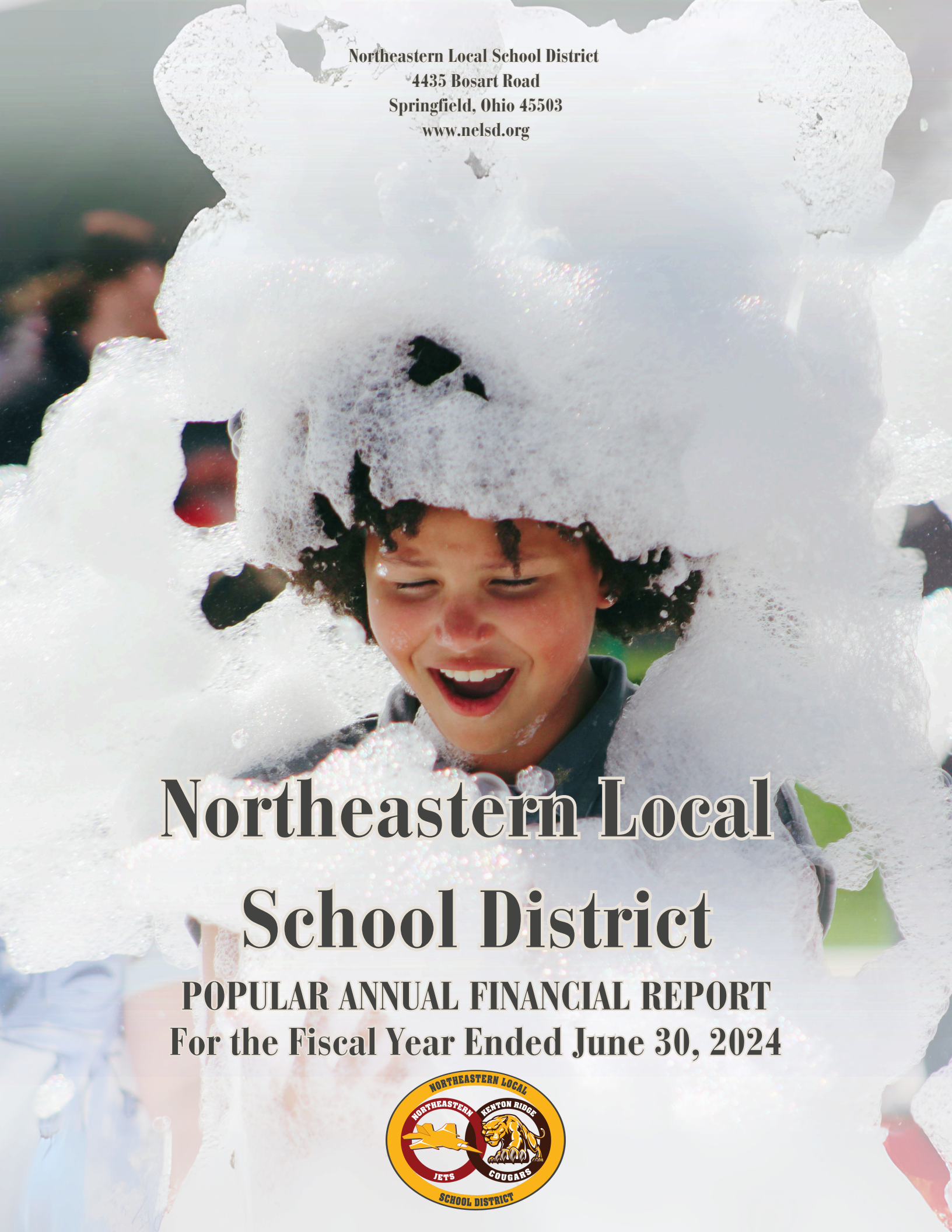
Northeastern Local School District
4435 Bosart Road
Springfield, Ohio 45503
www.nelsd.org



Northeastern Local School District

POPULAR ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2024

NORTHEASTERN

JETS

KENTON RIDGE

COUGARS



2024 POPULAR ANNUAL FINANCIAL REPORT

We are proud to present the Popular Annual Financial Report for the Northeastern Local School District for the Fiscal Year ended June 30, 2024. This Popular Annual Financial Report (PAFR) is intended to present the financial status of Northeastern Local School District (NELSD) in an easy-to-read format. We hope this helps you understand the basic financial health and the operations of our district.

We also prepare a more detailed Annual Comprehensive Financial Report that reports all financial operations in accordance with General Accepted Accounting Principles (GAAP) similar to a a company perspectus. The information presented on this page and the adjacent page are generated from the accrual statements presented in the Annual Comprehensive Financial Report and includes all Funds. The remainder of the report is reported on cash basis and includes information related to the Five-Year Forecast which includes the General Fund and related debt. The importance of presenting the forecasted period provides the reader of this report a look forward in considering the present financial position. Each report provides an additional level of detail, you may obtain a copy of the Annual Comprehensive Financial Report or Five-Year Forecast on the District's website, www.nelsd.org or by contacting the Treasurer's Office at 937-325-7615.

