$ 172,014	\$ -	\$ -
Debt Service:					
Principal	\$ 384,408	\$ 397,824	\$ 443,067	\$ 441,572	\$ 446,572
Interest	\$ 96,269	\$ 75,713	\$ 53,863	\$ 35,738	\$ 21,725
Cost of Issuance	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Total Expenditures</i>	<u>\$ 31,529,250</u>	<u>\$ 31,772,478</u>	<u>\$ 33,230,677</u>	<u>\$ 34,777,675</u>	<u>\$ 34,895,303</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ 784,801</u>	<u>\$ 1,585,478</u>	<u>\$ 1,441,323</u>	<u>\$ 2,325,645</u>	<u>\$ 2,780,562</u>
<b>OTHER FINANCING SOURCES AND USES:</b>					
Transfers In	\$ 74,550	\$ 59,803	\$ 48,383	\$ 42,305	\$ 40,815
Proceeds from the Sale of Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Sources	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on the Sale of Bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Inception of Capital Lease	\$ -	\$ -	\$ 172,014	\$ -	\$ -
Transfers Out	\$ (74,550)	\$ (59,803)	\$ (48,383)	\$ (42,305)	\$ (40,815)
<i>Total Other Financing Sources and Uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,014</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Change in Fund Balances</b>	<u>\$ 784,801</u>	<u>\$ 1,585,478</u>	<u>1,613,337</u>	<u>2,325,645</u>	<u>2,780,562</u>
Total Debt Service as % of Expenditures	1.5%	1.5%	1.5%	1.4%	1.3%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 15,082,487	\$ 18,313,204	\$ 18,543,047	\$ 14,118,487
\$ 5,225,562	\$ 5,395,851	\$ 5,307,410	\$ 5,982,757
\$ 18,173,621	\$ 17,821,404	\$ 30,008,462	\$ 38,341,137
\$ 2,427,342	\$ 2,262,441	\$ 239,474	\$ 149,846
\$ 2,577,876	\$ 2,664,095	\$ 2,728,183	\$ 1,048,893
\$ 297,982	\$ 283,774	\$ 266,595	\$ 424,488
\$ 65,093	\$ 52,174	\$ 122,818	\$ 184,731
\$ 570,411	\$ 451,786	\$ 51,137	\$ 67,742
\$ 419,457	\$ 107,720	\$ 62,551	\$ 31,518
<u>\$ 44,839,831</u>	<u>\$ 47,352,449</u>	<u>\$ 57,329,677</u>	<u>\$ 60,349,599</u>

\$ 15,603,301	\$ 15,983,919	\$ 16,997,428	\$ 15,760,654
\$ 4,591,704	\$ 4,953,031	\$ 5,308,670	\$ 5,222,971
\$ 550,383	\$ 458,921	\$ 494,475	\$ 560,625
\$ 35,022	\$ 39,400	\$ 39,451	\$ 35,356
\$ 922,842	\$ 1,095,067	\$ 910,722	\$ 24,019

\$ 2,006,865	\$ 2,338,795	\$ 2,305,086	\$ 2,543,005
\$ 1,380,855	\$ 1,282,452	\$ 1,727,359	\$ 1,546,918
\$ 172,622	\$ 143,444	\$ 135,502	\$ 124,320
\$ 2,391,737	\$ 2,517,166	\$ 2,489,941	\$ 2,813,927
\$ 909,771	\$ 955,548	\$ 909,868	\$ 1,097,689
\$ 2,391,518	\$ 2,325,968	\$ 2,589,343	\$ 2,981,174
\$ 2,604,145	\$ 2,046,342	\$ 2,249,716	\$ 2,765,453
\$ 36,823	\$ 28,283	\$ 37,273	\$ 12,170
\$ 1,223,706	\$ 1,235,323	\$ 1,315,680	\$ 1,653,249
\$ 1,019,279	\$ 999,944	\$ 1,058,899	\$ 1,128,515
\$ 2,358,001	\$ 1,996,999	\$ 22,111,604	\$ 54,894,264

\$ 437,868	\$ 800,000	\$ 690,000	\$ 770,000
\$ 2,476,705	\$ 3,188,362	\$ 3,159,975	\$ 3,130,775
\$ 867,674	\$ -	\$ -	\$ -

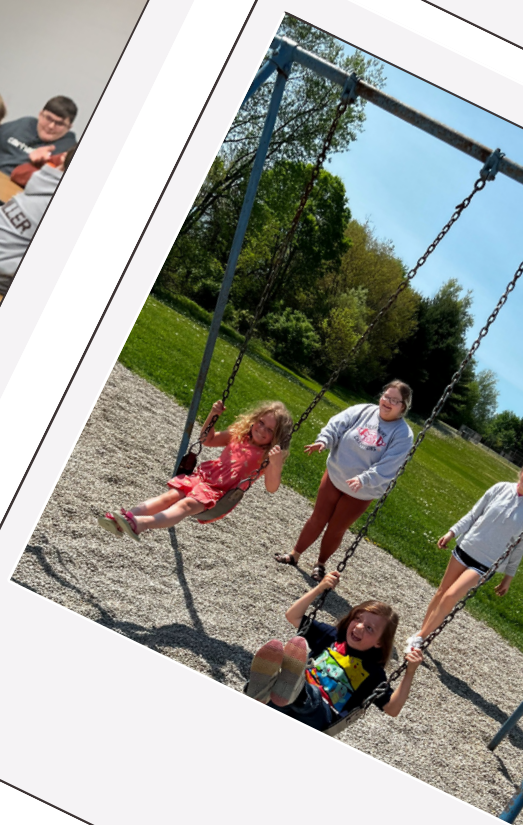
<u>\$ 41,980,821</u>	<u>\$ 42,388,964</u>	<u>\$ 64,530,992</u>	<u>\$ 97,065,084</u>
\$ -			
<u>\$ 2,859,010</u>	<u>\$ 4,963,485</u>	<u>\$ (7,201,315)</u>	<u>\$ (36,715,485)</u>

\$ 54,959	\$ 211,449	\$ 180,490	\$ 98,676
\$ 79,335,000	\$ -	\$ 36,833	\$ -
\$ -	\$ -	\$ 137,682	\$ 94,695
\$ 1,777,255	\$ -	\$ -	\$ -
\$ 81,828	\$ -	\$ -	\$ -
\$ (54,959)	\$ (211,449)	\$ (180,490)	\$ (98,676)

<u>\$ 81,194,083</u>	<u>\$ -</u>	<u>\$ 174,515</u>	<u>\$ 94,695</u>
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<u>84,053,093</u>	<u>4,963,485</u>	<u>-7,026,800</u>	<u>\$ (36,620,790)</u>
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9.0%	9.4%	8.8%	9.2%
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Northeastern Local School District  
Property Tax Rates (Per \$1,000 of Assessed Valuation)  
Direct and Overlapping Governments  
Last Ten Collection (Calendar) Year