We appreciate the support of the Board of Education who encouraged us to create this document. The Administration of NELSD is responsible for the management of Federal, State, and Local Tax dollars in its care and to ensure that those dollars are used for their intended purpose of providing a first class education to its students. We sincerely hope that this report helps demonstrate that.



2024 FINANCIAL POSITION STATEMENT



Statement of Net Position -All Funds As of June 30, 2024 and June 30, 2023		
Assets	2024	2023
Cash & Investments	$ 34,038,345	$ 42,363,473
Receivables and Other Assets	$ 22,213,948	$ 78,609,017
Capital Assets	$ 124,971,990	$ 64,521,943
Deferred Outflows of Resources	$ 8,301,695	$ 9,153,808
Total Assets	$ 189,525,978	$ 194,648,241
Liabilities		
Short-Term Liabilities	$ 5,161,237	$ 6,279,773
Long-Term Liabilities	$ 114,511,210	$ 115,865,480
Deferred Inflows of Resources	$ 17,138,349	$ 22,704,576
Total Liabilities	$ 136,810,796	$ 144,849,829
Total Net Position	$ 52,715,182	$ 49,798,412
Total Liabilities & Net Assets	$ 189,525,978	$ 194,648,241

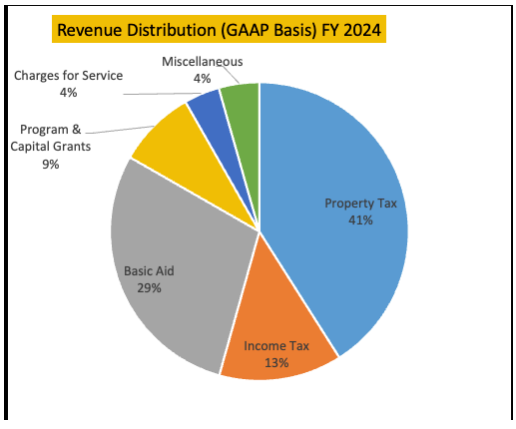
The Financial Position Statement to the left shows what the District owns compared to what the District owes. The difference between the two is the "Net Position" of the District.

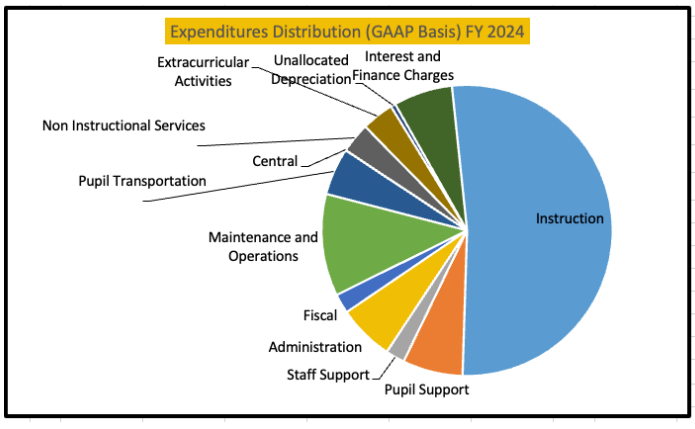
Currently, our Net Position is $52.7 million, an increase of $2.9 million from FY 2023. The District experienced an increase in Net Position due to an increase in property tax collections from the increase in assessed values and strong interest income.





Statement of Activities- All Funds As of June 30, 2024 and June 30, 2023		
Revenues	2024	2022
Property Tax	$ 20,334,401	$ 18,014,258
Income Tax	6,614,498	6,755,539
Basic Aid	14,361,444	14,450,699
Program & Capital Grants	4,196,032	11,028,420
Charges for Service	1,911,549	1,984,138
Miscellaneous	2,180,616	929,680
Total Revenues	$ 49,598,540	$ 53,162,734
Expenses		
Instruction	$ 24,350,828	$ 19,966,249
Pupil Support	3,118,389	2,983,374
Staff Support	989,592	1,497,785
Administration	2,898,927	2,649,141
Fiscal	1,021,027	971,103
Maintenance and Operations	5,298,741	2,689,820
Pupil Transportation	2,446,373	2,231,276
Central	11,919	33,111
Non Instructional Services	1,563,920	4,642,795
Extracurricular Activities	1,670,936	1,318,791
Unallocated Depreciation	247,777	764,607
Interest and Finance Charges	3,063,341	3,360,790
Total Expenses	$ 46,681,770	$ 43,108,842
Change in Net Position	$ 2,916,770	$ 10,053,892
Net Position at Beginning (Restated)	$ 49,798,412	$ 39,744,520
Net Position at End of the Year	$ 52,715,182	$ 49,798,412









ACCOUNTING AND REPORTING

Under Ohio State Law the District prepares the Annual Appropriation Budget, Annual Estimated Revenue Budget, the Five-Year Forecast, and monthly reporting on cash basis of accounting. Revenues are reported when received and expenditures are recorded when the expense occurs. The District uses the Five-Year Forecast as the building block for the Annual Appropriation Budget and documents the Budget to Actual variance to the Board of Education on a monthly basis.

Ohio State Law also requires the preparation of financial statements in compliance with Generally Accepted Accounting Principles, therefore we prepare the Annual Comprehensive Financial Report. The table below reflects the conversion from cash statements to accrual statements. Accrual statements recognizes revenues when measurable and earned, expenses are recorded at the time a liability can be measured. Accrual statements also record long term assets (assets with a life greater than or equal to five years of useful life) and long term debt.

The District provides financial reports in order to make the financial information as transparent and understandable to the user as possible. The experienced reader understands that the table below converts cash basis reports to accrual reports in and over simplified method and summarizes transactions posted to generate accrual statements. We prepared this report to link the documents because each report has value to management of the District and any user requiring financial information, including the residents of the Northeastern Local School District.

The remainder of this report looks at the cash basis report because the District believes the importance of presenting consistent data locally which we relate to the Five-Year Forecast and the need for local support.

Northeastern Local School District Balance Sheet - All Funds As of June 30, 2024

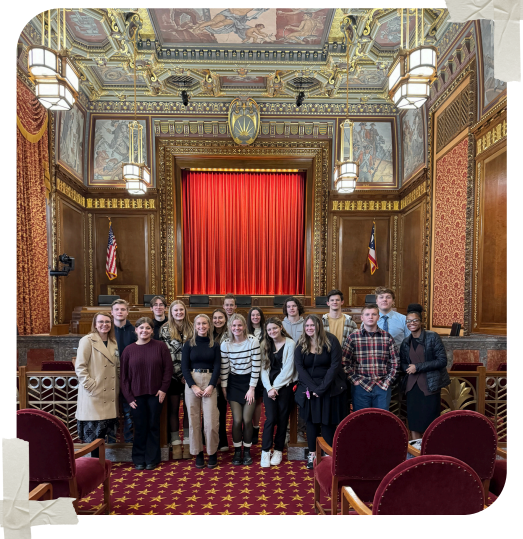
Assets	**Cash**	**Conversion**	**GAAP**
Cash & Investments	$ 34,210,590	$ (172,245)	$ 34,038,345
Receivables	$ -	22,213,948	22,213,948
Capital Assets	$ -	124,971,990	124,971,990
Deferred Outflows of Resources	$ -	8,301,695	8,301,695
Total Assets	$ 34,210,590	$ 155,315,388	$ 189,525,978
Liabilities			
Short-Term Liabilities	$ -	$ 5,161,237	$ 5,161,237
Long-Term Liabilities	$ -	114,511,210	114,511,210
Deferred Inflows of Resources	$ -	17,138,349	17,138,349
Total Liabilities	$ -	$ 136,810,796	$ 136,810,796
Total Net Position	$ 34,210,590	$ 18,504,592	$ 52,715,182

Northeastern Local School District Balance Sheet - All Funds As of June 30, 2024

	Cash	**Conversion**	**GAAP**
Beginning Equity	$ 41,712,488	$ 8,085,924	$ 49,798,412
Revenues	50,357,016	(758,476)	49,598,540
Expenses/Expenditures	57,858,914	(11,177,144)	46,681,770
Ending Equity	$ 34,210,590	$ 18,504,592	$ 52,715,182

CASH BASIS FIVE-YEAR FORECAST

The Five-Year Forecast is the District's projection of cash available, noting the general direction that the finances of the Northeastern School District are heading. This will help the user understand any levy issues facing the District and the importance of any renewals. The forecast reflects funding component computations from House Bill 33 (State Biennium Budget) and the Fair Funding Formula that generates the amount of state funding. The new formula changed the reporting of some revenues and expenditures and does not project a favorable growth for the NELSD. The Board of Education and Administration will continue to study the forecast and the educational needs with the resources the community provides. If you would like more detailed information, you may obtain the complete Five-Year Forecast on the District's website. The District continues to use the Elementary and Secondary School Emergency Relief Fund (ESSER) to fund additional teaching staff and materials to work towards closing the educational gap caused by COVID-19, these funds expired in September 2024. An important financial issue is reflected in the graph below; the District will need to renew the 1% earned income tax levy before December 2025. The Income Tax Revenue has become the backbone of the financial stability of the District and accounts for 17% of the General Fund revenues. The projected revenues in the table below do not reflect the income tax revenues in FY26 through FY28. The graph does reflect renewal and non-renewal as required in the five-year forecast