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Unvoted Millage:</b>										
Operating	<u>6.30</u>	<u>6.30</u>	<u>6.30</u>	<u>6.30</u>	<u>6.30</u>	<u>6.30</u>	<u>6.30</u>	<u>6.30</u>	<u>6.30</u>	<u>6.30</u>
<b>Voted Millage by Levy:</b>										
1976- Operating										
Residential/Agricultural Real	5.69	5.69	5.43	5.43	5.44	5.43	5.06	5.06	5.06	4.10
Commercial/Industrial and Public Utility Real	7.90	8.26	8.16	8.17	8.20	8.04	7.95	7.93	8.10	7.84
General Business and Public Utility Personal	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64	16.64
1984- Operating										
Residential/Agricultural Real	1.74	1.74	1.67	1.67	1.67	1.67	1.55	1.55	1.55	1.26
Commercial/Industrial and Public Utility Real	2.51	2.63	2.59	2.60	2.61	2.56	2.53	2.52	2.58	2.49
General Business and Public Utility Personal	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
1988- Operating										
Residential/Agricultural Real	2.05	2.06	1.96	1.96	1.96	1.96	1.83	1.83	1.83	1.48
Commercial/Industrial and Public Utility Real	3.05	3.19	3.15	3.15	3.16	3.10	3.07	3.06	3.13	3.02
General Business and Public Utility Personal	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
1992- Operating										
Residential/Agricultural Real	1.58	1.58	1.51	1.51	1.51	1.51	1.40	1.41	1.41	1.14
Commercial/Industrial and Public Utility Real	2.51	2.62	2.59	2.59	2.60	2.55	2.52	2.52	2.57	2.49
General Business and Public Utility Personal	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
1995- Operating										
Residential/Agricultural Real	1.72	1.73	1.65	1.65	1.65	1.65	1.54	1.54	1.54	1.25
Commercial/Industrial and Public Utility Real	2.45	2.56	2.53	2.53	2.54	2.49	2.46	2.46	2.51	2.43
General Business and Public Utility Personal	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80
1995- Bond										
Residential/Agricultural Real	0.95	0.94	0.87	0.85	0.84	0.00	0.00	0.00	0.00	0.00
Commercial/Industrial and Public Utility Real	0.95	0.94	0.87	0.85	0.84	0.00	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.95	0.94	0.87	0.85	0.84	0.00	0.00	0.00	0.00	0.00
2004- Operating										
Residential/Agricultural Real	5.18	5.18	4.95	4.95	4.95	4.95	4.60	4.61	4.61	3.74
Commercial/Industrial and Public Utility Real	6.00	6.00	5.92	5.93	5.96	5.84	5.77	5.76	5.88	5.88
General Business and Public Utility Personal	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
2008- Permanent Improvement										
Residential/Agricultural Real	0.96	0.96	0.91	0.91	0.91	0.91	0.85	0.85	0.85	0.69
Commercial/Industrial and Public Utility Real	1.00	1.00	0.99	0.99	0.99	0.97	0.96	0.96	0.98	0.95
General Business and Public Utility Personal	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
2018- Bond Levy										
Residential/Agricultural Real	0.00	0.00	0.00	0.00	8.46	8.36	7.71	7.49	6.99	5.77
Commercial/Industrial and Public Utility Real	0.00	0.00	0.00	0.00	8.46	8.36	7.71	7.49	6.99	5.77
General Business and Public Utility Personal	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>8.46</u>	<u>8.46</u>	<u>7.71</u>	<u>7.49</u>	<u>6.99</u>	<u>5.77</u>
<b>Total Voted Millage by Type of Property</b>										
Residential/Agricultural Real	19.87	19.87	18.94	18.93	27.39	26.44	24.54	24.33	23.84	19.43
Commercial/Industrial and Public Utility Real	26.37	27.20	26.79	26.82	35.37	33.91	32.97	32.70	32.74	30.87
General Business and Public Utility Personal	<u>38.79</u>	<u>38.78</u>	<u>38.71</u>	<u>38.69</u>	<u>47.14</u>	<u>46.30</u>	<u>45.55</u>	<u>45.33</u>	<u>44.83</u>	<u>43.61</u>
<b>Total Millage by Type of Property</b>										
Residential/Agricultural Real	26.17	26.17	25.24	25.23	33.69	32.74	30.84	30.63	30.14	25.73
Commercial/Industrial and Public Utility Real	32.67	33.50	33.09	33.12	41.67	40.21	39.27	39.00	39.04	37.17
General Business and Public Utility Personal	<u>45.09</u>	<u>45.08</u>	<u>45.01</u>	<u>44.99</u>	<u>53.44</u>	<u>52.60</u>	<u>51.85</u>	<u>51.63</u>	<u>51.13</u>	<u>49.91</u>

Source: Ohio Department of Taxation

that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue for

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

increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

(1) The overlapping rates by taxing district are presented for all overlapping governments by type of government and property type. Each corresponding range provides the lowest