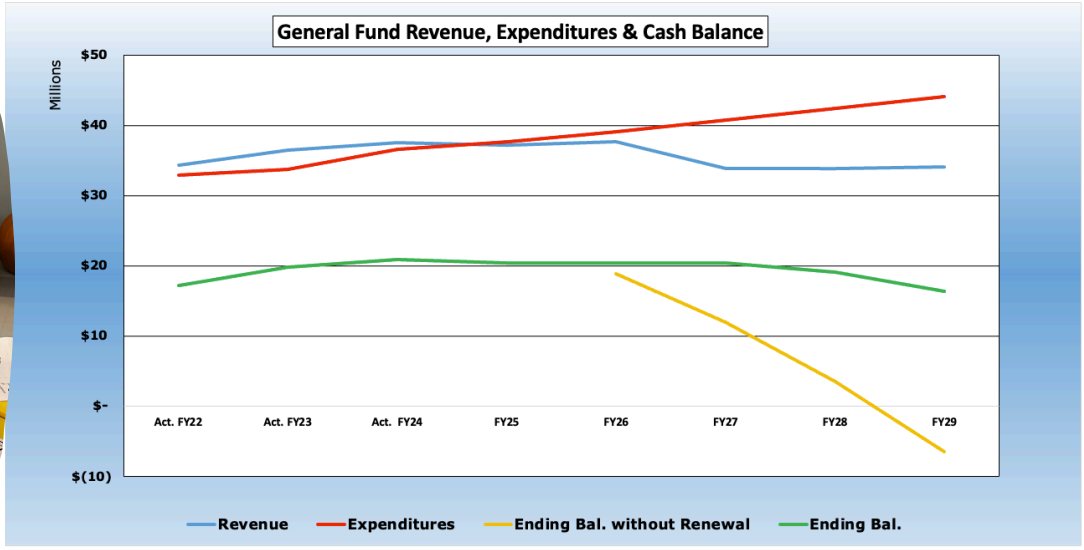
ACTUAL FOR FISCAL YEAR-GENERAL FUND

	Act 22	Act 23	Act 24
Revenue	$ 34,266,586	$ 36,495,368	$ 37,466,920
Expenditures	$ 32,948,087	$ 33,676,453	$ 36,551,283
Ending Cash Balance	$ 17,964,440	$ 20,783,355	$ 21,698,992

PROJECTED FIVE YEAR FORECAST BY FISCAL YEAR - GENERAL FUND

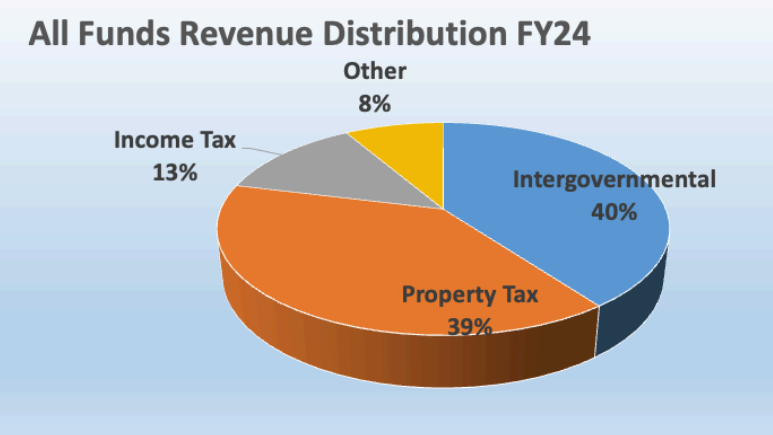
	Est 25	Est 26	Est 27	Est 28	Est 28
Revenue	$ 37,111,452	$ 36,031,498	$ 31,038,327	$ 31,089,441	$ 31,279,185
Income Tax RENEWAL	$ -	$ 1,540,187	$ 6,888,682	$ 7,095,343	$ 7,308,203
Expenditures	$ 37,629,155	$ 39,117,538	$ 40,700,305	$ 42,358,755	$ 44,100,100
Ending Cash Balance	$ 21,181,289	$ 19,635,436	$ 16,862,140	$ 12,688,169	$ 7,175,457





WHERE DOES THE MONEY COME FROM?

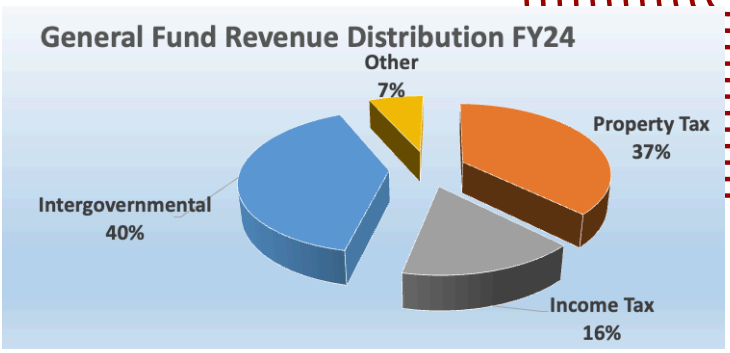
Our District receives 39.8% of our revenues from State and Federal grant dollars, higher than normal from the COVID 19 federal money and state money for the building project. The largest operating revenue source for the Northeastern Local School District is the local property taxes and income taxes which equals 51.7% of revenues. The second largest source is the basic aid, 31.5% that we receive based on a per student formulas from the State of Ohio. Again, for FY24 and FY23 all school districts in the State of Ohio received at least the amount received in FY22.



UNDERSTANDING PROPERTY TAXES

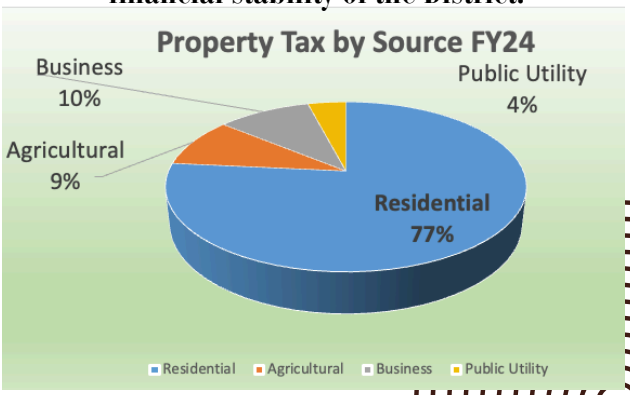
Owners of residential or business real estate pay taxes to fund many services and agencies within their community. In the Northeastern Local School District, property taxes are collected to fund public education, social services, the career technical school, the city government, the county government, and in some cases township expenses.

The amount collected must be approved by the local voters. Most levies are approved for a certain period of time, and then put before the voters for renewal or replacement. For Northeastern, our school levies are “fixed sum” levies, which means when the voters approve a levy, they approve the total amount of money that the levy will provide. That total amount does not change over time. There is no inflation or cost-of-living increase in a fixed sum property tax. Furthermore, when this type of levy is renewed, the amount originally voted remains in effect for the length of the renewal levy.



GENERAL FUNDS AND RELATED FUNDS

The District’s General Fund, which supports most of our operations, is made up of monies from the Federal and State government, Northeastern property tax revenues, income tax, and other sources like tuition, fees, and interest. Northeastern property taxes and income taxes made up 53.2% of our General Fund in FY 2024; these revenues totaled $19.7 million. The State and Federal revenue made up 39.8% of our General Fund; these revenues totaled $14.8 million in FY 2024. The largest portion of this was in the “State Basic Aid” which is $12.9 million. The relative contributions of each funding source are shown in the chart below. Income Tax has become the backbone of the district's General Fund revenues and needs to be renewed for the financial stability of the District.





UNDERSTANDING PROPERTY TAXES CONT.

Understanding property taxes requires that you understand a few terms:

Mill: 1/10 of a cent per $1,000 of assessed value.

Effective Millage (Millage Rate): The effective millage is the actual tax rate collected after HB920 reduces the tax rates for inflation. (See HB 920). The example on Page 9 details how to apply the variables.

HB 920: Common name of the Ohio Law that requires the reduction of the property owner's millage and limits tax dollars paid to the original levy. (No inflation)

Rollback & Homestead: Roughly a 12.5% tax credit to homeowners where the state pays 12.5% of the tax bills to the district, instead of having the homeowners pay that portion of their tax bill. No levies passed after December 2013 will not receive rollback credits from the state.

WHERE DOES THE MONEY GO? BY FUNCTION

Direct Instruction: the largest expenditure includes all service dealing with teaching students.

Building Operations: involves heating, cooling, custodial services, and keeping buildings and grounds safe and in good working condition.

Administrative Support: includes the overall administration of the building and the District as a whole. These include centralized department heads, building principals and secretarial support.

Pupil Support: are activities designed to assist and improve the well-being of the student and supplement the teaching process. These include guidance, nursing, speech, hearing, social, and psychological services.

Business Operations: includes fiscal services such as payroll, accounts payable, budgeting, and auditing, as well as warehousing, purchasing, and insurance.

Instructional Staff: includes library, technology integration, mentoring, and teacher aides.

Transportation: transportation of students in accordance with the Board of Education policies and Ohio law.

Food Service: includes expenditures to provide breakfast and lunch to students.

Other: extracurricular activities, capital outlays, and miscellaneous expenditures that do not fit in the other categories.

Interest and Fiscal Charges: Principal debt and interest payments.