Northeastern Local School District  
Assessed Valuation and Estimated Actual Value of Taxable Property  
Last Ten Collection (Calendar) Year

	Real Property			
	Assessed Values			
Collection Year	Residential/ Agricultural	Commercial/ Industrial/PU	Total Real Property	Estimated Actual Value
2013	\$ 392,975,250	\$ 55,323,780	\$ 448,299,030	\$ 1,280,854,371
2014	\$ 412,680,510	\$ 51,016,140	\$ 463,696,650	\$ 1,324,847,571
2015	\$ 412,789,260	\$ 51,500,430	\$ 464,289,690	\$ 1,326,541,971
2016	\$ 413,851,080	\$ 49,121,630	\$ 462,972,710	\$ 1,322,779,171
2017	\$ 435,337,180	\$ 49,443,060	\$ 484,780,240	\$ 1,385,086,400
2018	\$ 437,257,630	\$ 49,560,270	\$ 486,817,900	\$ 1,390,908,286
2019	\$ 440,550,490	\$ 53,653,810	\$ 494,204,300	\$ 1,412,012,286
2020	\$ 476,061,750	\$ 54,531,730	\$ 530,593,480	\$ 1,515,981,371
2021	\$ 478,263,970	\$ 54,772,700	\$ 533,036,670	\$ 1,522,961,914
2022	\$ 480,163,940	\$ 54,386,220	\$ 534,550,160	\$ 1,527,286,171
2023	\$ 594,738,770	\$ 55,931,100	\$ 650,669,870	\$ 1,859,056,771

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible property was assessed in previous years at 25 percent for machinery and equipment and 23 percent for inventories. General business tangible personal property tax has been phased out. The assessment percent was 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes were levied or collected in 2009 from general business taxpayers, except telephone companies whose last year to pay tangible personal property tax is 2010. The percentages for telecommunications are 10.0 percent for 2009, 5.0 percent for 2010 and zero for 2011.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent rollback, 2 1/2 percent rollback, and homestead exemptions before being billed. The 10 percent rollback for commercial/industrial property was eliminated in 2006.

Source: Ohio Department of Taxation

(1) Ratio represents assessed value/total estimated actual value.

Tangible Personal Property				Total				Direct Rate (per \$1,000 of assessed value)
Public Utility		General Business						
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio (1)		
\$ 9,910,010	\$ 39,640,040	\$ -	\$ -	\$ 458,209,040	\$ 1,320,494,411	34.70	45.10	
\$ 11,037,670	\$ 44,150,680	\$ -	\$ -	\$ 474,734,320	\$ 1,368,998,251	34.68	45.08	
\$ 11,512,380	\$ 46,049,520	\$ -	\$ -	\$ 475,802,070	\$ 1,372,591,491	34.66	45.09	
\$ 11,937,120	\$ 47,748,480	\$ -	\$ -	\$ 474,909,830	\$ 1,370,527,651	34.65	45.08	
\$ 13,492,340	\$ 53,969,360	\$ -	\$ -	\$ 498,272,580	\$ 1,439,055,760	34.62	45.01	
\$ 14,877,870	\$ 59,511,480	\$ -	\$ -	\$ 501,695,770	\$ 1,450,419,766	34.59	44.99	
\$ 15,162,440	\$ 60,649,760	\$ -	\$ -	\$ 509,366,740	\$ 1,472,662,046	34.59	55.50	
\$ 23,944,110	\$ 95,776,440	\$ -	\$ -	\$ 554,537,590	\$ 1,611,757,811	34.41	54.85	
\$ 25,894,870	\$ 103,579,480	\$ -	\$ -	\$ 558,931,540	\$ 1,626,541,394	34.36	53.36	
\$ 26,913,030	\$ 107,652,120	\$ -	\$ -	\$ 561,463,190	\$ 1,634,938,291	34.34	51.13	
\$ 28,035,090	\$ 112,140,360	\$ -	\$ -	\$ 678,704,960	\$ 1,971,197,131	34.43	49.91	



Northeastern Local School District  
Property Tax Levies and Collections - Real, Public Utility Personal  
and General Business Personal Property  
Last Ten Collection (Calendar) Year

Collection Year	Total Tax Levied	Current Tax Collection	Percent of Current Levy Collected	Delinquent Tax Collection	Total Tax Collections	Percent of Total Collections to Total Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Total Tax Levied
2013	\$ 12,268,029	\$ 11,517,038	93.9%	\$ 7,988	\$ 11,525,026	93.9%	\$ 743,003	6.5%
2014	\$ 12,447,200	\$ 11,695,076	94.0%	\$ 76,517	\$ 11,771,593	94.6%	\$ 675,607	5.8%
2015	\$ 12,347,894	\$ 11,761,318	95.2%	\$ 107,728	\$ 11,869,046	96.1%	\$ 478,848	4.1%
2016	\$ 12,289,035	\$ 11,635,413	94.7%	\$ 156,439	\$ 11,791,852	96.0%	\$ 497,183	4.3%
2017	\$ 12,577,803	\$ 12,042,404	95.7%	\$ 53,471	\$ 12,095,875	96.2%	\$ 481,928	4.0%
2018	\$ 12,651,621	\$ 12,007,741	94.9%	\$ 255,614	\$ 12,263,355	96.9%	\$ 388,266	3.2%
2019	\$ 16,725,962	\$ 15,796,172	94.4%	\$ 298,130	\$ 16,094,302	96.2%	\$ 631,660	4.0%
2020	\$ 16,798,726	\$ 16,461,570	98.0%	\$ 292,194	\$ 16,753,764	99.7%	\$ 44,962	0.3%
2021	\$ 16,903,319	\$ 16,458,896	97.4%	\$ 359,643	\$ 16,818,539	99.5%	\$ 84,780	0.5%
2022	\$ 17,031,246	\$ 16,620,135	97.6%	\$ 304,055	\$ 16,924,190	99.4%	\$ 107,056	0.6%

\*Source Clark County Auditor

Northeastern Local School District  
Principal Real Property Taxpayers  
Tax Year 2023

	Taxpayer	Assessed Value	Percentage of Real Property Assessed Valuation	Rank in 2018 (1)
1	American Transmission Systems	\$ 15,756,140	2.4%	4
2	Ohio Edison	\$ 9,863,920	1.5%	1
3	Navistar Inc	\$ 6,372,390	1.0%	2
4	Trioly Healthcare of Springfield	\$ 5,448,580	0.8%	
5	Trioly Healthcare of Springfield	\$ 2,552,000	0.4%	
6	Spring Meadow LLC	\$ 2,220,720	0.3%	7
7	Springfield Northridge Apartments	\$ 1,804,220	0.3%	5
8	Eaglewood Property Holdings LLC	\$ 1,697,500	0.3%	6
9	Woodland Manor Property Holding LLC	\$ 1,697,500	0.3%	8
10	Springfield Hufford Associates	\$ 1,463,250	<u>0.2%</u>	10
	Subtotal	<u>\$ 48,876,220</u>	<u>7.5%</u>	
	All Others	<u>\$ 601,793,650</u>	<u>92.5%</u>	
	Total Assessed Valuations	<u><u>\$ 650,669,870</u></u>	<u><u>100.0%</u></u>	

Source - Clark County Auditor Office

(1) Software conversion at the Clark County Auditor Office made the data to compare from 2018