WHERE DOES THE MONEY GO? BY OBJECT

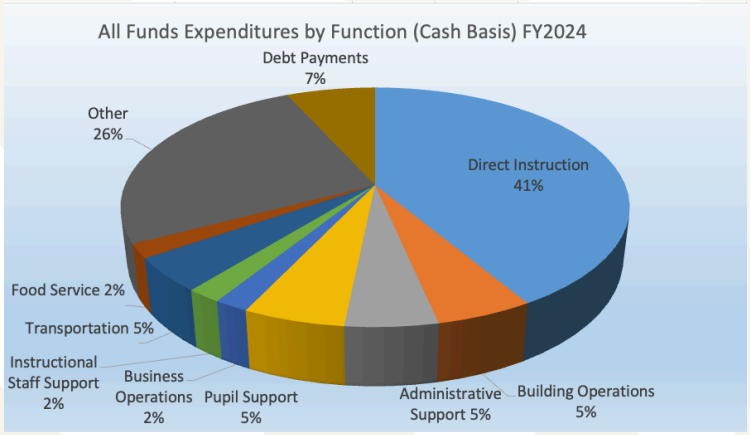
Salary and Benefits: are 82.9 % of expenditures

Purchased Services: are contracts with the Clark County Education Services Center (ESC) for instructional services, tuition to other districts, utilities, and contracts for services.

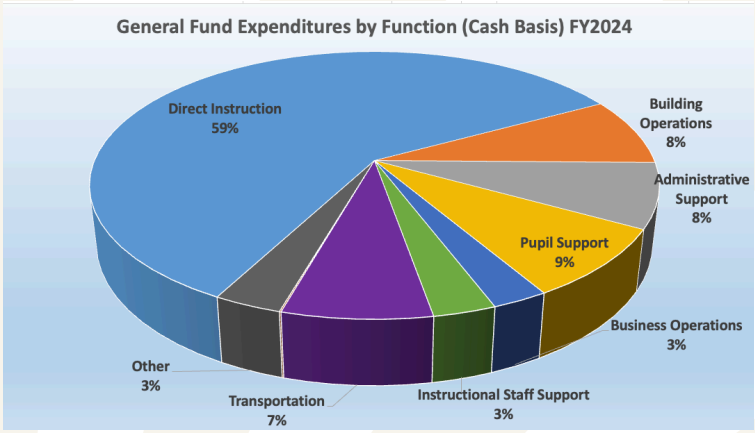
Debt: interest and principal on outstanding debt.

Supplies and Materials: office supplies, diesel fuel, instructional supplies, and computer software.

Other: includes County Auditor and Treasurer Fees, property insurance and other expenditures.

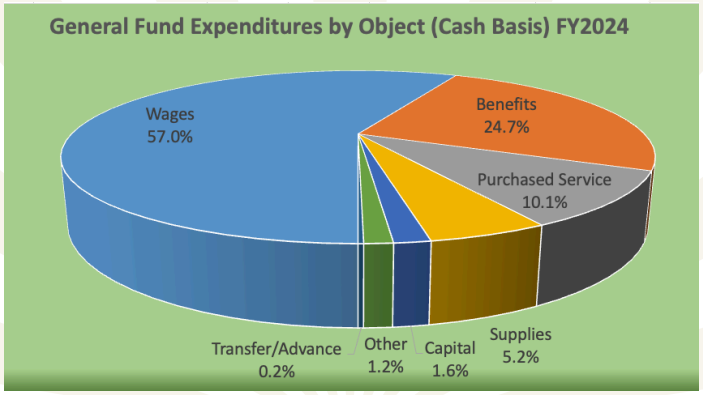


ALL FUNDS EXPENDITURES BY FUNCTION



GENERAL FUND EXPENDITURES BY FUNCTION







GENERAL FUND EXPENDITURES BY OBJECT



EXPENDITURES PER PUPIL

The chart below shows how the Northeastern Local School Districts' FY 2024, most current available, expenditures per pupil compared to other districts, which the Ohio Department of Education has computed; we have selected districts in the area.

Comparing NELSD to the group, we are in the lower third of the cost per pupil, which reflects cost control in the education of the students. The top goal of the Board of Education and Administration is to increase student performance and opportunities within the means provided by the community.



MAJOR INITIATIVES AND PROJECTS

The Northeastern Local School District celebrated an eventful and productive 2023-24 school year, highlighted by the opening of the Kenton Ridge PK-12 building and progress across our educational and athletic initiatives.

In August 2023, we proudly opened the doors to the newly designed Kenton Ridge PK-12 building, a modern facility built to inspire collaboration, innovation, and academic success for all grades. The ribbon-cutting ceremony on August 19th marked an exciting milestone for the Kenton Ridge Cougars and the entire NELSD community.

Our commitment to improving athletic facilities continues with exciting updates for both campuses:

- New all-weather tracks were installed at the Kenton Ridge Campus and the Northeastern Athletic Complex.
- Plans are underway for new turf at the Kenton Ridge athletic field and a new Athletic Field House at Northeastern.
- We are also working on upgrades to practice fields at both locations, ensuring the Cougars and Jets have top-notch spaces to train and compete.