**Northeastern Local School District**

## Computation of Direct and Overlapping Debt

June 30, 2023

<u>Jurisdiction</u>	<u>Debt Attributed to Governmental Activities</u>	<u>Percentage Applicable to District (1)</u>	<u>Amount Applicable to District</u>
Direct:			
Northeastern Local School District:			
School Improvement Bonds 2018	\$ 77,813,406	100.00%	\$ 77,813,406
Total Direct Debt	\$ 77,813,406		\$ 77,813,406
Overlapping:			
Clark County:			
General Obligation	\$ 18,306,000	21.26%	\$ 3,891,856
Springfield-Clark County Joint Vocational School District:			
HB 264	\$ 420,000	21.36%	\$ 89,712
City of Springfield:			
Bond Anticipation Note	\$ 1,510,400	11.64%	\$ 175,811
Total Overlapping Debt	\$ 20,236,400		\$ 4,157,378
Total Direct and Overlapping Debt	\$ 98,049,806		\$ 81,970,784

Source: Ohio Municipal Advisory Council

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for the repaying the debt of each overlapping government.

**Northeastern Local School District**

Ratio of General Obligation Debt to Estimated Atual Values, Personal Income and Debt Per Capita (1)

Last Ten Collection (Calendar) Year

Fiscal Year	Outstanding Debt	Estimated Actual Values	Bond Retirement Fund Net Position	Population	Total Personal Income	Ratio of Debt to Estimated Actual Value	Ratio of Debt to Personal Income	Net Debt Per Capital	Effective Millage (1)
2014	\$ 2,066,365	\$ 458,209,040	\$ 888,126	22,467	\$ 601,107,141	0.5%	0.3%	\$ 52.44	0
2015	\$ 1,672,093	\$ 474,734,320	\$ 910,953	22,536	\$ 599,015,804	0.4%	0.3%	\$ 33.77	0
2016	\$ 1,257,821	\$ 475,802,070	\$ 912,283	22,250	\$ 623,524,668	0.3%	0.2%	\$ 15.53	0
2017	\$ 838,549	\$ 474,909,830	\$ 838,549	22,161	\$ 634,734,497	0.2%	0.1%	\$ -	0
2018	\$ 81,112,225	\$ 498,272,580	\$ 904,819	21,821	\$ 656,606,321	16.3%	12.4%	\$ 3,675.70	8.46
2019	\$ 81,065,485	\$ 501,695,770	\$ 1,887,578	22,012	\$ 711,641,908	16.2%	11.4%	\$ 3,597.03	8.36
2020	\$ 80,218,715	\$ 509,366,740	\$ 1,886,492	20,801	\$ 737,042,204	15.7%	10.9%	\$ 3,765.79	7.71
2021	\$ 79,481,945	\$ 554,537,590	\$ 3,292,430	20,801	\$ 737,042,204	14.3%	10.8%	\$ 3,662.78	7.49
2022	\$ 78,665,175	\$ 558,881,540	\$ 1,685,812	20,801	\$ 737,042,204	14.1%	10.7%	\$ 3,700.75	6.99
2023	\$ 77,773,406	\$ 678,704,960	\$ 1,618,872	20,801	\$ 737,042,204	11.5%	10.6%	\$ 3,661.10	5.77

Source: Ohio Department of Taxation

(1) The District currently has one Debt Issue support by Bond Levy and 1/2 mil State Law mandated.

**Northeastern Local School District**  
Computation of Legal Debt Margin  
Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total Assessed Value	\$ 475,802,070	\$ 474,909,830	\$ 498,272,580
Overall Debt Limitation - 9% of assessed value (1)	\$ 42,822,186	\$ 42,741,885	\$ 44,844,532
Gross Indebtedness Authorized by the School District	\$ 2,066,365	\$ 1,672,093	\$ 1,257,821
Less Exempted Debt			
Energy Conservation	\$ -	\$ -	\$ -
Debt within the 9% Limitation	\$ 2,066,365	\$ 1,672,093	\$ 1,257,821
Less amount available in debt service fund	\$ (894,901)	\$ (898,737)	\$ (897,016)
Net Debt within the 9% Limitation	\$ 1,171,464	\$ 773,356	\$ 360,805
Legal Debt Margin within the 9% Limitation	\$ 41,650,722	\$ 41,968,529	\$ 44,483,727
Legal Debt Margin as a Percentage of Debt Limit	97.3%	98.2%	99.2%
Unvoted Debt Limitation .10% of Assessed Value (1)	\$ 475,802	\$ 474,910	\$ 498,273
Gross Indebtedness Authorized by the School District	\$ -	\$ -	\$ -
Legal Debt Margin within .10% limitation	\$ 475,802	\$ 474,910	\$ 498,273
Unvoted Legal Debt Margin as a Percentage of Excess Revenues Over (Under) Expenditures	100%	100%	100%

(1) Ohio Bond Law sets a limit of 9 percent for voted debt and .10 percent for unvoted debt.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 494,694,410	\$ 502,816,800	\$ 509,666,430	\$ 554,537,590	\$ 558,931,540	\$ 561,463,190
\$ 44,522,497	\$ 45,253,512	\$ 45,869,979	\$ 49,908,383	\$ 50,303,839	\$ 50,531,687
\$ 838,549	\$ 79,335,000	\$ 79,335,000	\$ 78,535,000	\$ 77,845,000	\$ 77,075,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 838,549	\$ 79,335,000	\$ 79,335,000	\$ 78,535,000	\$ 77,845,000	\$ 77,075,000
\$ (901,278)	\$ (906,002)	\$ (1,278,328)	\$ (1,262,820)	\$ (2,647,557)	\$ (1,276,054)
\$ (62,729)	\$ 78,428,998	\$ 78,056,672	\$ 77,272,180	\$ 75,197,443	\$ 75,798,946
\$ 44,585,226	\$ (33,175,486)	\$ (32,186,693)	\$ (27,363,797)	\$ (24,893,604)	\$ (25,267,259)
100.1%	-73.3%	-70.2%	-54.8%	-49.5%	-50.0%
\$ 494,694	\$ 502,817	\$ 509,666	\$ 554,538	\$ 558,932	\$ 561,463
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 494,694	\$ 502,817	\$ 509,666	\$ 554,538	\$ 558,932	\$ 561,463
100%	100%	100%	100%	100%	100%

Northeastern Local School District  
Enrollment  
Last Ten Years

<u>Year</u>	<u>PS</u>	<u>K</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>	<u>11</u>	<u>12</u>	<u>Total</u>
2014	15	237	275	248	249	263	241	274	266	260	313	297	319	315	3572
2015	60	215	243	279	248	249	267	242	274	276	260	316	239	251	3419
2016	56	229	223	234	288	255	260	260	255	292	259	247	246	245	3349
2017	57	239	234	230	234	280	251	261	261	251	279	256	209	236	3278
2018	55	201	231	223	231	234	274	232	231	228	232	258	242	202	3074
2019	84	240	220	227	254	244	251	283	227	239	245	230	202	196	3142
2020	91	206	240	215	233	241	242	265	261	230	237	251	186	193	3091
2021	54	235	210	234	211	223	236	238	232	262	229	252	236	211	3063
2022	106	242	237	205	237	210	224	220	218	232	271	220	248	221	3091
2023	80	181	260	244	218	245	212	229	219	226	236	277	231	246	3104

Source: School District Records



**Northeastern Local School District**

Employee by Function

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Instruction										
Regular	169	163	170	166	155	153	154	153	163	162
Special	30	30	30	29	31	29	33	33	31	31
Vocational	8	8	7	7	5	5	5	5	5	5
Support Services										
Pupils	22	22	21	21	19	18	19	19	19	19
Instructional Staff	49	49	45	44	47	54	52	52	56	57
Administration	33	32	32	30	30	29	29	33	31	33
Fiscal	7	7	7	7	7	7	7	6	7	6
Operation & Maintenance	22	19	20	21	22	22	23	23	24	25
Pupil Transportation	34	34	32	32	32	33	33	34	34	30
Non-Instructional Services	<u>30</u>	<u>29</u>	<u>25</u>	<u>25</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>21</u>	<u>23</u>	<u>20</u>
Total	<u>404</u>	<u>393</u>	<u>389</u>	<u>382</u>	<u>372</u>	<u>374</u>	<u>379</u>	<u>379</u>	<u>393</u>	<u>388</u>