DISTRICT GOALS

In the fiscal year 2024, 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:

1. Building a Strong Culture: Communicate with parents our goal for developing an even more positive culture in our district. Using Rounds 21 and Project Ignite to work with staff to develop a more positive culture in our district. Staff will work with students to develop grit and perseverance.
2. Academics & Student Learning: Analysis of student data by teachers and principals to identify areas where instruction can be improved. Target building resources to enhance instruction of the standards we are currently struggling to meet. Implementation of Project Ignite, an improvement network where educators come together, collaborating in partnership with the Ohio Department of Education and Battelle for Kids, to build relationships and support each other to promote equitable learning outcomes for every student fostering a vibrant educational community.
3. District Finances: Utilize the Key Communicators Committee to identify ways to educate the NELSD Stakeholders on the financial landscape of the District. Monthly financial reports and five-year forecasts are available on our website under the Treasurer's page at www.nelsd.org/departments/treasurer.
4. District Communications: Continue working with our Key Communicators Committee to foster internal and external community advocates. Development of new communications tools, ParentSquare and Stopfinder. Collaborate with student interns to create content and provide them with valuable experience in communication-focused positions.

To strengthen our district's culture in fiscal year 2024, 158 staff members participated in Rounds 21 this year. These sessions allowed staff to observe peers, build connections, and develop impactful Theories of Action. On April 8, during a district-wide professional development day, staff reviewed and prioritized these theories, focusing on strategies to benefit student success.

We introduced new data tools for Reading, Math, and Science, tailored for students in grades K-11. Teachers received training on implementing these resources and using the data to guide and improve instruction. Professional development throughout the year was aimed at maximizing the effectiveness of district resources to support student learning.

We continue to prioritize meaningful connections between schools and families:

- The Key Communicators Committee met quarterly to discuss district topics and maintain open communication between parents, staff, students, and community members.





- NELSD launched ParentSquare, a unified platform for school-to-home communication. This convenient tool ensures families stay informed via email, text, phone calls or the free app.

The launch of our Communications Internship Program was a standout highlight. At Northeastern, two interns participated throughout the year. At Kenton Ridge, six interns contributed, with four participating year-round and two joining for either the first or second semester. The program provided students with hands-on experience using various tools and resources to share what mattered most to them and our community. Their work was a resounding success, showcasing our students' incredible creativity and insight. We look forward to continuing this program and watching it grow in the years ahead.

The Treasurer's Office established a Finance Committee, modeled after the Key Communicators Committee, to provide a deeper understanding of school finances. Monthly meetings covered topics such as financial reports and five-year forecasts, fostering transparency and community engagement. This effort has been a success, and we look forward to further growing the committee.



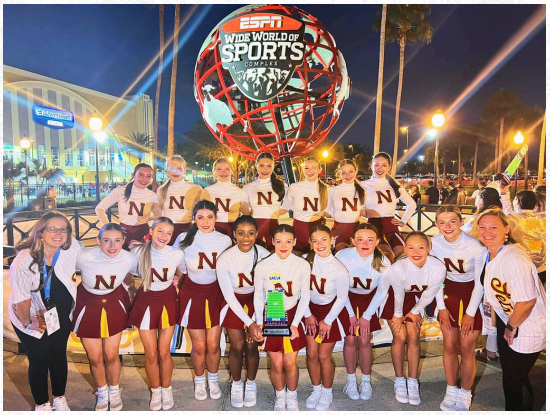
The Popular Annual Financial Report was designed by NELSD Communications Intern Connor Crankshaw (KRHS '25).

Connor Crankshaw, a senior at Kenton Ridge High School, is a dedicated student with a passion for academics and the arts. He dreams of pursuing a career in graphic design and excels in his studies as a member of the National Honor Society and Spanish Honor Society.

Through the NELSD Communications Internship, Connor has honed his design skills, revitalizing logos, designing key reports, and developing brand guidelines. He is also an active member of the Leo Club, Student Advisory Council, Band, Jazz Band, and Art Club.

HOW YOUR SCHOOL PROPERTY TAXES ARE COLLECTED

The effective residential property tax rate for the Northeastern Local School District for 2024 was 27.09 mills. Residential taxes are calculated by applying the effective rate to the assessed valuation of your property. The assessed valuation is only 35% of the fair market value of your property. The example shown here illustrates the tax bill calculation for a property that has a fair market value of $100,000. Note that any levies, new or replaced after December 2013, will not have the 12.5% State Credit reimbursed. The local taxpayers fund the entire levy.



On May 8, 2018, the Northeastern Local School District passed a $79.3 million,7.96 mil bond levy, in conjunction with the Ohio Facility Commission, $41 million for construction of two new pre-k-12 buildings. On August 23, 2018, the District sold bonds to mature with an average rate of 3.96% for 37 years. The Northeastern PreK-12 building opened on August 20, 2022. The Kenton Ridge PreK-12 building opened on August 19, 2023.