**Northeastern Local School District**

Percentage of Students who Receive Free and Reduced Lunches  
Last Ten Fiscal Years

<b>Fiscal</b>						<b>Total</b>	
<b>Year</b>	<b>Total Students</b>	<b>Free</b>	<b>% Free</b>	<b>Reduced</b>	<b>% Reduced</b>	<b>Disadvantage</b>	<b>% Total</b>
2013	3500	935	26.7%	163	4.7%	1098	31.4%
2014	3438	1005	29.2%	179	5.2%	1184	34.4%
2015	3370	949	28.2%	176	5.2%	1125	33.4%
2016	3295	405	12.3%	90	2.7%	495	15.0%
2017	3208	878	27.4%	178	5.5%	1056	32.9%
2018	3086	823	26.7%	175	5.7%	998	32.3%
2019	3142	809	25.7%	182	5.8%	991	31.5%
2020	3091	725	23.5%	152	4.9%	877	28.4%
2021	3009	694	23.1%	68	2.3%	762	25.3%
2022	3091	672	21.7%	98	3.2%	770	24.9%
2023	3104	619	19.9%	52	1.7%	671	21.6%

**Northeastern Local School District**

## Building Statistics

Last Ten Fiscal Years

Building	Primary Use	Year Built/Renovated	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Northeastern High School	High School 9 to 12	1952/1974	528	442	405	383	370	319	318	353	358
Kenton Ridge High School	High School 9 to 12	1978/2002	718	627	596	599	542	554	551	579	606
Northridge Elementary	Elementary K to 5	1961/1996	422	416	427	464	447	431	418	420	414
South Vienna Elementary	Elementary K to 5	1961/1974	572	608	584	560	510	553	501	419	432
Rolling Hills Elementary	Elementary K to 5	1972/1996	532	535	531	499	502	536	549	505	507
Northridge Middle	Middle School 6 to 8	1961/1996	489	492	509	478	437	452	459	461	449
South Vienna Middle	Middle School 6 to 8	1961/1996	<u>311</u>	<u>299</u>	<u>297</u>	<u>295</u>	<u>266</u>	<u>297</u>	<u>295</u>	<u>272</u>	<u>219</u>
Total			<u>3,572</u>	<u>3,419</u>	<u>3,349</u>	<u>3,278</u>	<u>3,074</u>	<u>3,142</u>	<u>3,091</u>	<u>3,009</u>	<u>2,985</u>
Northeastern Campus	Pre-K to 12	August-22									
Northeastern Elementary	Elementary K-5	August-22	-	-	-	-	-	-	-	-	-
Northeastern Middle School	Middle School 6 to 8	August-22	-	-	-	-	-	-	-	-	-
Northeastern High School	High School 9 to 12	August-22	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Northeastern Campus			<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Source: School District Records

**Northeastern Local School District**

Per Pupil Cost

Last Ten Fiscal Years

Year	General Governmental Expenditures (1)	Average Daily Membership	Per Pupil Cost	Teaching Staff	Pupils per Teacher
2014	\$ 31,529,250	3572	\$ 8,827	207	17.3
2015	\$ 31,772,478	3419	\$ 9,293	201	17.0
2016	\$ 33,230,677	3349	\$ 9,923	207	16.2
2017	\$ 34,777,675	3278	\$ 10,609	202	16.2
2018	\$ 34,895,303	3074	\$ 11,352	191	16.1
2019	\$ 41,980,821	3142	\$ 13,361	193	16.3
2020	\$ 42,388,964	3091	\$ 13,714	192	16.1
2021	\$ 42,467,256 (2)	3009	\$ 14,113	191	15.8
2022	\$ 42,170,820 (2)	3091	\$ 13,643	199	15.5
2023	\$ 42,606,341 (2)	3104	\$ 13,726	198	15.7

(1) Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

(2) Removed the Capital Outlay Expenditures for the Building Project for better compaison