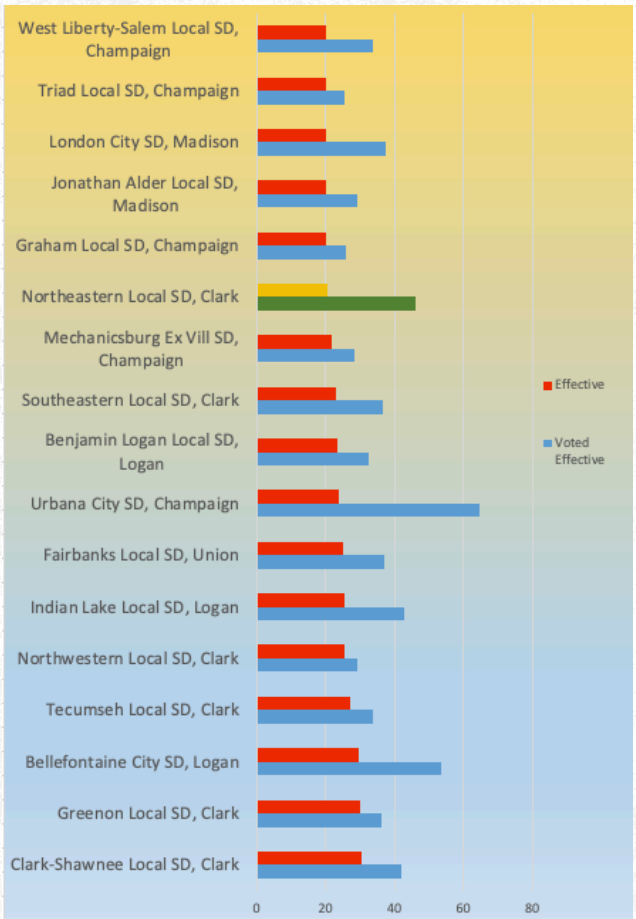
Example	Taxes 2024	Taxes 2023
Fair Market Value	$ 100,000	$ 100,000
Multiply Assess Value	35%	35%
Equals Taxable Value	$ 35,000	$ 35,000
Multiple Millage Rate	0.027094949	0.027260199
Equals Total Tax	$ 948	$ 954
Less State Credits 12.5%	87.5%	87.5%
Total School Tax Bill to Taxpayer	$ 830	$ 835

OUTSTANDING DEBT AT FISCAL YEAR ENDED JUNE 30, 2023 AND JUNE 30, 2022		
	Outstanding 6/30/22	Outstanding 6/30/23
2018 GO Bonds Building Project $79.3 million issued 8/23/18	$ 77,075,000	$ 76,270,000
Total	$ 77,845,000	$ 76,270,000

COMPARED VOTED AND EFFECTIVE MILLAGE RATES

Because of HB 920, school districts do not collect taxes at the voter-approved rates. Instead, school districts collect taxes based on the effective tax rates. Northeastern collects 27.26 mils on 53.41 voted mils.





A TRUE COMPARISON OF PROPERTY TAXES

When comparing school district property taxes, the only way to do this is to compare what a 1-mill raise per student in local revenue would be. A wealthier tax base will raise more per mill per student. Northeastern falls in the middle of the group.

District	Value1 Mil
Indian Lake Local SD, Logan	$ 454.55
Fairbanks Local SD, Union	$ 348.36
Benjamin Logan Local SD, Logan	$ 303.38
Clark-Shawnee Local SD, Clark	$ 277.52
Graham Local SD, Champaign	$ 253.25
Jonathan Alder Local SD, Madison	$ 250.79
Southeastern Local SD, Clark	$ 238.79
Greenon Local SD, Clark	$ 237.05
Northeastern Local SD, Clark	$ 234.91
Triad Local SD, Champaign	$ 231.22
Urbana City SD, Champaign	$ 213.41
Northwestern Local SD, Clark	$ 205.66
London City SD, Madison	$ 204.67
Bellefontaine City SD, Logan	$ 179.17
West Liberty-Salem Local SD, Champaig	$ 167.78
Mechanicsburg Ex Vill SD, Champaign	$ 167.73
Tecumseh Local SD, Clark	$ 147.69



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

Northeastern Local School District
Ohio

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

NORTHEASTERN
BOARD OF EDUCATION



Mrs. Parker
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Mr. Yinger
VICE PRESIDENT



Mr. Augustus



Mr. Thompson



Mr. Collins

Superintendent: Dr. John P. Kronour
Assistant Superintendent: Mr. Shawn Blazer
Director of Pupil Personnel: Mr. Steve Linson
Director of Technology: Mr. John Schmid
Director of Operations: Mr. John Parrish
Treasurer/CFO: Mr. Dale R Miller
Communications Director: Mrs. Steffanie Stratton

Joining Us in
2024



Mr. Fisher
Superintendent



Mrs. Gray



Mr. Shaffer